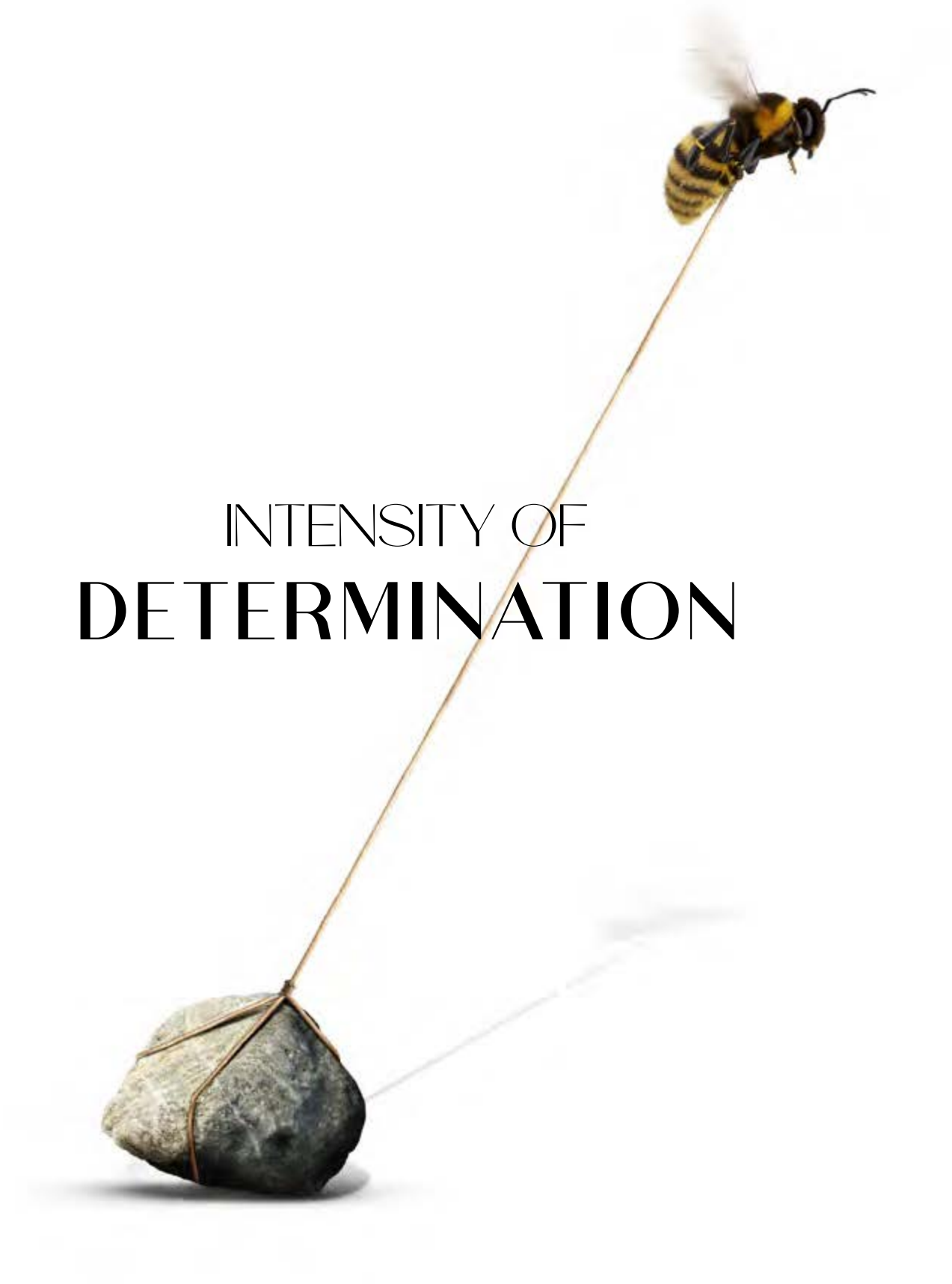


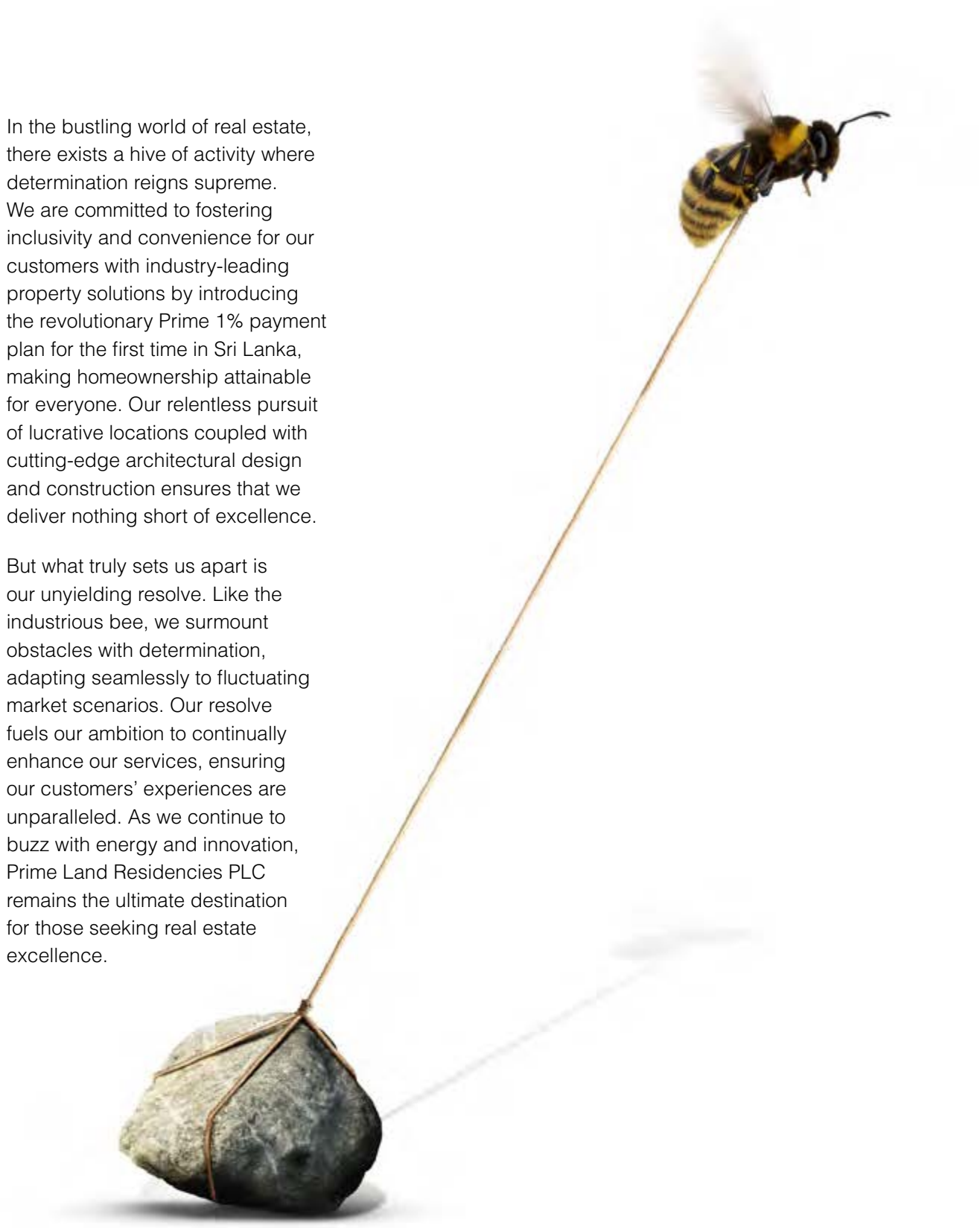
INTENSITY OF DETERMINATION

PRIME RESIDENCIES

BUILDING FUTURES
ANNUAL REPORT 2023/24

In the bustling world of real estate, there exists a hive of activity where determination reigns supreme. We are committed to fostering inclusivity and convenience for our customers with industry-leading property solutions by introducing the revolutionary Prime 1% payment plan for the first time in Sri Lanka, making homeownership attainable for everyone. Our relentless pursuit of lucrative locations coupled with cutting-edge architectural design and construction ensures that we deliver nothing short of excellence.

But what truly sets us apart is our unyielding resolve. Like the industrious bee, we surmount obstacles with determination, adapting seamlessly to fluctuating market scenarios. Our resolve fuels our ambition to continually enhance our services, ensuring our customers' experiences are unparalleled. As we continue to buzz with energy and innovation, Prime Land Residencies PLC remains the ultimate destination for those seeking real estate excellence.



INTENSITY OF DETERMINATION

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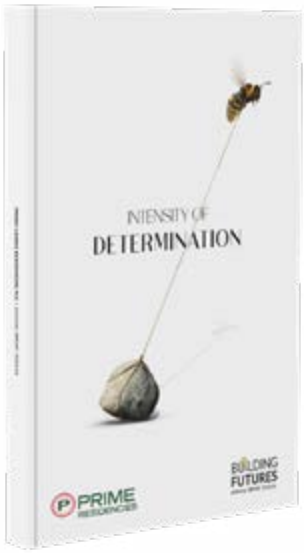
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ABOUT THIS REPORT

GRI 2.2, 2.3, 2.4, 2.5



Welcome to our Integrated Annual Report for the financial year ending 31st March 2024. This marks the 4th Integrated Annual Report published by Prime Lands Residencies PLC, hereinafter referred to either as PLR or the "Company", where we seamlessly merge the inner workings and achievements of our Company with the principles outlined in the International Integrated Reporting Framework.

SCOPE AND BOUNDARY

Our Annual Report serves as a transparent and accessible medium, offering insights into both the financial and operational aspects of the Company. Covering the period from 1st April 2023 to 31st March 2024 this report encapsulates the essence of our performance and operational conduct throughout the fiscal year.

As an organisation committed to integrity and accountability, this report stands as a comprehensive and validated record of our endeavours as an independent entity. Within its pages, stakeholders will find a detailed account of our financial performance, supplemented by comprehensive Audited Financial Statements and accompanying Notes.

Furthermore, this report provides a glimpse into our operational activities, offering valuable insights into the strategies and initiatives undertaken by PLR. We believe in fostering transparency and trust, and as such, we ensure that all relevant information is disclosed openly and comprehensively.

Throughout the financial period covered in this report, PLR remained steadfast in adhering to our governance framework, as outlined in the Corporate Governance Report detailed on Page 86.

MATERIAL TOPICS

To emphasise our commitment to integrated thinking, the content of this report has been meticulously organised around Material Topics. These topics are identified as critical issues that hold the potential to significantly impact PLR's ability to generate value across short, medium, and long-term horizons.

Our approach to determining these Material Topics is transparently detailed on Page 42 of this report, showcasing the thorough process undertaken to identify and prioritise the key areas of focus. By aligning our reporting structure with these Material Topics, we aim to provide stakeholders with a clear understanding of the most pertinent issues that shape our strategies and decision-making processes.

BOARD RESPONSIBILITY STATEMENT

The PLR Board of Directors solemnly acknowledges its duty to uphold the integrity of this Integrated Annual Report. With unwavering commitment, the Board assumes responsibility for ensuring that the contents of the financial year 2023/24 Integrated Report uphold the highest standards of accuracy, transparency, and completeness.

After careful review and deliberation, the Board affirms that the Integrated Report effectively addresses all Material Topics relevant to our stakeholders. Furthermore, it is the considered opinion of the Board that the report offers a balanced and equitable portrayal of the Company's performance throughout the financial year.

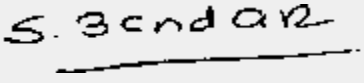
On behalf of the PLR Board;



Ms. H.K. Sandamini R. Perera
Chairperson



Mr. Pathirage Anura W. Perera
Director Finance



Mr. Sanjaya Bandara
Director



Mr. N. Manjula Weerakkody
Managing Director

EXTERNAL AND INTERNAL ASSURANCE

We are committed to upholding the highest standards of transparency and integrity in our reporting practices. As such, all financial statements presented in this Annual Report have undergone a rigorous external audit conducted by Messrs. BDO Partners (Chartered Accountants), our trusted external auditors. Their independent verification ensures the accuracy and reliability of the financial information disclosed within this report.

Furthermore, internal assurance processes have been diligently conducted to ensure the integrity of both financial and non-financial information. Our internal audit team, in collaboration with the Executive Committee (EXCO), the Heads of Department, and relevant personnel responsible for report development, have meticulously evaluated the contents and information presented in this report.

GUIDING PRINCIPLES

Within this report, we offer an insightful glimpse into the overarching strategic direction of our Company, detailed on Page 51. Here, we outline our strategic objectives and initiatives, shedding light on how we have progressed throughout the year under review.

Furthermore, we address the challenges and risks inherent in pursuing our strategic focus, as discussed in detail within The Risk Management Review on Page 104. By transparently examining these factors, we provide stakeholders with a comprehensive understanding of the complexities and uncertainties that may impact our journey towards achieving our strategic goals.

Stakeholder Engagement Page 112 offer insights into our diverse stakeholders and our strategies for engaging with them.

Conciseness Concisely presented information but with adequate presentation of activities, performance and outcomes, apart from governance.

Reliability and Completeness The information in the Annual Report is made more trustworthy and thorough checks by external auditors, internal auditors, and evaluations conducted by the Board, Committees, and key staff members.

Consistency and Comparability The content and structure of this year's report closely resemble those of the previous year. It includes important financial figures (in rupees and numbers), percentages, and ratios relevant to the current financial year. Some enhancements have been made to improve the quality of the report.

GUIDING FRAMEWORK

In the meticulous preparation of our Annual Report, we adhered closely to several guiding frameworks. These frameworks served as invaluable sources of direction, ensuring not only compliance with regulations but also adherence to mandatory standards and best practices. By embracing these frameworks, we aimed to uphold transparency, accuracy, and accountability in our reporting practices.



FEEDBACK

Feedback and ideas will enable us to improve our future Annual Reports and we welcome our readers and stakeholders to share their thoughts on this Annual Report to;

Mr. Pathirage Anura W. Perera
Director Finance

Prime Lands Residencies PLC
75, D S Senanayake Mawatha,
Colombo 08, Sri Lanka.
anura@primelands.lk

ACCESSIBILITY

The Annual Report is available through several mediums, which includes a digital version accessible via the Company's website https://www.primeresidencies.lk/ investor-relation and the Colombo Stock Exchange website. The report is the primary communication source for our stakeholders, especially Shareholders.

Digital Version

Scan the QR code for a quick and easy connect on your smart phone.

About this report

Our commitment to excellence led us to utilise the following frameworks:

Financial Reporting	• Sri Lanka Accounting Standards (LKASs/SLFRSs) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)	**Regulatory**
	• Companies Act No. 7 of 2007	**Regulatory**
	• Listing Rules of Colombo Stock Exchange (CSE)	**Regulatory**
	• SLSAE 3000 - Sri Lanka Standard on Assurance Engagements	**Voluntary**
Corporate Governance	• Listing Rules of Colombo Stock Exchange (CSE)	**Regulatory**
	• Code of Best Practices on Corporate Governance Issued by CA Sri Lanka.	**Voluntary**
Integrated Reporting and Sustainability	• International Integrated Reporting Framework by the IIRC	**Voluntary**
	• United Nations – Sustainable Development Goals (SDGs)	**Voluntary**
	• Global Reporting Initiative (GRI) Standards - “Core” option	**Voluntary**

FORWARD-LOOKING STATEMENT

The 2023/24 Annual Report of PLR embodies our commitment to transparency and proactive communication regarding our anticipated future endeavours. Within this report, we include forward-looking statements that outline our projections for the Company's forthcoming financial performance, operational activities, and strategic direction.

It is essential to emphasize, however, that these forward-looking statements are not immutable predictions. Rather, they are subject to a certain level of uncertainty stemming from various factors, potential risks, and unforeseen challenges that may emerge, thereby influencing the Company's trajectory in unforeseen ways.

As stakeholders peruse and engage with this Annual Report, we kindly urge them to consider both the external environment and internal dynamics that shape our operations. While we endeavour to provide insightful projections, we acknowledge the inherent unpredictability of the business landscape.

OVERVIEW OF THE COMPANY



ABOUT THE COMPANY

VISION

Committed to Creating a Better Place on Earth

PROMISE

Creating a Livable Lovable Neighborhoods

PORTFOLIO

- Lands **6000+** projects
- Apartments
  - Apartment Total Projects **43**
  - Ongoing **4**
  - Handed Over **39**
  - Total Units **3,081**
- Housing
  - Housing Project total **32**
  - Ongoing **7**
  - Handed Over **25**
  - Total Units **1,451**



Counting over 29 years of experience and expertise in real estate development, Prime Group has established an unparalleled reputation as a trusted entity that ensures innovation, sustainability and customer satisfaction in line with the organisational vision – 'Committed to Creating a Better Place on Earth.' The salient features associated with the Prime Group are; high-quality construction, innovative designs, sustainable practices, a customer-centric approach and the dedication to building vibrant and thriving communities in line with the Group's commitment to excellence.

The condominium property arm of the group - Prime Lands Residencies PLC consists of 43 apartment projects located in Colombo and the suburbs. The Company has completed 39 projects to date and handed the properties over to residents.

GROUP CORE VALUES

At Prime Lands Residencies, our corporate values form the bedrock of our culture and guide every decision we make.

"WIN TOGETHER"

Employee Empowerment Development: We believe in empowering our employees to reach their full potential through continuous learning and development opportunities. By investing in our team, we ensure mutual growth and success.

Diversity and Inclusion: We celebrate diversity and foster an inclusive environment where every individual feels valued, respected, and empowered to contribute their unique perspectives.

Mutual Respect: We operate on the principle of mutual respect, recognising the inherent worth and dignity of every person within our organisation and beyond.

Wellbeing: We prioritise the well-being of our employees, understanding that a healthy and balanced workforce is essential for sustainable success.

"WE ARE CHAMPIONS"

Entrepreneurial Spirit: We embody an entrepreneurial mindset, constantly seeking new opportunities, embracing challenges, and driving innovation in everything we do.

Ambitious: We set ambitious goals and pursue them with determination, pushing boundaries to achieve excellence in our endeavours.

Passionate: We are passionate about our work and dedicated to delivering exceptional results that exceed expectations.

Agility: We embrace change and adapt quickly to evolving market dynamics, staying agile to capitalise on emerging opportunities.

"WE ARE COMMITTED TO SERVE"

Authentic Customer Centricity: We are committed to understanding and fulfilling the needs of our customers with sincerity and authenticity, building lasting relationships based on trust and transparency.

Ethical Conduct: We conduct ourselves with the highest ethical standards, upholding integrity and honesty in all our interactions.

Professionalism: We approach our work with professionalism and expertise, delivering quality outcomes with diligence and dedication.

Care: We genuinely care about the welfare of our customers, employees, and communities, striving to make a positive impact in every interaction.

"ONE JOURNEY ONE DESTINATION"

Unity: We believe in unity and collaboration, working together towards a common goal with shared purpose and determination.

"WE ARE PRUDENT"

Financial Discipline: We exercise prudent financial management, ensuring responsible stewardship of resources and long-term sustainability.

Sense of Purpose: We are driven by a sense of purpose, guided by a commitment to excellence and a desire to make a meaningful difference in the world.

Quality: We uphold uncompromising standards of quality in all aspects of our work, delivering excellence in every project we undertake.

Realistic Collaboration: We believe in realistic collaboration, fostering partnerships based on mutual trust, respect, and shared objectives.

Sustainability: We are committed to sustainable practices that minimise environmental impact and promote the well-being of future generations.

Philanthropic Empathy: We demonstrate empathy and compassion towards those in need, giving back to our communities and supporting meaningful causes.

Accountability: We take ownership of our actions and decisions, holding ourselves accountable to the highest standards of performance and integrity.

Transparency: We believe in transparency and open communication, building trust through honesty, clarity, and integrity.

Due Diligence: We conduct thorough due diligence in all our business activities, ensuring informed decision-making and risk mitigation.

Financial Acumen: We demonstrate financial acumen in our operations, leveraging our expertise to optimise resource allocation and maximise value creation.

ACHIEVEMENTS OF PRIME LANDS RESIDENCIES PLC

As a well-reputed Group committed for exceptional services, Prime Group won number of awards and recognition over the past few years.

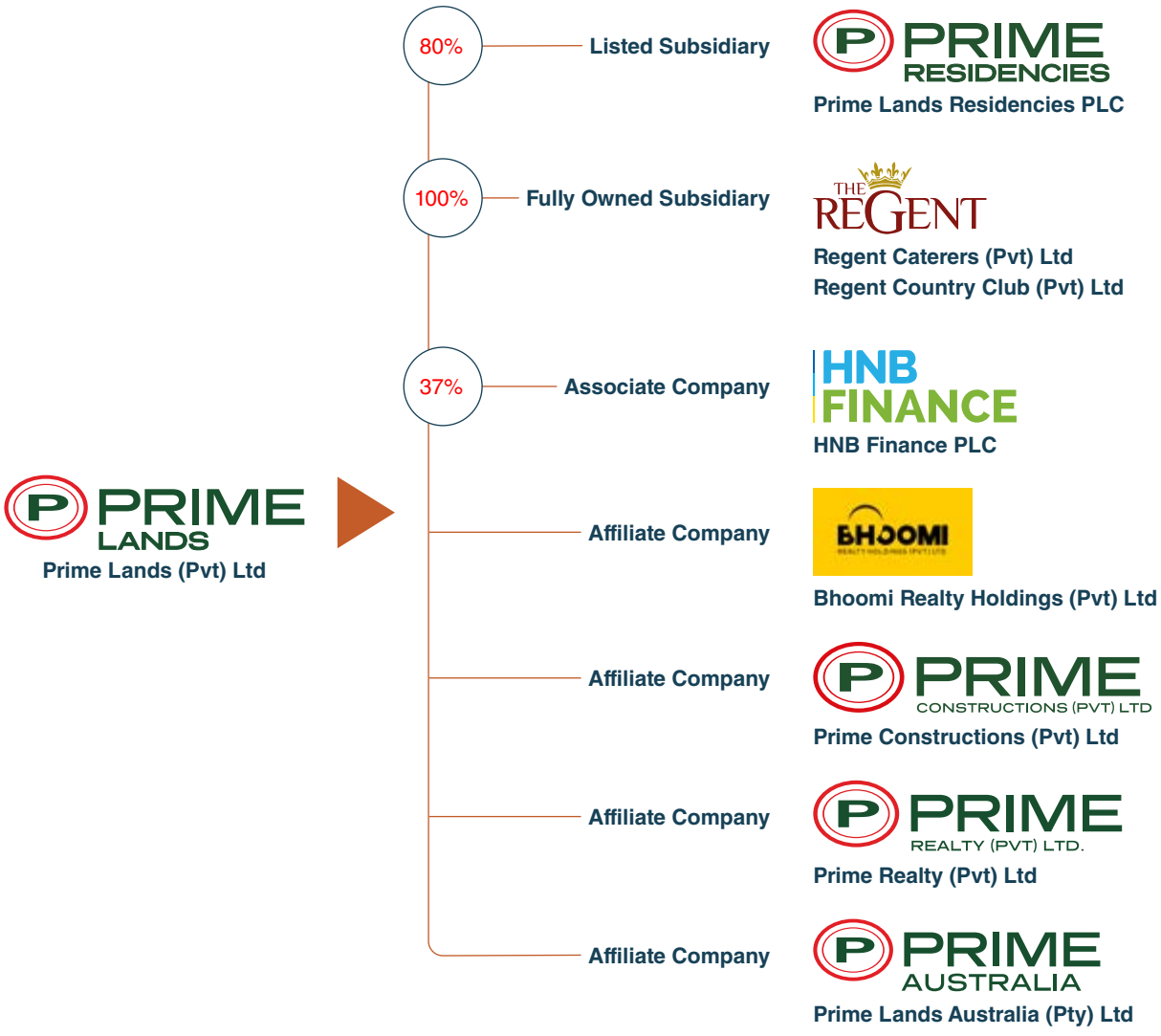
- "Best Developer in Sri Lanka" awarded by the PropertyGuru Asia Property Awards (2018, 2019).
- Prime Lands Residencies PLC was recognised by The Institute of Chartered Accountants of Sri Lanka at the Annual Report Awards Ceremonies in 2022 & 2023
    - Gold Award LAND & PROPERTY COMPANIES SECTOR and the Bronze Award for the EMERGING LISTED COMPANIES SECTOR in 2022
    - Silver Award LAND & PROPERTY COMPANIES SECTOR and the EMERGING LISTED COMPANIES SECTOR in 2023
- Best Luxury Condominium Development in Sri Lanka - "The Grand - Ward Place (Colombo 07)" by PropertyGuru Asia Property Awards at their latest awards ceremony.
- Recognized as the Most Valuable Real Estate Brand and included in the Top 100 Brands, PLR was also ranked among the Best of the Best by Brand Finance in the LMD Brands Annual for 2022 and 2023.
- Most Respected Entity in Sri Lanka for five years (2017,2019,2020,2021,2023) by LMD.

About the Company

- Most Awarded Entity in Sri Lanka for two years (2022,2023)- by LMD.
- Awarded as a Great Place to Work for 7 Years by Great Place to Work Institute with two other recognitions in 2022.
  - The Best Workplaces in Sri Lanka for Millennials 2022
  - Asia's Best Workplaces 2022 Ranked 68th place in Asia

Prime Group is committed to shaping the future of living spaces in Sri Lanka with the focus on environmental sustainability, robust governance practices and positive social impact.

GROUP STRUCTURE



AWARDS AND RECOGNITIONS

International Star for Quality



Asia's Best Workplaces





Best Developer in Sri Lanka

ACEF Asian Leaders Awards



Best Web Awards





Great Place to Work

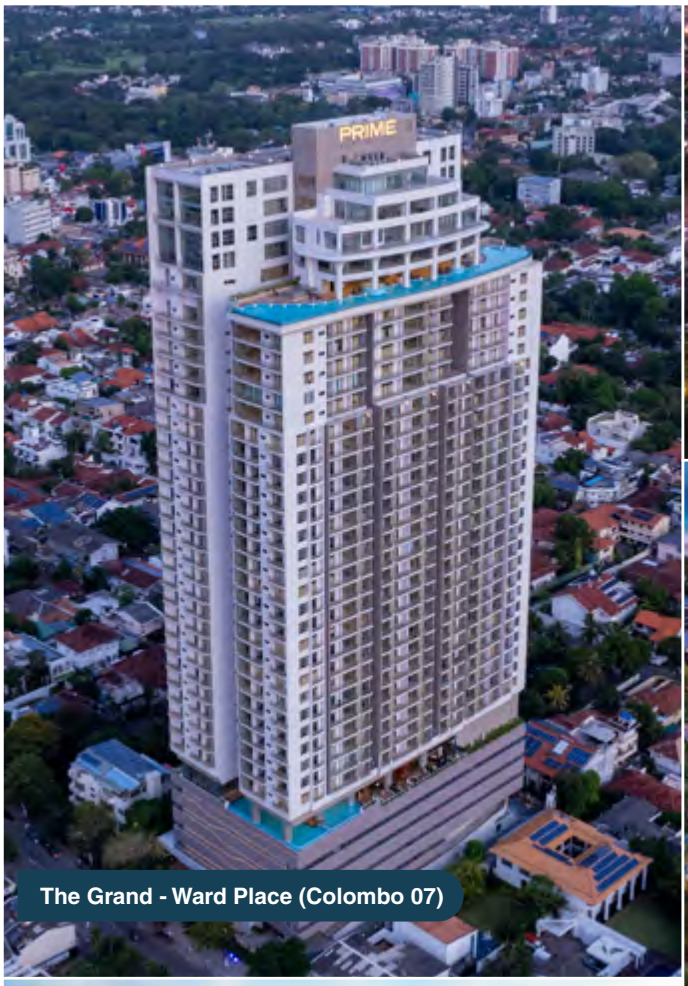


National Business Excellence

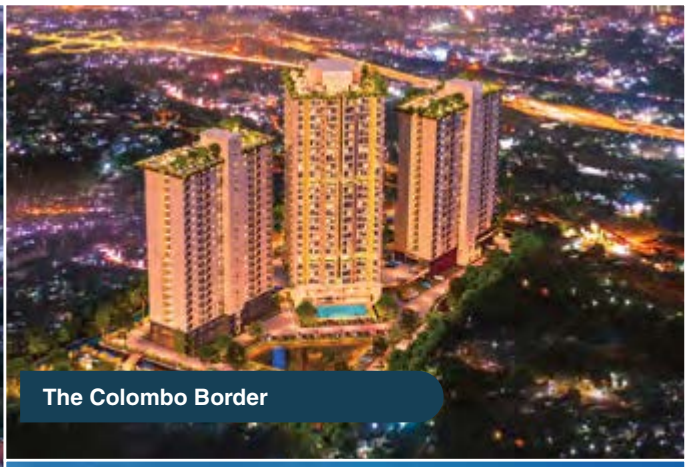


TAGS Awards

OUR PROPERTIES AT A GLANCE



The Grand - Ward Place (Colombo 07)


The Colombo Border


43 by the Sea - Dehiwala


The Seasons - Colombo 08


Prime Residencies - Athurugiriya



The Beachfront Uswetakeiyawa I



The Palace - Gampaha



The Beachfront Uswetakeiyawa II



Prime Wrendale - Rajagiriya

JOURNEY TO GREATNESS

2021

INITIAL PUBLIC OFFERING

PRIME LANDS RESIDENCIES (PRIVATE) LIMITED was listed in the Diri Savi Board of the Colombo Stock Exchange as **PRIME LANDS RESIDENCIES PLC**

2016

AMALGAMATION

Amalgamated **PRIME HOMES (PRIVATE) LIMITED LIVING HOMES (PRIVATE) LIMITED** with **PRIME LANDS RESIDENCIES (PRIVATE) LIMITED**

2015

NAME CHANGE

Changed the name of the Company as **"PRIME LANDS RESIDENCIES (PRIVATE) LIMITED"**

2005

INCORPORATION

"PRIME HOMES INTERNATIONAL (PRIVATE) LIMITED" as a fully owned subsidiary of **"PRIME LANDS (PRIVATE) LIMITED"**

SAP (ERP) & IT INFRASTRUCTURE

Completed Cloud Migration

TAGS AWARDS

Awarded with the Gold Awards for the **LAND & PROPERTY COMPANIES SECTOR** and Bronze Award for the **EMERGING LISTED COMPANIES SECTOR** by the Institute of Chartered Accountants of Sri Lanka at the 57th Annual Report Awards Ceremony.

2023

2022

ACQUISITION

Acquired the Real Estate Arm of **PRIME FINANCE PLC**

Incorporation of PRIME CONSTRUCTIONS (PRIVATE) LIMITED + SAP (ERP) Implementation + TAGS Awards



2024

COMPANY MILESTONE 2023/24

INCORPORATED PRIME CONSTRUCTIONS (PRIVATE) LIMITED

In response to the evolving landscape of the construction sector in Sri Lanka, Prime Group strategically established "Prime Constructions (Private) Limited" as a sister company in 2023. This new entity serves as a dedicated construction management firm, tailored to enhance the capabilities and competitiveness of Prime Lands Residencies PLC, a flagship entity within the Prime Group.

“Building Futures Together: Prime Constructions (Private) Limited Empowers Prime Lands Residencies PLC amidst Challenging Market Conditions”

SAP IMPLEMENTATION

Commence SAP implementation for Prime Constructions (Private) Limited to streamline procurement, stores management, finance and project management functions.

TAGS AWARDS

Awarded with the Silver Awards for the LAND & PROPERTY COMPANIES SECTOR and the EMERGING LISTED COMPANIES SECTOR by the Institute of Chartered Accountants of Sri Lanka at the 58th Annual Report Awards Ceremony.

VALUE CREATION MODEL

EXTERNAL ENVIRONMENT - OPPORTUNITIES AND CHALLENGES

VISION

INPUTS

FINANCIAL CAPITAL

- Equity Capital - **Rs. 9.6 Bn**
- Debt Capital - **Rs. 0.9 Bn**
- Pre- sales advances from customers
  - Apartments - **Rs. 1.1 Bn**
  - Lands - **Rs. 1.4 Bn**

MANUFACTURED CAPITAL

- Investment Strategy
- Project Lifestyle Management
- Total invested in projects during the year
  - In Apartments - **Rs. 3.2 Bn**
  - In Lands - **Rs. 0.2 Bn**
- Land inventory value at cost
  - For Apartments - **Rs. 1.3 Bn**
- Land inventory
  - For Apartments - **2,984 P**

INTELLECTUAL CAPITAL

- Brand Reputation
- Knowledge-Based Systems and Processes
- Strategic Partnerships
- Membership & Affiliations
- Technology Systems

HUMAN CAPITAL

- HR Strategy
- HR Governance
- Employee Growth & Development
- Employee Experience
- Employee Well-being

SOCIAL AND RELATIONSHIP CAPITAL

- Customer Value Proposition
- Customer Experience Journey
- Product Stewardship
- Effective Communication with Customers
- Customer Care
- Supply Chain Management
- Enhancing the Quality of Neighbourhoods

NATURAL CAPITAL

- Construction Best Practices
- Sustainable Resource Utilization

CORE BUSINESS



RESIDENTIAL REAL ESTATE DEVELOPMENT

COMPANY VALUES

CORPORATE GOVERNANCE FRAMEWORK

STRATEGY

OUTPUTS FOR PLR

- Most Valuable Real Estate Brand by Brand Finance
- Growth in operational performance
- Strong competitive edge over peers
- Positioning as an end-to-end real estate solutions provider by widening the portfolio
- Most Awarded/Most Respected Real Estate Group by LMD
- Higher NPS (Net Promoter Score) among customers
- Uninterrupted supplies and continued relationship with suppliers with flexible terms.
- Merit based rewards in performance driven organization
- An arena to employee to be their best
- Evolve future leaders
- Be the employer of the choice.
- Improved stakeholder engagement

OUTCOMES

SHAREHOLDERS

- Return on Equity - **12%**
  (36% - 2022/23)
- Paid to Equity Holders - **Rs. 562.5 Mn**
  (Rs. 937.5 - 2022/23)

BANKERS

- Cost of Borrowings - **Rs. 605 Mn**
  (Rs. 1,090 Mn - 2022/23)

CUSTOMERS

- Best in class value proposition for customers
- Guarantees of world-class condominium units
- Assurance of legally compliant home ownership
- Wider real estate opportunities

EMPLOYEES

- Monetary Benefits Distributed - **Rs. 193 Mn**
  (Rs. 183 Mn - 2022/23)
- Higher level of Employee Satisfaction
- Higher level of Employee Retention
- Investment in Employee Engagement and Well-being - **Rs. 17 Mn**

CONTRACTORS AND SUPPLIERS

- Average Project Spent

  Contractors - Local **100%** (100% - 2022/23)
  - Foreign - **NIL** (NIL - 2022/23)

  Suppliers - Local Purchases - **92%**
  (88% - 2022/23)
  - Imports - **8%** (12% - 2022/23)

GOVERNMENT

- Tax paid **Rs. 448 Mn**
  (Rs. 934 Mn - 2022/23)
- Incidents of non-compliance with regulations - None

COMMUNITIES

- New indirect job opportunities with regional expansions.

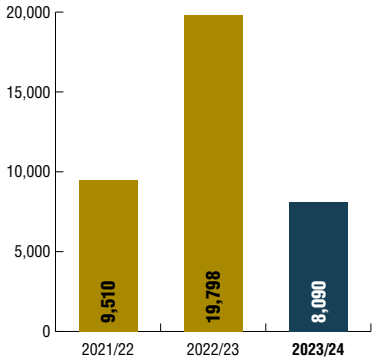
SDGs



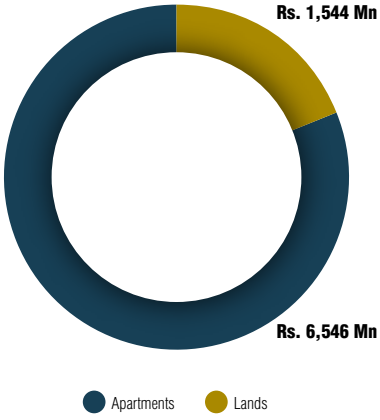
RISK MANAGEMENT FRAMEWORK

HIGHLIGHTS

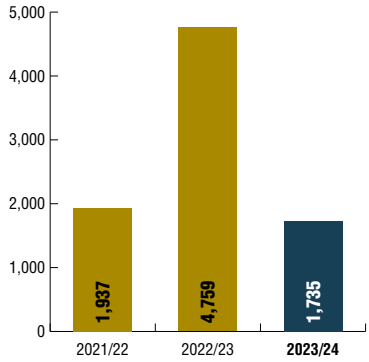
Revenue (Rs. Mn)



Revenue Composition



Operating Profit (Rs. Mn)



PAYMENT TO PROVIDERS OF EQUITY CAPITAL

RS. 563 Mn

(Declared to be paid in June 2024)

PAYMENT TO PROVIDERS OF LOAN CAPITAL

Rs. 605 Mn

(2022/23 : Rs. 1,090 Mn)

TOTAL PROJECTS

43

(3,081 Units)

PROJECTS IN PROGRESS

4

(1,076 Units)

Undertaken in 2023/24

2

(526 Units)

COMPLETED PROJECTS

39

(2,005 Units)

LAND INVENTORY

2,983 P

(2022/23: 2,755 P)

EMPLOYEES

EMPLOYEE TOTAL MONETARY BENEFITS

Rs. 193 Mn

(2022/23: Rs. 183 Mn)

CADRE STRENGTH

88

(2022/23: 81)

CUSTOMERS

GROWTH IN BRAND FOLLOWERS

Social Media - 175%

Web Site - 158%

Growth in Repeat Customers - 27%

AVERAGE PROJECT SPENT

CONTRACTORS

Local - 100%

(2022/23: 100%)

Foreign - NIL

(2022/23: NIL)

SUPPLIERS

Local Purchases - 92%

(2022/23: 88%)

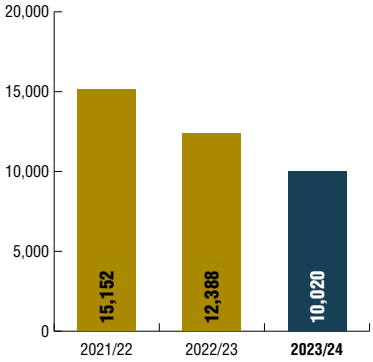
Imports - 8%

(2022/23: NIL)

Foreign - NIL

(2022/23: 12%)

Inventory Properties - Apartments & Lands (Rs. Mn)



BOARD OF DIRECTORS



SANDAMINI PERERA

Chairperson

APPOINTED

To Company	May 2005
To Board	May 2005

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Entrepreneur, Business Strategist, Sales and Marketing Practitioner

QUALIFICATIONS AND EXPERIENCE

Ms. Perera is the Co-founder of Prime Group and currently serving in the Capacity of Group Co- Chairperson and possess over 28 years of experience in the Real Estate industry. She holds an MSc in Strategic Marketing from Asia e-University Malaysia and a Member of Sri Lanka Institute of Marketing (SLIM).

She was recognized as the third most powerful woman in Sri Lanka by Echelon Magazine, a leading business magazine in Sri Lanka in 2013 and the “Best Women Entrepreneur” Large Category in 2014/2015 by Women in Management Sri Lanka. She was also awarded the “Honored Leaders Excellence Award” for excellence in Women’s empowerment from World Consulting and Research Corporation in New Delhi.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

Ms. Perera currently serves in the capacity of Co-Chairperson of Prime Lands (Private) Limited, and as a Director of Prime Constructions (Private) Limited, Bhoomi Realty Holdings (Private) Limited, Regent Caterers (Private) Limited, Regent Country Club (Private) Limited, Prime Realty (Private) Limited and Prime Lands Australia Pty. Ltd.

Board of Directors



PREMALAL BRAHMANAGE

Executive Director

APPOINTED

To Company	May 2005
To Board	May 2005

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Entrepreneur, Business Strategist, Financial Acumen

QUALIFICATIONS AND EXPERIENCE

Mr. Brahmanage is a fellow member of the Chartered Institute of Management Accountants (United Kingdom), Sri Lanka Institute of Marketing, Chartered Business Administrator (Canada) and holds a Master of Business Administration from the Open University of Malaysia and a Postgraduate Diploma in Marketing from the University of Sri Jayawardenapura, Sri Lanka. He is an alumnus of Thurstan College, Colombo.

He has served Sri Lanka's real estate sector for three decades and a prominent figure in Sri Lankan business landscape, is the Founder and Group Chairman of Prime Lands (Private) Limited, the parent company of Prime Lands Residencies PLC which is the leader in real estate industry.

He was conferred with the prestigious UCD Entrepreneur of the year in 2011 considering his vast experience in the real estate industry and exposure to many other industries as an entrepreneur. Mr. Brahmanage was honored as being one of the 2018 A-List of "Sri Lankan Business People" by LMD, listing among the top 50 businessmen in Sri Lanka who have driven the nation's engine of growth and are the country's true assets. Given his experience and leadership in various industries and his contribution towards the advancement of entrepreneurship in Sri Lanka, he was awarded at the 'Most Outstanding Entrepreneur in Sri Lanka' for the year 2018 by the International Association of Lions Club.

He was also recognized as one of Asia's Greatest Brand Leaders in 2017. Under his leadership, Prime Lands Residencies PLC has awarded the Most Valuable Real Estate Brand by Brand Finance in LMD's Brands Annual April 2022.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

Mr. Brahmanage is the Co-Founder, & Co-Chairman of Prime Lands (Private) Limited, and a Director of Prime Constructions (Private) Limited, Bhoomi Realty Holdings (Private) Limited, Regent Caterers (Private) Limited, Regent Country Club (Private) Limited, Prime Realty (Private) Limited and Prime Lands Australia Pty. Ltd.

He is also a Non-Executive Non Independent Director of HNB Finance PLC and an Independent Non-Executive Director of Ceylinco General Insurance Ltd.

Mr. Premalal was the President of The Condominium Developers Association – Sri Lanka (CDASL) in the year 2021/22.



MANJULA WEERAKKODY

Managing Director / Executive Director

APPOINTED

To Company	July 2016
To Board	September 2017

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Engineering, Business Strategist

QUALIFICATIONS AND EXPERIENCE

Mr. Weerakkody is an experienced professional engineer with a wealth of experience spanning over 2 decades. He holds a BSc Engineering degree from the University of Moratuwa, a Master of Business Administration in Management of Technology from the University of Moratuwa and a Postgraduate Diploma in Structural Engineering Design from the University of Moratuwa. In addition to this he holds a Diploma in Commercial Arbitration from the Institute of the Development of Commercial Law and Practice. He is also a Chartered Engineer of the Institute of Engineers, Sri Lanka as well as is IESL registered International Professional Engineer (Int. PE).

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

N/A

Board of Directors



NALINDA HEENATIGALA

Executive Director / Director - Corporate Affairs

APPOINTED

To Company	May 2005
To Board	December 2016

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Sales and Marketing, Business Development and Residential Real Estate

QUALIFICATIONS AND EXPERIENCE

Mr. Heenatigala is a veteran in real estate industry for 27 years and holds a Bachelor of Management Studies degree awarded by the Open University of Sri Lanka, a Commonwealth Executive Master of Business Administration from the Open University of Sri Lanka. He is currently reading for his PhD at the University of Colombo.

He has been appointed as a member to the Steering Committee of the Skill Council of the Faculty of Arts, University of Colombo as part of an initiative of the World Bank- Accelerating Higher Education Expansion and Development (AHEEAD) grant of the Faculty of Arts (Program ID:P159995). He is a business idol in Sri Lanka having been featured in many business media interviews related to real estate growth/condominium trends in the country. He was also captured in top business magazines for topics related to the success story of the Prime Group and its awards. He is also a Certified Member of the Sri Lanka Institute of Marketing (SLIM).

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He currently serves in the capacity of Executive Director of Prime Lands (Private) Limited and Director of Bhoomi Realty Holdings (Private) Limited



SHEHANA BRAHMANAGE

Executive Director

APPOINTED

To Company	February 2019
To Board	February 2019

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Sales and Marketing; and Business Development

QUALIFICATIONS AND EXPERIENCE

Holder of a Bachelor of Arts Honors degree in Accounting and Finance from the University of Greenwich UK and is at present reading for her MBA in Post Graduate Institute of Management from the University of Sri Jayawardenapura

Ms. Brahmanage has been the force behind the ability of developing and executing strategic plans in leading and managing the company's Sales strategies and as well as represented the company in numerous Real Estate conventions locally and internationally.

Recognized as one of the A List Millennial Torchbearers in 2020 by LMD, Ms. Brahmanage was listed among the top 25 Sri Lankans from the millennial generation who are poised to shine in the business in the future.

POSITIONS HELD IN OTHER COMPANIES

Ms. Brahmanage serves as an Executive Director of Prime Lands (Private) Limited as well as in Regent Caterers (Private) Limited.

Board of Directors



DEEPAL SOORIYAARACHCHI

Independent Non-Executive Director / Senior Independent Director

APPOINTED

To Company	N/A
To Board	February 2021

BOARD COMMITTEE MEMBERSHIP

Board Audit Committee, Related Party Transaction Review Committee, Remuneration and Human Recourses Committee, and Nomination and Governance Committee.

EXPERTISE

Marketing, Human Resources Management, General Management, Executive Coaching and Mentoring

QUALIFICATIONS AND EXPERIENCE

Mr. Sooriyaarachchi counts over four decades of wide industry experience, and out of that more than 15 years at Board level. He is a Fellow member of the Chartered Institute of Marketing UK, Fellow Member of the Sri Lanka Institute of Marketing and holds a Masters of Business Administration from the University of Sri Jayawardenapura. He is also an Alumni of National University of Singapore, Asian Institute of Management and the Stanford Business School USA. He is also a well-known Management Consultant and an Accredited Master Coach and a Mentor. He is a consulting partner of RBL USA as well. A former Managing Director of Aviva NDB Insurance PLC (Now AIA Insurance Lanka Limited and unlisted), former Commissioner - Sri Lanka Inventors' Commission, a Past President of Sri Lanka Institute of Marketing, he has served on several National bodies as well.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He currently serves in the capacity of Independent Non- Executive Director in AIA Insurance Lanka Limited, Siyapatha Finance PLC, Lanka Shipping and Logistics (Private) Limited, Kelani Cables PLC, Medapp (Private) Limited and Singer Sri Lanka PLC. Also as a Non-Executive Director at Pan Asian Power PLC. He is the Managing Director of SATI Human Development Institute (Private) Limited.



DHAMMIKA KALAPUGE

Independent Non-Executive Director

APPOINTED

To Company	N/A
To Board	February 2021

BOARD COMMITTEE MEMBERSHIP

Remuneration and Human Recourses Committee.

EXPERTISE

Management, Entrepreneurial Development, Customer Care, Service Excellence and Relationship Marketing

QUALIFICATIONS AND EXPERIENCE

Mr. Kalapuge is a Post Graduate Diploma holder of Chartered Institute of Marketing (UK) and a Chartered Marketer. Diploma of Marketing from Marketing Council of Australia, a Fellow of the Australian Marketing Institute (AMI) and Certified Professional Marketer (CPM) of AMI. Advanced Diploma in Business Administration from Association of Business Executives (UK) and a Fellow Member. A former Executive Committee Member of Sri Lanka Institute of Marketing (SLIM).

Over the last two and half decades he has conducted over three thousand inspirational workshops in Management, Entrepreneurial Development, Customer Care, Service Excellence, Relationship Marketing and Motivation in over 800 leading public and private sector institutions in Sri Lanka and ten other countries with nearly 400,000 participants. In year 2000 he was presented with the Sri Lanka Institute of Marketing, first ever 'Recognition Award' for the contribution made to enhance the professional competence of the customer interface community in Sri Lanka. The programmes designed and conducted for the benefit of the Cabinet of Ministers in year 2004, Presidential Secretariat and Government Institutions were commended by Her Excellency the former President of Sri Lanka. He has several publications on 'Service Marketing' both in local and foreign journals and has served as a Chief Examiner at the Institute of Bankers of Sri Lanka. He was a Former Vice President– Marketing at DFCC Bank and has held senior marketing positions at Sampath Bank, Eagle Insurance and Eagle NDB Fund Management.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He is a Director at SIPCOM – 1 (Private) Limited, a company involved in total people development.



MAHINDA PERERA

Independent Non-Executive Director

APPOINTED

To Company	N/A
To Board	February 2021

BOARD SUB-COMMITTEE MEMBERSHIP

Board Audit Committee, Related Party Transaction Review Committee, and Nomination and Governance Committee

EXPERTISE

Finance, Management and Legal

QUALIFICATIONS AND EXPERIENCE

Mr. Perera counts over 35 years of professional experience in the commercial sector in Finance, Management and Legal disciplines. He is a Fellow of the Chartered Institute of Management Accountants (FCMA, UK) and a CGMA and has obtained a Master's Degree in Business Management (MBA) from the Postgraduate Institute of Management of the University of Sri Jayawardenapura. Pursing a diversified career, Mr. Perera successfully read for a Bachelor of laws Degree (LLB) from the Open University of Sri Lanka and entered the legal field as an Attorney-at-Law. He has wide experience in manufacturing and export industries having held senior positions in companies in multiple sectors such as food and beverage, packaging and ceramic industries. In addition to many years of experience in Accounting and Finance, he has gained extensive experience in senior corporate management and in the legal profession. During his career he has been on many Boards, both in listed and unlisted entities in diversified business sectors.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He is a Non Executive Director of Pele Consulting (Private) Limited and Eastgate Global Trading (Private) Limited.



SANJAYA BANDARA

Independent Non - Executive Director

APPOINTED

To Company	N/A
To Board	February 2021

BOARD COMMITTEE MEMBERSHIP

Board Audit Committee, Related Party Transaction Review Committee, Remuneration and Human Recourses Committee, and Nomination and Governance Committee

EXPERTISE

Finance and Strategic Management

QUALIFICATIONS AND EXPERIENCE

Mr. Bandara holds a Bachelor of Science Degree in Accountancy & Financial Management from the University of Sri Jayawardenapura and a Master's Degree in Business Administration from the University of Colombo. He is a fellow member of the Institute of Chartered Accountants of Sri Lanka and the Association of Accounting Technicians, Sri Lanka. Mr Bandara counts over 25 years of experience in auditing practice, assurance and advisory services.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He is a partner of B. R De Silva & Co, Chartered Accountants (Member firm of Nexia International) and a Director of Nexia Services Management (Private) Limited and Nexia BPO (Private) Limited. Mr Bandara is a Board member of the Sri Lanka Accounting and Auditing Standards Monitoring Board. He is also an Independent Non-Executive Director of Abans Finance PLC, Luminex PLC and a Director of CL Synergy (Private) Limited, and a member of the governing council of the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka (ICMA).He is also a visiting faculty member at leading state and private sector universities.



NOEL JOSEPH

Independent Non-Executive Director

APPOINTED

To Company	N/A
To Board	October 2021

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

Engineering

QUALIFICATIONS AND EXPERIENCE

Mr. Joseph is a Member of the Institution of Electrical and Electronic Engineers (MIEEE)-USA, The Institution of Lighting Engineers (MILE) – UK, The New York Academy of Science (MNYAS) – USA, the Illumination Engineering Society (MIES) –USA, Incorporated Engineer - UK (IEng), Institution of Engineering Technology (MIET) – UK, American Society of Heating, Refrigerating and Air-Conditioning Engineers (MASHRAE)-USA, The Institute of Incorporated Engineers (SL). and Incorporated Engineer – SL (IEng)

He holds over 33 years of multi-faceted experience in engineering and engineering consultancy in Sri Lanka and internationally. He has held senior positions in organizations such as State Engineering Corporation, Heavy fab Limited, Development Consultants Lanka (Private) Limited, Safari Company Limited Saudi Arabia and Baharudden P M S Associates, Brunei.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He serves on the Boards of On'ally Holdings PLC in the capacity of Non-Executive Director. He is also the Director at the Vocational Training Authority, the Managing Partner of Cadteam and Managing Director/Proprietor of N J Consultants.



ANURA PATHIRAGE

Executive Director / Director - Finance

APPOINTED

To Company	November 2014
To Board	January 2024

BOARD COMMITTEE MEMBERSHIP

N/A

EXPERTISE

A Finance Professional with 21 years of experience in the Private Sector

QUALIFICATIONS AND EXPERIENCE

Mr. Pathirage holds distinguished professional memberships, as a Chartered Tax Advisor of the Institute of Chartered Accountants of Sri Lanka, a Fellow Member of the Chartered Institute of Taxation of Sri Lanka, and a member of the Association of Accounting Technicians Sri Lanka as well as a member of the Sri Lanka Institute of Directors (SLID). His educational background is marked by a BSc Management (Special) Degree with Second Class honours from the University of Sri Jayewardenepura, and an MBA from Buckinghamshire New University, UK.

Mr. Pathirage has developed significant expertise in management consultancy and tax advisory services during his tenure as a Senior Manager at Baker Tilly, Sri Lanka-Chartered Accountants. As a Director at Corporate Secretaries Practice (Private) Limited, the secretarial arm of the accountancy firm, he played a crucial role in overseeing management and providing advisory services to various business sectors.

Further, he has gained extensive international exposure while serving as the Chief Accountant of Cyprea Group of Companies in the Maldives, where he contributed to areas such as international trade, airline operations, and the hospitality and tourism industry.

Mr Pathirage's diverse professional journey also includes attaining significant experience by working in the apparel and insurance sectors as well in Sri Lanka.

POSITIONS CURRENTLY HELD IN OTHER COMPANIES

He currently serves in the capacity of Director Finance of Prime Lands (Private) Limited and as a Non-Executive Director of HNB Finance PLC where he serves as a Member of the Board Credit Committee and Procurement Committee.

MANAGEMENT TEAM



RUMINDA RANDENIYA

General Manager Real Estate

Mr. Randeniya counting over 26 years' experience in the Real Estate sector is an accomplished Strategic Management Professional who is presently the Chief Executive Officer of Prime Lands (Private) Limited having being recognized for his exceptional performance in the Real Estate business during his career at Prime Group.

He also serves as an Executive Director of Prime Lands (Private) Limited as well as an Executive Director of Bhoomi Realty Holdings (Private) Limited, Regent Cateres (Private) Limited, Regent Country Club (Private) Limited. At present, he also serves as the General Manager of the Real Estate Division of Prime Lands Residencies PLC.

Mr. Randeniya holds a Bachelor's Degree in Business Management from the Open University of Sri Lanka and a Diploma in Marketing from Sri Lanka Institute of Marketing (SLIM). He also serves as a member of the Sri Lanka Institute of Directors (SLID).

His strength lies in his unique ability to recognize potential properties for development in many parts of the country and executing wining strategies to profitably market them.



DINUSHA FERNANDO

General Manager Legal

Ms. Fernando joined Prime Lands (Private) Limited in 2001 and currently serving as the Executive Director Legal, Prime Lands (Private) Limited and Director of Bhoomi Realty Holdings (Private) Limited. Ms. Fernando gives leadership to the entire group on legal guidance on Real Estate.

Ms. Fernando was called to the Bar Association of Sri Lanka in 1998, practiced as an Attorney-at-Law and holds a Master's Degree in Law (LLM) from the University of Colombo.

During her 23 years of association with the Real Estate industry she further gained extensive experience and developed expertise in drafting and review of legal documents, negotiation of terms and conditions and facilitation of title transfers.



SISIRA KUMARA

Consultant Internal Audit & Compliance

Mr. Sisira Kumara has experience in the field of finance and accounting for over three decades holding various positions in finance and administration in leading organizations including multinational corporations overseas.

He holds a Master of Business Administration from the University of Derby (UK) and is a Member of the Chartered Institute of Management Accountants (CIMA-UK).

He started his career at Associated Newspapers of Ceylon Limited (Lake House), and other reputed institutions including the Urban Development Authority, State Trading General Corporation, Ceylon Leather Products Limited and Lankem Ceylon PLC.

He has gained experience in various business sectors including manufacturing, trading, constructions and leisure during this time.

Mr. Sisira Kumara works as a Consultant - Finance, Internal Audit & Compliance at Prime Lands (Private) Limited and also is the Head of Finance at Regent Country Club (Private) Limited.



SHAMINDA HEWAPATHIRANA

General Manager Engineering

Mr. Hewapathirana joined the Company as the Chief Engineer adding value to the company with his 28 years of experience in the fields of high-rise, commercial, residential, roads, bridges and marine Construction liaising with both local and International Companies.

At the inception of his career, he worked at Sanken Lanka/ Mitsui Construction and gradually climbed the ladder by working for well-known Companies in the field of Engineering, such as Ceylinco Group, Jetwing Hotels and China Harbour Engineering Company.

Mr. Hewapathirana completed his tertiary education at University of Moratuwa (NDT) & Engineering Council (UK). He holds a Diploma in Project Planning and Management at CAD center, India and Hold Masters In Business Administration (MBA) from University of Uva Wellasa, Sri Lanka. Mr. Hewapathirana holds the corporate membership at the Institute of Incorporated Engineers, Sri Lanka (IIESL).

Mr. Hewapathirana is currently leading the Engineering Department at Prime Lands Residencies PLC as the General Manager – Engineering.



SANJANI KUMARIHAMI

Chief Human Resources Officer

Ms. Kumarihami is serving as the Chief Human Resources Officer at Prime Group. She is a graduate in Human Resource Management from the University of Kelaniya and completed her Master's in Business Studies at University of Colombo as well as holds a diploma in Psychology from the London School of Business and Social Sciences. Ms. Kumarihami is an Associate Member of Chartered Institute of Personnel Management and a Certified HR Auditor in Sri Lanka. She has been practicing Human Resources Management for over one and half decades and has expertise in Organizational Development, Process Re-engineering, Talent Acquisition & Development, Change Management, Cross Culture Management, Coaching and Mentoring, and Employee Engagement.

Ms. Kumarihami has experience in Human Resources Management in local and multinational conglomerates in various industries including Real Estate, Apparel, ICT, Travel, Manufacturing, Infrastructure Development and Entertainment.

Ms. Kumarihami has been recognized as one of the Best Women Leaders in Sri Lanka and thus being honored as an Outstanding Women Leader by Women Icon powered by the World Women Council and the Times Women, New York in 2021.



RASIKA UDAYANGA

Chief Information Technology Officer

Mr. Udayanga is an all-rounder in ICT industry with over 15 years experience with a proven track record in Network Infrastructure, System Administration, Software Development, VOIP Technologies and Business Management.

He is currently working at Prime Lands (Private) Limited as the Chief Information Technology Officer. Mr. Udayanga is spearheading the rollout of the SAP Business One among all business verticals and also was the main arm of setting up the Call Centre of Prime Group.

He is a professional member of the British Computer Society and a Post Graduate of the University of Colombo. Prior to joining Prime Group he has gathered rich experience in business operations apart from ICT at one of the largest BPO in Sri Lanka. He also managed MIS, training and quality assurance departments during his tenure as a Senior Manager. He became employee of the year in 2016 and won the unmatched performance award for three consecutive years.

Management Team



HARSHANA KULATILAKA

Chief Financial Officer

Mr. Kulatilaka joined the Prime Group in April 2023. A seasoned finance professional, accounts for over 23 years of experience in the Accounting field where he has held many senior management positions at a number of leading organisations in Sri Lanka and internationally, including Growth Lanka (Private) Limited, Lanka Equities (Private) Limited as well as Contract Manufacturing & Packaging Services (Private) Limited in Sydney, Australia. Immediately prior to joining the Prime Group, Mr. Kulatilaka served as the Head of Corporate Planning at HNB Finance PLC, a position he held since 2015.

Mr. Kulatilaka holds a B.Sc. Business Administration (Specializing in Finance) from the University of Sri Jayewardenepura Sri Lanka and an advanced Diploma in Accounting from the University of Western Sydney-Australia. He is also an Associate Member of the Institute of Chartered Accountants – Australia and New Zealand, The Chartered Institute of Management Accountants (CIMA) UK & CGMA as well as at the Institute of Chartered Accountants – Sri Lanka.



ISURU UDANA

Chief Quantity Surveyor

Mr. Isuru Udana joined Prime Lands Residencies PLC as the Chief Quantity Surveyor.

He has gained more than 10 years of industrial experience in all aspects as a Consultant and Contractor Quantity Surveyor, Contract Administrator, Cost Control Engineer, Procurement Engineer related to MEP and Civil work in the Middle East and Sri Lanka.

He has obtained in- depth knowledge and understanding of procurement routes, forms of contracts and other bespoke local forms. Besides, he has worked and experienced in remeasurement, lump- sum, design and build contracts & cost-plus contracts. Further, he has engaged in all pre-contract & post-contract quantity surveying aspects such as preliminary estimating & cost planning, collection and compilation of cost information, preparation of bills of quantities (BOQ), tender documentations and tender evaluations, Interim Payment Certificates, Variations, Claims etc. and well conversant with standard method of measurements for both MEP & Civil Engineering works (i.e. SMM7, POM(I), NRM2, Qatar- SMM, CESMM4 & etc.).

His in-depth knowledge in the fields of procurement, commercial management, contract administration, construction law and dispute resolution from the inception of a project until project completion has added value to his leadership and team.

Mr. Isuru Udana holds a B.Sc. (Hons) degree in Quantity Surveying from the University of Moratuwa, Sri Lanka and a M.Sc. in Construction Law & Dispute Resolution from the University of Moratuwa, Sri Lanka. He has obtained the Member Grade and the Certified Quantity Surveyor designation (MAIQS, CQS) from the Australian Institute of Quantity Surveyors. Further, he holds a Graduate Membership of the Institute of Quantity Surveyors Sri Lanka.

ORGANISATIONAL PERFORMANCE



CHAIRPERSON'S MESSAGE



The financial year 2023/24 called for us to remain resilient while adapting to the market dynamics swiftly and strategically. While we responded to the status quo by adopting appropriate operational and financial strategies, as well as advocacy efforts, we remained true to our integral philosophy of striving for excellence in all aspects of our operations. As such, in spite of the confluence of challenges that the year presented, we remained steadfast in our commitment to excellence and innovation.

NAVIGATING A CHALLENGING ENVIRONMENT

The turbulent economic environment that prevailed throughout the year, coupled with regulatory uncertainty and market volatility tested our ability to weather challenges in the pursuit of growth. In response, we relied on our experience, insights and stable brand reputation to craft mitigating strategies. Economic uncertainty led to a decrease in the purchasing power of our customers as well as their confidence, which in turn affected our sales and revenue projections. Responding to this, we focused on enhancing our value proposition, offering tailored solutions and exploring new market segments to sustain growth.

In response to regulatory changes, adjustments were made to our development plans and timelines. Our focus shifted towards prioritising compliance, transparency, and stakeholder engagement to ensure our projects remained on track amidst the evolving regulatory landscape.

The volatility in macroeconomic variables presented both challenges and opportunities. Unexpected increases in construction costs and material prices, the removal of VAT exemption on the sale of residential accommodation, the introduction of the Social Security Contribution Levy (SSCL) on the real estate business, and the removal of concessionary income tax for newly listed companies on the Colombo Stock Exchange (CSE) posed significant challenges to our stakeholders. Despite these obstacles, our forward-thinking strategies, such as strategic expansions and partnerships leveraging Group synergy, provided us with the strength to overcome these challenges and achieve a cumulative Profit After Tax (PAT) well above our initial IPO projections.

Leveraging on this, we capitalised on emerging trends and market demands, positioning ourselves as a leader in innovation and customer-centricity. One such initiative was to introduce the revolutionary Prime 1% payment plan for the first time in Sri Lanka which is a unique financial model that facilitates investors and makes homeownership attainable for everyone by paying only 1% per month without a down payment. Our strategic impetus arising from long-term insights led us to convert the challenges of 2023 into a catalyst for innovation, resilience, and growth. We remained true to our core values, embracing change, and leveraging our strengths. We not only weathered the storm but also positioned ourselves for long-term success in the ever-evolving real estate landscape of Sri Lanka.

ORGANISATIONAL PERFORMANCE

The organisation's performance during the year under review was successful in broader terms when considering overarching factors such as financial outcomes, project completions, market expansion, customer satisfaction, and internal operational efficiency.

The aforementioned strategic impetus involved the purposeful identification of strengths, weaknesses, opportunities, and threats, facilitating well-informed decision-making for future strategies and enhancements.

As such, in spite of challenges the Company achieved sales success during the year under review, demonstrating innovation in our projects, particularly in payment plans.

SUSTAINABLE GROWTH

Mindful of the evolving marketplace and requirements of the future, we integrate sustainability into all aspects of our operations from project inception to completion and handing over. We have begun to introduce green building technologies into our projects in line with the environmental sustainability agenda. At present, we seek to minimise our environmental impact through implementing energy-efficient designs, and utilising sustainable materials whenever possible. The Natural capital section of this report further describes our environmental sustainability commitment.

Meanwhile, we proactively engage with local communities to ensure that our development aligns with needs and aspirations, fostering social equity and inclusivity.

Our environmental sustainability approach as well as social sustainability efforts contribute to improving our reputation, which in turn lets us attract socially conscious investors, and future-proof our projects against evolving regulatory and market trends.

In addition, we consciously uphold ethical business practices throughout our supply chain, promoting fair labour standards and responsible sourcing.

Our commitment to growing sustainably not only facilitate our own organisational growth but also shape our positive impact on the larger society.

Chairperson's Message

CORPORATE GOVERNANCE

Our robust Corporate Governance structure and processes drive organisational growth by facilitating Transparency, Accountability, Governance and Sustainability. Ethical decision making, risk management and compliance with laws and regulations are at the core of our corporate governance framework.

Our Board of Directors provide able guidance and strategic oversight into organisational processes, incorporating ethical consideration and stakeholder interest into the decision-making process.

Meanwhile, we strictly adhere to financial, internal controls and reporting standards, ensuring accuracy and transparency in our financial statements. We conduct internal audits on a periodical basis to analyse, identify and address potential risks or irregularities.

Stakeholder engagement is a core aspect of the execution of our corporate governance approach. We engage our stakeholders in a meaningful manner to gain insights into the evolving requirements. This approach fosters trust and collaboration, ultimately contributing to our long-term success and sustainability. As such, our corporate governance approach not only enhances shareholder value but also ensures that we operate responsibly and ethically, maintaining the trust and confidence of all our stakeholders.

FUTURE OUTLOOK

We have implemented steps to pivot our future growth strategy on innovation, sustainability, and community-centric approaches. This primary focus revolves around the consideration of ESG issues to foster a positive outcome through our social, economic and environmental impact.

In line with our core future growth trajectory, we will continue to innovate in payment plans, designs and construction methods leveraging advanced technologies such as Building Information Modelling (BIM), 3D printing, and smart home systems.

In addition, we will continue to build on strategic expansion and diversification through exploring opportunities both locally and at an international level. We will diversify our portfolio by exploring new sectors such as mixed-use developments, and sustainable infrastructure projects.

Meanwhile, we will continue to improve our sustainable growth approach, facilitate customer-centricity, enhance community engagement and partnerships to create long-term growth. Our commitment to continuous improvement and adaptation of appropriate strategies will facilitate a culture of embracing feedback, monitoring market trends, and staying agile in response to changing dynamics.

As such, we will remain at the forefront of innovation and maintain our competitive edge in the industry to drive sustainable growth, deliver lasting value to stakeholders, and shape the future of vertical living.

APPRECIATIONS

My deepest appreciation to the outgoing Co-Chairman Mr Premalal Brahmanage for his visionary leadership and guidance provided over the years and the trust placed on me and, other Board members for their contribution and insights that have been instrumental in leading PLR. I would like to acknowledge the unwavering dedication and exceptional performance of PLR's Executive Committee and staff throughout the challenges of 2023/24. As the Chairperson of PLR, navigating the intricate landscape of the real estate industry demanded nothing short of excellence, and each member of our team rose to the occasion with remarkable resilience and adaptability.

Throughout the trials of 2023/24, the PLR team's intense determination to excellence and innovation has been our guiding light. Despite the economic uncertainties, regulatory changes, and market fluctuations, they have remained steadfast in their commitment to driving our vision forward. Our team's ability to swiftly adapt to challenges and capitalise on opportunities has been instrumental in our continued success. As we reflect on the past year, it is evident that our journey is far from over. With each challenge comes an opportunity for growth and transformation, and I have no doubt that together, we will continue to overcome obstacles and achieve new heights of success. PLR Team's passion, dedication, and unwavering commitment to excellence inspire us all, and I am truly grateful to have such an exceptional team by my side.

As we look towards the future, let us continue to embrace change, innovate boldly, and uphold the values that have been the cornerstone of our success. Together, there is no limit to what we can achieve, and I am confident that the best is yet to come for PLR.

Thank you once again for your tireless efforts and unwavering commitment to excellence. Your contributions do not go unnoticed and are deeply appreciated.

And finally, to our shareholders who have supported us over the years, we wish to thank each and every one of you for your trust and confidence in the Prime brand. We hope we can count on your continued patronage to propel Prime Lands Residencies PLC towards even greater heights in the years ahead.



H.K. Sandamini R. Perera
Chairperson / Executive Director

04th June 2024
Colombo



"Be Bold and Fearless"

Embrace courage and confidence in every endeavor, facing challenges head-on without hesitation.



MANAGING DIRECTOR'S REVIEW

As the year 2023/24 unfolded creating a confluence of challenges, we were swift to respond prudently to challenges whilst leveraging on opportunities. This pragmatic and far-reaching approach allowed us not only to ensure short-term stability but also to lay the foundation



for sustainable growth in the medium and long-term. During the year under review, we concentrated on marketing, advocacy for regulatory changes innovation and sustainability to gear well to achieve sustained growth.

ORGANISATIONAL PERFORMANCE

As at the end of the year, our revenue amounted to Rs. 8,090 Mn with the sale of apartments at The Grand – Ward Place (Colombo 07) contributing to a significant proportion of total revenue earnings. Operating profit was Rs. 1,735 Mn for the reporting period. While our revenue and profits indicate a slowdown in line with the adverse economic condition of the country, we succeeded in safeguarding our financial position and increased sales of apartments which will be calculated in the forthcoming financial years in line with our prudent revenue recognition policy, detailed in the Financial Capital of this report.

We attribute the success we achieved during the year under review to our strategic decisions including the introduction of the Prime 1% payment plan. Further, we invested in marketing efforts and engaged with authorities to advocate for regulatory stability to create a more stable and welcoming environment for investors in the real estate market.

Overall, during the year under review, we pivoted our growth journey on our brand reputation, market insights and expertise to deliver our promises. This is a testament to the successful completion and handing over of the jewel of the crown of PLR “The Grand - Ward Place (Colombo 07)” and “The Beachfront – Uswetakeiyawa II (UK II)”.

INTERNAL REINFORCEMENT

Recognising the critical role that organisational stability, intellectual capital, and human capital development play in fostering sustainable growth, we remained steadfast in our commitment to nurturing these foundational elements throughout the past year.

Central to our strategy was the cultivation of our employees' skills, expertise, and well-being. Through targeted training programs, mentorship initiatives, and professional development opportunities, we empowered our workforce to thrive in an ever-changing landscape. By investing in their growth and development, we not only enhanced individual performance but also fortified the collective strength of our organisation.

In parallel, we continued to prioritize the development of our intellectual capital, including digital assets. Building upon the success of the mobile application launched in the previous year, we embarked on a journey of continuous improvement and innovation. By leveraging technology and digital tools, we streamlined processes, improved efficiency, and enhanced the overall customer experience. From enhancing user interfaces to integrating advanced analytics capabilities, our digitalization efforts were aimed at driving value creation and staying ahead of the curve in a digital-first world.

Moreover, we fostered a culture of collaboration and knowledge sharing, where insights and best practices were exchanged freely across departments and teams. By harnessing the collective intelligence of our organisation, we unlocked new opportunities for growth and innovation, while also fostering a sense of belonging and camaraderie among our employees.

PROJECT MILESTONES

During the year under review, we continued to achieve our project milestone, paving the way for future growth in line with growth targets. We have commenced the construction of “The Colombo Border” project in Peliyagoda and initiated “The Seasons Colombo 8” project for exclusive boutique living spaces. The operating environment and business review section of this report provide detailed descriptions of the projects in pipeline.

INNOVATION AND ENVIRONMENTAL SUSTAINABILITY

We are well aware of the importance of environmental sustainability coupled with innovation to ensure the long-term sustainability of our operations. As such, we continue to invest in green building design and management concepts in collaboration with architects, contractors and suppliers. As such, our latest "The Colombo Border" project integrates a larger open space proportion in line with this concept. The Natural capital section of this report further describes our environmental sustainability efforts.

AWARDS AND ACCOLADES

Our contribution to the development of the real estate sector in the country earned us a number of awards during the year under review as presented in the Intellectual Capital of this report.

FUTURE OUTLOOK

As we navigate the evolving economic landscape and embrace the opportunities presented by recovery, we remain committed to shaping our growth trajectory in alignment with our core values and long-term vision. Central to our strategy is a steadfast commitment to environmental sustainability, innovation, and a community-centric outlook. Environmental sustainability lies at the heart of our operations, and we are dedicated to minimizing our ecological footprint while maximizing our positive impact on the planet. Through initiatives such as energy efficiency measures, waste reduction strategies, and renewable energy adoption, we are actively working towards a greener and more sustainable future.

Innovation serves as a cornerstone of our approach to growth, driving continuous improvement and differentiation in our products, services, and processes. By fostering a culture of creativity and experimentation, we aim to stay ahead of the curve, anticipate market trends, and meet evolving customer needs with cutting-edge solutions.

A community-centric outlook guides our interactions with stakeholders, emphasizing collaboration, inclusivity, and social responsibility. We recognize the importance of actively engaging with and giving back to the communities in which we operate, whether through philanthropic initiatives, volunteerism, or partnerships with local organizations.

At the same time, we remain vigilant in our approach to risk management and governance, recognizing the importance of safeguarding our operational integrity and ensuring lasting growth. Robust governance practices, coupled with a proactive approach to risk identification and mitigation, are essential in navigating uncertainties and maintaining stakeholder trust.

In line with this commitment, we are focused on incorporating the Environmental, Social, and Governance (ESG) approach into our decision-making processes. By systematically evaluating and managing our social, economic, and environmental impact, we aim to create long-term value for all stakeholders while contributing to a more sustainable and equitable world.

ACKNOWLEDGMENT

In conclusion, I am deeply appreciative of the Chairperson and the Board of Directors for their visionary guidance and unwavering commitment to steering PLR toward continued growth and prosperity. Their leadership has been invaluable in navigating the complexities of our industry and charting a course for success.

I extend my heartfelt gratitude to the dedicated teams whose united efforts have been instrumental in our success this year. Their hard work, creativity, and resilience have propelled us forward, enabling us to overcome challenges and seize opportunities.

I also extend sincere thanks to regulatory authorities for their consistent support and partnership. Their diligence and collaboration have helped create an environment conducive to our operations and growth.

Furthermore, I express my gratitude to our shareholders, whose trust and confidence in PLR have been a driving force behind our endeavours. To our loyal customers, consultants, architects, contractors, suppliers, banking partners, and other stakeholders, I extend heartfelt thanks for your continued support and valuable contributions to our journey.

As we look to the future, let us remain committed to creating value in a sustainable manner, upholding the highest standards of integrity, and fostering mutually beneficial relationships. Together, we will continue to build on our achievements, innovate, and thrive in the ever-evolving landscape of our industry.



Manjula Weerakkody
Managing Director/Executive Director

04th June 2024
Colombo



“Be Brilliant in Resolve”

Exhibit exceptional determination and unwavering focus in pursuing your goals, no matter the obstacles.

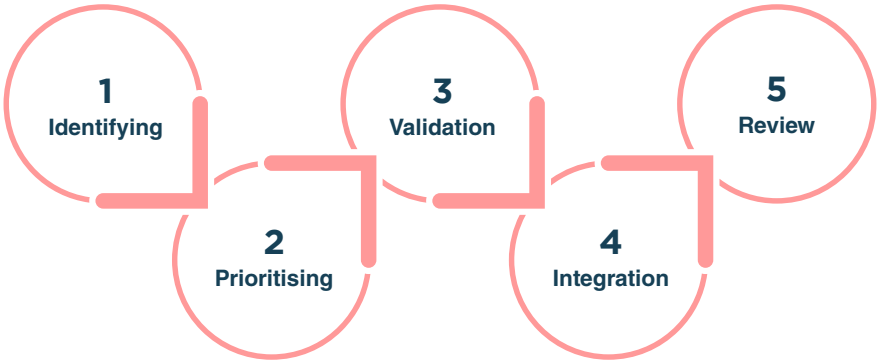
MATERIAL TOPICS

MATERIALITY

Our materiality identification helps us determine which financial, operational, sustainability or other information is significant enough to influence the decisions of investors or other stakeholders. As such, we conduct annual materiality analysis to identify and prioritise the relevant material topics that impact the business as well as stakeholders. In our annual analysis, we look into financial statements and reviews, key performance indicators, regulatory requirements, market expectations and risk assessments. Once the Board approves material topics identified through the analysis, we integrate these into the Company strategy through our internal policy framework changes as well as specific goals to be achieved.

Changes to the Material Topics or topic boundaries compared to the last year are incorporated for FY 2023/24.

MATERIALITY DETERMINATION PROCESS GRI 3.1



1 Identifying

- Using the research & risk identification process to identify PESTLE (Political-Economic-Social -Technological-Legal & Regulatory - Environmental) factors
- Engaging stakeholders to gain insights
- Identify policy requirements and compliance
- Conduct regular internal audits reviews
- Identify the relevance and necessity of adopting global sustainability benchmarks such as the ISSB Sustainability Standards, GRI Standards, IIRC Framework and the UN Sustainable Development Goals

2 Prioritizing

- Prioritise material topics using the material matrix
- Quantitative and qualitative assessment
- Value chain analysis
- Incorporate sector challenges and opportunities as identified by competitors and business partners
- Compliance with statutory and regulatory requirements

3 Validation

- The Executive Committee reviews and approves material topics

4 Integration

- Discussion on material topics with the Board and strategy integration into the business model through target setting.

5 Review

- The Internal Audit, Risk and Compliance Department conducts periodical evaluations
- Measurement against external benchmarks
- Quantitative and qualitative outcomes
- Communicate the validated material topics.

PROCESS PARAMETERS

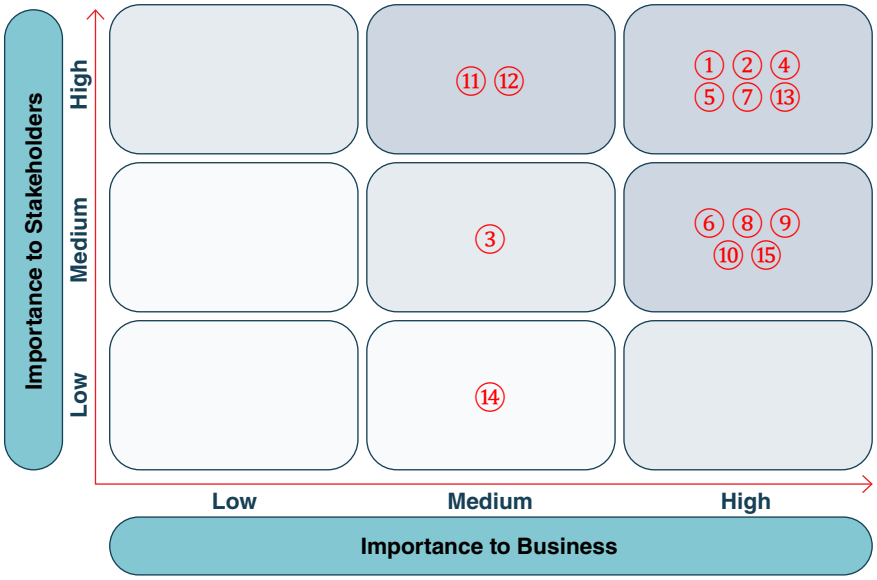
Establishing process parameters has allowed us to identify the activities, performances, and outcomes necessary to generate value consistently. By utilising the integrated capital framework for reporting, we have successfully identified parameters related to the following:

IDENTIFYING MATTERS

Material topics that impact operations and value creation are gathered through various sources, of which leadership meetings and discussions take precedence. Key stakeholder perspectives and their expectations are also considered when identifying relevant topics. Material topics identification is based on:

- Board and Subcommittee meetings
- Leadership Discussions
- Stakeholder Expectations
- Operating Environment
- Risks and Opportunities
- Strengths and Weaknesses
- Environmental - Social - Governance (ESG)

In prioritising material topics, we rely on our materiality matrix as presented below:



1. Profitability	
2. Financial Stability	
3. Land Inventory	
4. Project Execution	
5. Brand Image	
6. Culture and Conduct	
7. Excellence in Quality	
8. Resilience and Business Continuity	
9. Customer Experience	
10. Supplier Relations	
11. Pay and Benefits	
12. Career Prospects	
13. Health and Wellbeing	
14. Community Impact	
15. Environmental Stewardship	

Economic and Governance Topics
Social Topics
Environment Topics

The table below presents an overview of our material topics and our management approach: GRI 3.2, 3.3

Material Topic	Topic Boundary	Why it is considered Material	Management Approach	Further References	Evaluating the effectiveness of our management approach
Profitability	Internal	• Improves shareholder returns	• Consistent revenue growth and strong cost management	Financial Capital Page 54	• PBT • PAT • ROE
Financial Stability	Internal	• Strengthens brand equity and resilience	• Strike the optimal balance between equity, debt capital and return on investor funding	Financial Capital Page 54	• Debt: Assets Ratio • Liquidity Ratio • No. of New Projects • Land Inventory

Material Topics

Material Topic	Topic Boundary	Why it is considered Material	Management Approach	Further References	Evaluating the effectiveness of our management approach
Land Inventory	Internal / External	• Supports business growth	• Investment Strategy	Manufactured Capital Page 58	• Growth in Assets Base (Land Inventory) • No. of New Projects
Project Execution	Internal / External	• To ensure on-time completion of projects	• Project lifecycle Amanagement	Manufactured Capital Page 58	• Project Milestones • Sold: Unsold ratio
Brand Image	Internal / External	• Reinforces PLR's competitive position in the real estate industry	• Brand Positioning • Regulatory Compliance	Intellectual Capital Page 62	• Industry recognition for the brand • Compliance track record
Culture and Conduct	Internal / External	• Builds trust among customers and strengthens public confidence in the brand	• Ethics and Integrity • Transparency of Marketing Information • Confidentiality and Customer Data Privacy	Intellectual Capital Page 62 Social and Relationship Capital Page 72	• Complaints regarding ethics violations incidents reported through the Whistleblower Process
Excellence in Quality	Internal / External	• Builds trust among customers and enhances PLR's competitive edge	• Tacit knowledge of employees, Standards and Certifications • Memberships and Affiliations • Quality Control	Intellectual Capital Page 62	• Customer Satisfaction Score (CSAT) • Customer Net Promoter Score (NPS) • Customer Feedback
Resilience and Business Continuity	Internal / External	• Safeguards operations against unforeseen challenges	• IT Infrastructure and System • Business Continuity Plan • Disaster Recovery Plan	Intellectual Capital Page 62	• System downtime • Vulnerability Assessment Test
Customer Experience	Internal / External	• Builds trust among customers and strengthens public confidence in the brand	• Product Responsibility • Transparency of Marketing Information • Confidentiality and Customer Data Privacy • Customer Support	Social and Relationship Capital Page 72	• Customer NPS (Net Promoter Score) • Customer feedback to measure Effective Management of Customers
Supplier Relations	Internal / External	• Minimizes potential supply chain disruptions that could affect project timelines • Maintain the quality of material and services provided by suppliers	• Supply Chain Management	Social and Relationship Capital Page 72	• Project milestones • No. of suppliers working with the Company for over 5 years • Maintaining the supplier scorecard

Material Topic	Topic Boundary	Why it is considered Material	Management Approach	Further References	Evaluating the effectiveness of our management approach
Pay and Benefits Career Prospects	Internal	• Helps to attract and retain the best in-class talent • To evolve future leaders	• Attract • Retain • Develop • Reward	Human Capital Page 66	• Net Promoter Score • Number of unsolicited CVS • Employee Satisfaction Rate • Employee Attrition Rate • Employee Value Preposition • Investment in Employee Engagement & Well-being Activities
Health and Well-being	Internal / External	• Increases employee motivation and satisfaction	• Health and Well-being policy that aligns with organizational values and goals.	Human Capital Page 66	• No of employee health camps per annum • Requirement of Workmen Compensation Policy
Community Impact	Internal / External	• Reduces inequalities between regions	• Contribution towards the development of local economies	Social and Relationship Capital Page 72	• Urbanization trends in the area
Environmental Stewardship	Internal / External	• Supports the national environmental goals	• Construction Best Practices • Sustainable Resource Utilizations • Implementation of sustainability standards	Natural Capital Page 78	• Incidents of non-compliance

In the realm of real estate, the concept of intensity of determination reshapes how we perceive materiality. It's not just about identifying significant financial or operational data; it's about recognising the pivotal factors that can sway the decisions of our investors and other stakeholders. Materiality, to us, embodies the essence of what truly matters – the risks, opportunities, and impacts that have the potential to shape our business and affect our stakeholders, be it for better or worse.

OPERATING ENVIRONMENT

GRI 203-2

GLOBAL ECONOMY

According to the latest report released by the International Monetary Fund (IMF), global economic growth indicates a decline from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024. The slowdown in advanced economies stands at 2.6% in 2022 1.5% in 2023 and 1.4% in 2024. While the US market gained momentum, the Euro area lagged behind. The IMF indicates that growth modestly declined in emerging markets and developing economies from 4.1% in 2022 to 4.0% in both 2023 and 2024. The downward revision of 0.1% reflects the crisis in the property sector in China.

While economic activities are yet to regain the pre-pandemic momentum, the war in Ukraine continues to impact global trade and supply chains as geoeconomic fragmentation continues. Meanwhile, Central Banks across the world tightened monetary policy to bring down inflation, which is reflected in growth figures.

The IMF concludes that Central Banks need to use policy tools to ease financial stress and resolve price instability.

(Source: World Economic Outlook October 2023)

SRI LANKAN ECONOMY

The World Bank Development update indicates that Sri Lanka's economy declined by 7.8% in 2022 and 7.9% in the first half of 2023. As private credit shrank, and supply chain disruptions continued several industries including construction, manufacturing, real estate and financial services experienced a negative impact. Headline inflation (measured by the Colombo Consumer Price Index) rose to 69.8% in September 2022 and declined to 4.6% (YoY) by August 2023 as demand subdued. However, inflation is expected to remain around the target of 5%, on average, during 2024. This deceleration of inflation prevented the worsening of food insecurity and malnutrition.

Since the commencement of the Monetary Policy easing cycle in June 2023, Policy interest rates of the Central Bank were reduced by 650 basis points in 2023, and a further 50 basis points thus far in 2024, totalling a cumulative reduction of 700 basis points. This effectively brought the Standing Deposit Facility rate down to 9% and the Standing Lending Facility rate to 10%. As a result, the 91-day T-bill rates fell below 15% at the end of 2023, further supported by clarity on domestic debt restructuring.

The merchandise trade deficit for 2023 recorded its lowest since 2010 supported by a larger contraction in import expenditure than that of export earnings even though global demand for export goods contracted.

Meanwhile, liquidity pressure on foreign exchange continued to ease as remittance earnings as well as tourism earnings continued to improve. The absence of large debt service payments was another reason for this improvement. As a result, the country accumulated usable foreign reserves to USD 4.4 Bn by end-December 2023.

The Sri Lankan Rupee (LKR) appreciated by 11% against the US dollar between January to August of 2023, following a drastic depreciation of 81% in 2022. Accordingly, Sri Lankan Rupee appreciated by 7.6% against US Dollar as of end March 2024. This appreciation was mainly due to robust inflows in the form of earnings from tourism, workers' remittances, and reduced import expenditure.

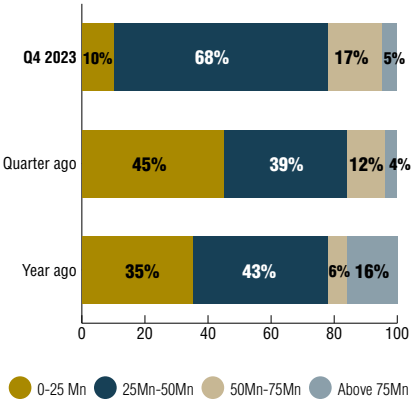
While the implementation of necessary fiscal reforms and new revenue generation measures improved the economic outlook, utility price hikes and indirect taxes continue to burden vulnerable communities. The World Bank speculates that unless the authorities take mitigating actions, the removal of energy subsidies could increase poverty levels even further.

(Source: Sri Lanka Development Update 2023 – World Bank,
Annual Economic Review 2023 - CBSL)

REAL ESTATE SECTOR

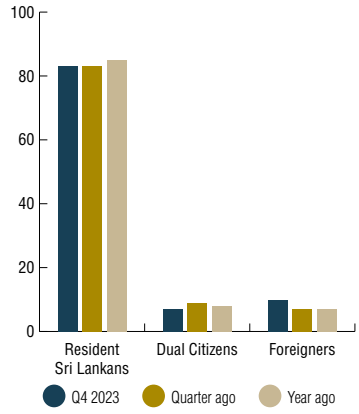
According to the real estate market analysis released by the Central Bank of Sri Lanka, the volume of condominium property sales in Colombo and other major districts increased by 81.2% in comparison to the previous quarter as at the end of the fourth quarter of 2023. The findings indicate that by the third quarter of 2023, the number of new condominium sales had increased by 30.3% year on year. In the meantime, a larger proportion of transactions remained within the range of Rs. 25 Mn to Rs. 50 Mn price category, while the proportion of transactions below Rs. 25 Mn indicated a decline during the fourth quarter of 2023.

Percentage of Sales by Price Category

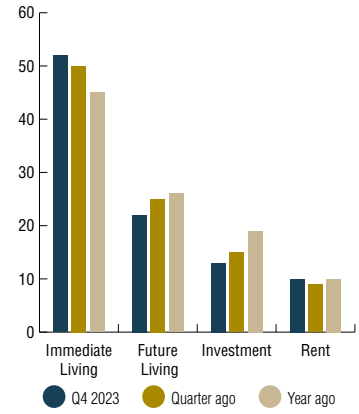


The larger proportion of buyers were Sri Lankan residents, while the proportion of dual citizens and foreign buyers dwindled during the year under review. Meanwhile, the purchase of condominiums for immediate living has increased while purchases for investment purposes showed a downward trend.

Residence Status (%)

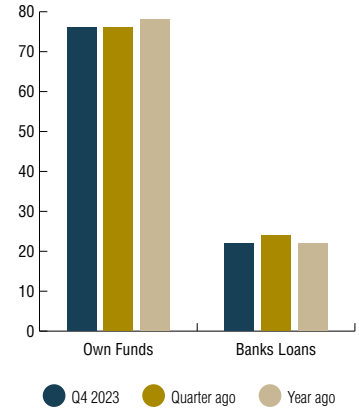


Purpose of Purchasing (%)



According to the latest data, the prime source for funding to purchase condominiums was buyers' own funds, while a smaller percentage (22%) relied on bank loans during the third quarter. By the fourth quarter of the year, the key source of funding for purchases was buyers' own funds.

Source of Financing (%)



Data at the end of the year indicated a decline in the prices of lands on a year-on-year basis. The YoY shift in the Asking Price Index for the prices of land in Colombo District declined during the last quarter of the year, indicating a 9% decline against the 4.3% growth that occurred during the corresponding period in 2022.

Meanwhile, the house prices in the Colombo district grew at a slower pace (3.9%) by the last quarter of the year on a YoY basis, in comparison to the growth of 26.9% recorded during the corresponding period of 2022.

		Change of Asking Price Indices		
		Y-o-Y % Change		
Quarter	Month	Lands	Houses	Condominiums
2022 Q3	July	23	32	30
	August	22	33	31
	September	8	33	35
2022 Q4	October	5	31	37
	November	2	30	40
	December	4	27	41
2023 Q1	January	1	25	40
	February	(4)	22	38
	March	(10)	20	35
2023 Q2	April	(14)	17	31
	May	(18)	13	25
	June	(20)	10	19
2023 Q3	July	(16)	7	15
	August	(17)	5	14
	September	(13)	3	11
2023 Q4	October	(17)	3	9
	November	(13)	3	6
	December	(9)	4	7

(Source: Real Estate Market Analysis – Central Bank of Sri Lanka)

During the year under review, the economic uncertainty and the financial instability that prevailed negatively impacted the construction industry as prices of materials increased exponentially. Against this backdrop, the real estate industry witnesses a setback. However, with the intervention of the International Monetary Fund (IMF), and monetary policy implementation, the country's economy began to stabilize. As such, the real estate market witnessed an easing of pressure compared to the previous year.

COMPANY PERFORMANCE

During the year under review, PLR continued to execute the projects in pipeline in spite of market pressure. We adopted prudent financial strategies and responded to market challenges relying on an insight-driven approach to continue our planned projects and aspire to achieve long-term growth targets. Nevertheless, the downturn in the construction industry, high material prices and the unstable dollar rate posed substantial challenges to our operations during the year under review. As such, we had to revisit the cost structures of our ongoing projects in response to procurement challenges. In response, we adopted a stringent cost management strategy including effective management of avoidable variable costs.

Operating Environment

As the market demand for apartments increased during the year, we were able to capitalize on the status quo. Responding to the competitive aspect of the market, we intensified promotional campaigns to reach out to potential buyers. The Social and Relationship capital section of this report further describes our marketing efforts.

While we took the necessary measures to leverage the resident visa scheme introduced recently by obtaining the Certificate of Conformity (COC) for both The Grand - Ward Place (Colombo 07) ultra-luxury project as well as The Beachfront - Uswetakeiyawa (UK II) projects, the temporary halting of the scheme negatively impacted our profitability. However, we remain confident that our appeal, stating the difficulties our investors face in obtaining visas in line with the Golden visa scheme and urging the authorities to reinstate the process to ensure sustainable ROI for the investors and economic benefits to the country will be fruitful.

While our financial performance appears to have slowed down, we adopt stringent treasury management practices to ensure our financial and operational stability. The Financial Capital section of the report discusses our financial performance in detail.

Meanwhile, we are witnessing an improved sentiment in the real estate market driven by the current low-interest rate environment (AWPLR 10.4%) and the ongoing economic recovery. As both Fixed Deposit and Treasury-bill rates remain below 10%, we expect increased funds to be infused into the real estate market from capital markets and fixed-income investors.

In the meantime, the growth rate in tourist arrivals will increase demand for the Apartment rental market, while worker remittance increase will support economic recovery, further increasing investor confidence. In addition, the construction sector's Purchasing Manager's Index (PMI) demonstrates signs of expansion.

REVIEW OF BUSINESS OPERATIONS

Total Projects **43**

Ultra Luxury
2

Luxury
23

Affordable Luxury / Lifestyle Apartment
16

Leisure
2



OVERVIEW

In a dynamic economic landscape, characterised by unpredictable fluctuations and constant challenges, our company not only weathered the storm but also thrived amidst the chaos. Throughout the past year, we encountered a myriad of macroeconomic factors that posed significant hurdles to our core business model and strategies. Political instability, economic crises, and social unrest rattled our industry, testing the resilience of our operations. However, rather than succumbing to adversity, we embraced it as an opportunity for growth and innovation.

Our success amidst adversity can be attributed to our forward-thinking vision and strategic agility. Recognizing the inevitability of real-life uncertainty, we built flexibility into our strategies, enabling us to adapt swiftly to changing circumstances. Instead of viewing challenges as insurmountable obstacles, we saw them as openings to explore new ventures and capitalize on emerging opportunities.

One of our key achievements during this period was the launch of several new projects tailored to diverse market segments. By identifying niche areas of demand and swiftly responding with innovative solutions, we positioned ourselves ahead of the curve, solidifying our competitive edge.

Despite the escalated cost burden imposed by economic volatility, we made a conscious decision not to pass this burden onto our customers. Instead, we absorbed the costs internally, prioritizing customer satisfaction and loyalty above short-term gains. By demonstrating our commitment to fair pricing and value-driven relationships, we retained the trust and loyalty of our customer base, safeguarding long-term partnerships.

Furthermore, we upheld our obligations to our suppliers by ensuring timely payment for the completion of projects. By honouring our financial commitments and fostering mutually beneficial partnerships, we cultivated a reputation for reliability and integrity within the industry.

PROGRESS ON THE PROJECTS IN PIPELINE

During the year under review, PLR commenced the construction of 'The Colombo Border' project in Peliyagoda which is the 43rd project of the Company. The first Tower of this urban living project (Tower B) was launched and 80% of the units were successfully sold, also Tower C was launched in early April 2024 in parallel to the commencement of piling work for the entire project consisting of Tower A, B & C.

The 6.9-acre The Colombo Border project demonstrates our commitment to environmental sustainability as 75% of the land is dedicated to open spaces and only 25% of the land has been designated for construction. 'The Colombo Border' demonstrates PLR's commitment to pushing boundaries and setting new benchmarks for high-end residential projects in Sri Lanka, offering an unparalleled living experience that seamlessly blends luxury, convenience, and sustainability.

In addition, we embarked on a journey of innovation and expansion by launching The Seasons Colombo 8 project. This exclusive boutique development, boasting 11 floors and 42 ultra-luxury apartment units, represents the epitome of sophistication and elegance. Situated in a prime location, The Seasons Colombo 8 offers residents unparalleled comfort, luxury, and convenience, setting a new standard for urban living in the city.

Furthermore, our commitment to excellence extends beyond Colombo, with two other prestigious projects nearing completion. 43, by the Sea in Dehiwala and The Palace in Gampaha are both on track for handover in the third and fourth quarters of 2024 respectively. These developments, characterised by meticulous attention to detail and unparalleled craftsmanship, promise to redefine luxury living in their respective locales.

Review of Business Operations

Ongoing Projects	No. of Units	% Completion as at 31.03.2024	Initiation of the Project
The Palace - Gampaha	480	90%	December 2020
43, By the Sea - Dehiwala	70	75%	March 2023
The Colombo Border	484	Launched in October 2023	
The Seasons - Colombo 08	44	Launched in March 2024	
Total No. of Units in ongoing projects	1,078		

PLR's Condominium Footprint

Projects (Fully Completed and Handed Over)	No. of Units
Prime Residencies - Athurugiriya Stage I & 2	103
Prime Residencies - Battaramulla 1	20
Prime Residencies - Kottawa	57
Prime Residencies - Rajagiriya	29
Prime Residencies - Battaramulla - 2	26
Prime Residencies - Nawala	25
Prime Residencies - Ethul Kotte	38
Prime Residencies - Nugegoda - 306	52
Prime Residencies - Pagoda	40
Prime Residencies - Pelawatta	15
Prime Residencies - Nugegoda - 298	37
Prime Residencies - Sieble Avenue (Colombo – 05)	31
Prime Residencies - Pallekele	39
Prime Residencies - Panadura	40
Prime Residencies - Bauddhaloka Mawatha 1	14
Prime Residencies – Thalawathugoda Fierro	60
Prime Aqua - Nawala	60
Prime Residencies - Ethul Kotte - 616	35
Prime Residencies - Battaramulla - Libra	60
Prime Residencies - Malabe	60
Prime Residencies - Nugegoda - 194	40
Prime Residencies - Edmonton Road (Colombo 05)	32
Prime Residencies - K100	101
Prime Residencies - Wattala	84
Prime Residencies - Barnes Place	15
Prime Residencies - Kynsey Road	17
Prime Wrendale - Rajagiriya	54
Prime Splendour - Rajagiriya	68
Prime Residencies - Bauddhaloka Mawatha 2	14
Prime Residencies - Jawatte	14
Prime Residencies - Kandewatta Terrace	24
Prime Residencies - Castle Street	40
Prime Residencies – The Beach Front - I	72
Prime Residencies - Edmonton Road - II	28
Prime Bella - Rajagiriya	60
Prime Residencies Java 25 - Kassapa Road	25
Prime Desire - Kassapa Road	35
The Grand - Ward Place	333
Prime Residencies - The Beachfront Uswetakeiyawa (UK II)	108
Total No. of Units Completed	2,005

PLR's Land Bank as at 31st March 2024

Location	Extent
Amber Skye - Negombo	292 P
Negombo - Dungalpitiya	1,275 P
Hikkaduwa	1,416 P

FUTURE OUTLOOK

As the country's economy continues to stabilise gradually, we remain cautiously hopeful of a more stable external environment that would facilitate our growth plans. A more transparent regulatory environment along with financial stability in the country will facilitate better growth opportunities for PLR. In the meantime, we will continue to adopt prudent financial and operational management tools to withstand market pressure and continue to grow in a sustainable manner. In the longer term, we expect changing global trends such as expats wishing to own property in Sri Lanka as well as foreign buyers looking to retire or invest in markets such as Sri Lanka would provide us with more opportunities for growth. We remain confident in our ability to penetrate new markets, retain clients and continue to create lasting value for our stakeholders.

STRATEGY AND RESOURCE ALLOCATION

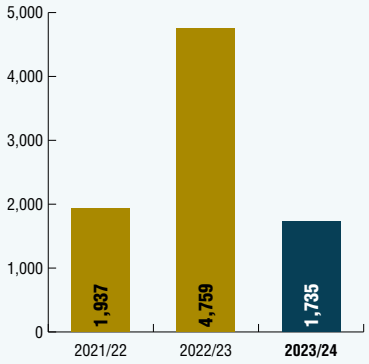
Prime Lands Residencies PLC's corporate strategy stems from the core aspiration to create and preserve value on behalf of all stakeholders. The materiality identification process allows us to pivot the corporate strategy on the relevant requirements to achieve short, medium and long-term growth. We determine the basis for resource allocation based on the requirements for the six-capital development. In doing so, we take into consideration the criticality of each capital to our overall strategic aspirations.

The table below presents our strategy and resource allocation for the year under review.

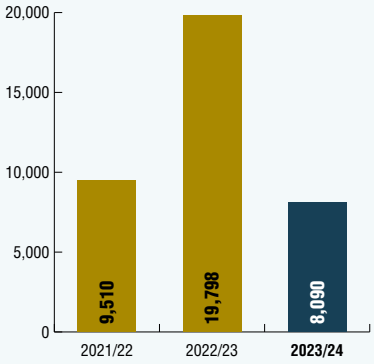
Aspiration	Strategic imperative	Key highlights
Financial Excellence	● Invest in new apartment projects with a Benchmark Net Margin ● Strategic expansion of PLR's Land Inventory to facilitate continuous growth of the project pipeline ● Monitor and control projects to ensure financial stability ● Adopt industry best procurement practices to achieve goals and project objectives ● Collaboration with banks and financial institution for financing at a competitive interest rates	● Launched two new apartment projects during the FY • The Colombo Border – Project Value Rs. 22 Bn • The Seasons Colombo 08 – Project Value Rs. 6 Bn ● Invested in Rs.180 Mn worth of new lands for land development projects ● Collaboration with banks and financial institutions to secure customer financing at an AWPLR + Margin

Scorecard

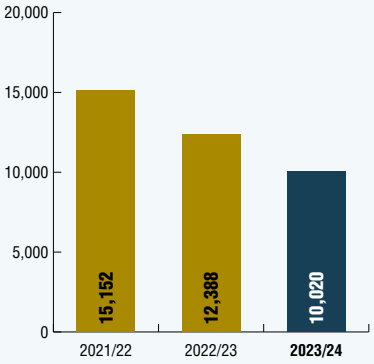
Operating Profit (Rs. Mn)



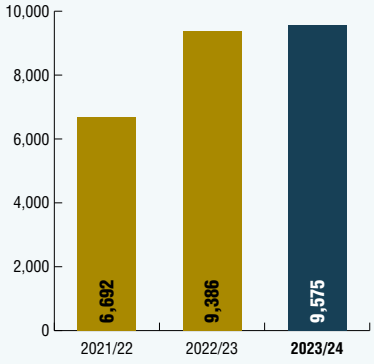
Revenue (Rs. Mn)



Inventory Properties - Apartments & Lands (Rs. Mn)



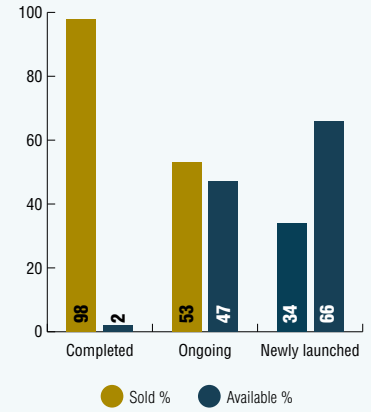
Total Equity (Rs. Mn)



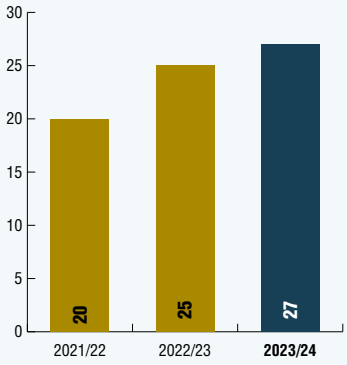
Strategy and Resource Allocation

Aspiration	Strategic imperative	Key highlights
Become the Most Trusted Real Estate Developer	● Brand reputation development ● Equitable pricing to match the profile of each customer segment ● Benchmark international standards for design, safety and construction quality ● Enhance compliance ● Incorporate innovation into projects to enhance the value. ● Customer engagement and personalized solution offerings whenever possible ● Ensuring on-time project completion	● Utilizing various digital tools to meet customer needs for information and feedback ● Introduced the 1% payment plan for the first time in Sri Lanka to enable home ownership to all aspiring clients. ● Successfully handed over the projects The Grand - Ward Place (Colombo 07), The Beachfront Uswetakeiyawa II
Scorecard		
Recognition by LMD as the most valuable real estate entity in Sri Lanka.		

Sales Status of Condominium Projects (%)



Ratio of Repeat customers (%)

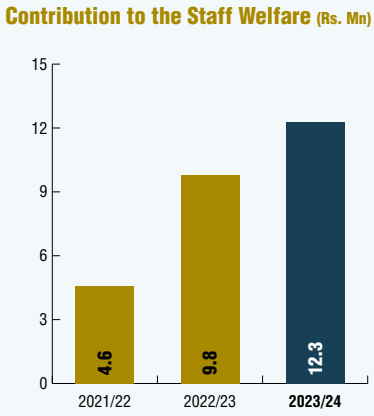


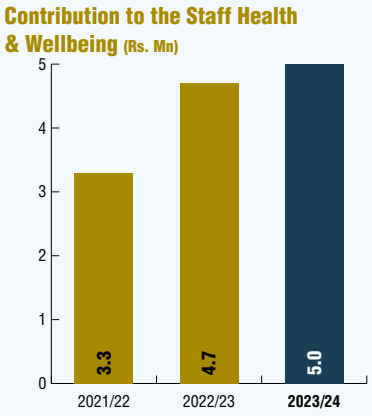
Aspiration	Strategic imperative	Key highlights
Reputation Building	● Expanding the geographical presence ● Adopt international green building standards ● Improve compliance ● Enhance environmental sustainability	● Expanded the portfolio to the southern province
Scorecard		
Recognition by LMD as the Most Awarded & Most Respected Entity in Sri Lanka.		

Aspiration	Strategic imperative	Key highlights
Become one of the Preferred Employers in Sri Lanka	● Offer an advantageous employee value proposition ● Foster a culture of respect and ownership among employees ● Adopt and implement robust and effective corporate practices	● Identified the career path opportunities of each employee ● An annual increment of 20% was given to all the permanent staff ● Performance bonus paid for the FY 2023/24 ● Comprehensive medical insurance and life cover for employees ● Collaboration with Government Universities to attract fresh talents

Scorecard

Investment in employee engagement & wellbeing activities.



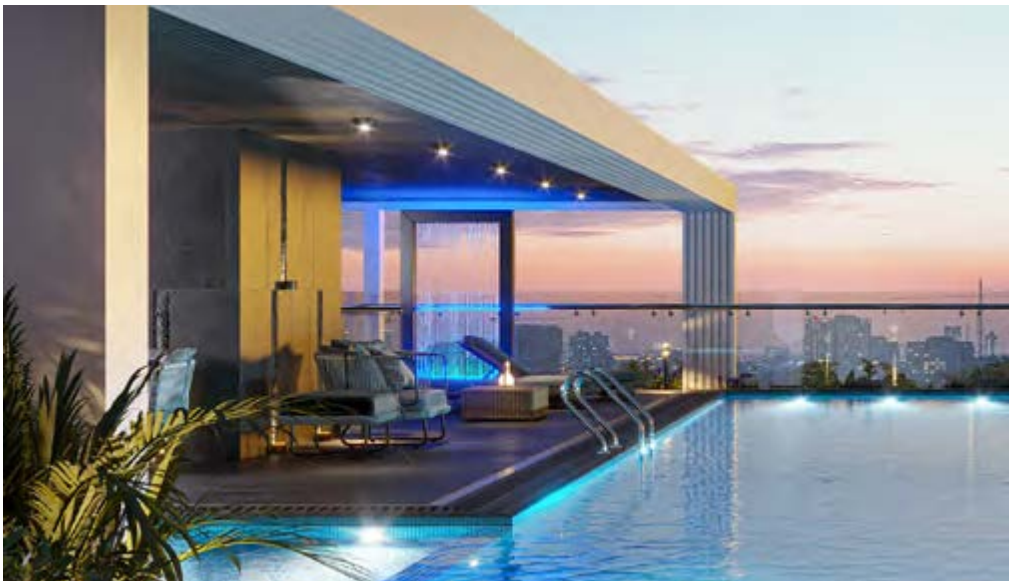


FINANCIAL CAPITAL

GRI 207-1

Our financial capital represents the funds necessary to conduct our operations and generate value for our stakeholders. Strengthening financial capital, which is fundamental for driving growth in other capitals, is measured through several factors:

- Consistent dividend payments
- Benefits from share price increases
- Stable ROI
- On-time payments for employees, contractors & suppliers
- Timely repayment of Debt Capital



While the external environment in recent years has reduced private credit and increased economic uncertainty, we have adopted prudent financial management tools and strategic operational changes to ensure the long-term sustainability of our financial capital. Despite the decline in revenue due to the country's economic downturn, we have laid the foundation for financial stability in line with our long-term growth goals.

REVENUE

PLR looks at revenue through the lens of a well-defined prudent revenue recognition policy.

REVENUE RECOGNITION POLICY

SALE OF PROPERTY - LANDS

The sale of lands is generally expected to be the single performance obligation and we determined that it will be satisfied at the point in time when the control is transferred.

SALE OF PROPERTY - APARTMENTS

We recognize revenue using the percentage of completion method as construction progresses. Revenue is considered as the lower of the percentage of project completion or the percentage of advances received, subject to the following criteria.

i. Minimum construction completion of 25%

ii. Minimum advances received from customers of 20%

Additionally, we recognize actual cash receipts received during a financial year and refrain from including trade debtors in the Statement of Financial Position.

RELEVANT SDGS



MATERIAL TOPICS

Profitability



Financial Stability



REVENUE FOR THE YEAR

During the year under review, we recognized Rs. 8,090 Mn in revenue in total from the sale of apartments, and land plots for residential accommodation. The sale of apartments at The Grand - Ward Place (Colombo -07) generated a larger portion (54%) of our revenue earnings for the year. The below table and illustrations present a breakdown of our revenue generation for the period under review.

REVENUE

Rs. 8,090 Mn

OPERATING PROFIT

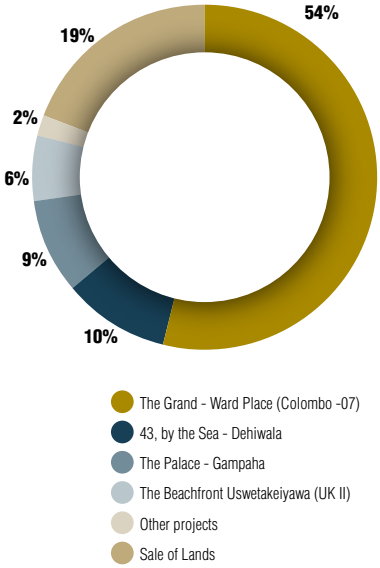
Rs. 1,735 Mn



PROJECT WISE REVENUE BREAKDOWN

Project	Revenue (Rs. Mn)	%
The Grand - Ward Place (Colombo - 07)	4,337	54%
43, by the Sea - Dehiwala	854	10%
The Palace - Gampaha	701	9%
The Beachfront Uswetakeiyawa (UK II)	500	6%
Other projects	154	2%
Land plots for residential accommodation	1,544	19%
Total Revenue 2023/2024	8,090	100%

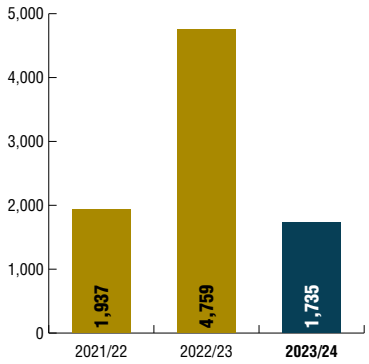
Revenue Composition



OPERATING PROFIT

Our operating profit for the year was Rs. 1,735 Mn. Although there was a decline in operating profit year-on-year due to unfavourable fluctuations in the real estate market, we successfully mitigated challenges and focused on long-term financial stability. The below illustration reflects the operating profit pattern for the past three years.

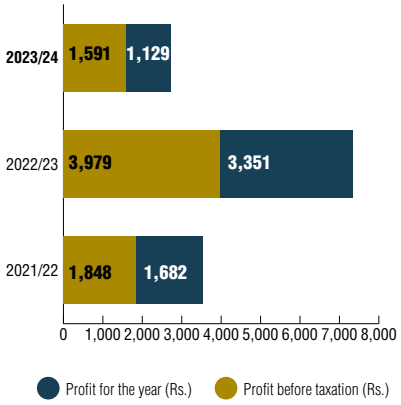
Operating Profit (Rs. Mn)



NET PROFIT

As at the end of the financial year 2023/24, PLR posted a profit before tax of Rs. 1,591 Mn, while net profit for the year stood at Rs. 1,129 Mn.

PBT and NP (Rs. Mn)



Meanwhile, finance costs for the year stand at Rs. 691 Mn (Rs. 1,213 Mn in 2022/23) which shows a drop of 43% compared to 2022/23. The drop is attributable to a decrease in bank borrowing due to strengthening customer collection and a downward trend in interest rates.

Financial Capital

ASSET BASE

Lower Revenue recognition as per PLR's Revenue Recognition Policy (refer above) led to a decline in the Company's total assets as of the balance sheet date.

ASSET BASE

	For the year ended 31st March 2024	For the year ended 31st March 2023
Asset Base (Rs.)	15,760,134,828	17,522,721,656
Return on Asset (ROA)	7%	19%
Return on Assets (Rs.)	1,125,944,815	3,350,364,117

CAPITAL STRUCTURE

PLR maintained a steady Gross Profit margin, showcasing adept cost management and pricing strategies. The decrease in borrowing costs indicates effective debt management or potential refinancing at more favourable interest rates. Consequently, PLR was able to uphold a Net Profit Margin of 14%, demonstrating robust profitability post-expenses. This led to a 3.17% increase in Retained Earnings, culminating in Rs. 6,124 Mn in retained earnings.

CAPITAL STRUCTURE

	For the year ended 31st March 2024	For the year ended 31st March 2023
Stated Capital (Rs.)	3,450,000,000	3,450,000,000
Retained Earnings (Rs.)	6,124,741,476	5,936,296,661
Total Equity (Rs.)	9,574,741,476	9,386,296,661
Total Borrowings (Rs.)	892,735,010	1,430,708,098
Debt/Equity Ratio	9%	15%

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED GRI 201 - 1

The company proposed an interim dividend of Rs. 0.60 per ordinary voting share, reflecting a dividend payout ratio of 50%. This exemplifies PLR's commitment to returning a portion of its profits to shareholders as dividends. Additionally, the payment to the Government on current year profit increased due to the adjustment of the corporate income tax rate from 14% to 30% for the FY 2023/24.

	For the year ended 31st March 2024	For the year ended 31st March 2023
Direct economic value generated		
Revenue	8,090,379,095	19,798,684,442
Economic Value distributed		
Operating cost	5,557,395,289	14,920,496,568
Employees Wages and Salary	192,783,158	182,730,434
Payments for providers to equity capital	562,500,000	937,500,000
Payment to Government	447,743,030	934,388,490
Payments for providers to loan capital	604,954,539	1,090,734,452
Economic value retained	725,003,078	1,732,834,498

FUTURE OUTLOOK

As we continue to navigate the choppy waters of a recovering economy, we will continue to respond in a prudent and far-seeing manner to market conditions and use pragmatic financial tools to manage our financial position, and cash flow and develop our financial capital in line with sustainable growth strategies while safeguarding the advances paid by our valued customers.



"Be Bustling with Determination"

Approach every task with energetic
and relentless determination,
letting nothing stand in your way.

MANUFACTURED CAPITAL

Our manufactured capital consists of our physical assets, infrastructure as well as the built environment in which we operate. Manufactured capital supports our operational and financial performance. In developing our manufactured capital to create a Liveable, Loveable Neighbourhoods, we take into consideration the aspects of environmental sustainability, social responsibility and good governance practices.



RELEVANT SDGS

MATERIAL TOPICS

Land Inventory

Project Execution

ENVIRONMENTAL SUSTAINABILITY IN MANUFACTURED CAPITAL

We incorporate environmental sustainability from the planning stages of our properties. In doing so, we take into consideration energy efficient design elements, natural lighting and ventilation while also looking at climate change related risks.

At our head office, we've taken a proactive step towards energy conservation by installing solar panels and reducing our reliance on traditional energy sources. While our past projects may have had a minimal emphasis on sustainability, we're now wholeheartedly committed to integrating sustainable energy systems into our upcoming endeavours. In particular, for our ongoing project, "The Colombo Border," we're exploring innovative solutions such as utilising the roofs of covered car parks for solar panel installation. This initiative not only reduces our carbon footprint but also demonstrates our dedication to embracing renewable energy.



Furthermore, in "The Palace - Gampaha" project, we've implemented solar street lighting to decrease electricity usage within the development. This project serves as a prime example of eco-friendly design, incorporating natural ventilation and lighting to further minimise energy consumption in residential units.

Our design philosophy prioritises the preservation of natural landscapes and vegetation. For instance, in "The Colombo Border," careful planning ensures minimal impact on existing trees, with any necessary removal followed by relocation efforts. Additionally, landscaping initiatives are underway to introduce more greenery, with construction limited to a percentage of the total land area. Similarly, in "The Palace - Gampaha," where 60 apartment blocks are spread across expansive grounds, only a fraction of the land is designated for construction, preserving the majority as a natural landscape.

In our latest project, "The Seasons - Colombo 08," we're taking energy efficiency to the next level by introducing Variable Refrigerant Flow (VRF) systems, replacing traditional multi-split systems. This investment not only reduces energy consumption but also enhances the sustainability of the development.



SOCIAL IMPACT OF MANUFACTURED CAPITAL

The strategic locations of our properties and proximity to infrastructure and facilities enhance our ability to create value on behalf of our clients and contribute to long-term financial stability as property values increase over time.

THE IMPACT OF GOVERNANCE PRACTICES ON MANUFACTURED CAPITAL

PLR's robust governance structure allows us to incorporate processes that support sustainable and ethical business practices. The transparent, accountable and integrity driven business process that we employ acts as a linchpin that improves the value of our manufactured capital through imbuing long-term financial stability.



LAND INVENTORY

Our land inventory is the pivotal resource that allows us to create value. At present, our land inventory comprises 3 properties, located in strategic locations throughout the country. We rely on a well-defined systematic process to expand our land inventory in line with our project pipeline. In doing so, we take into consideration the sustainability of the property in correlation to the relevant project as well as ease of access to basic facilities - water, electricity, and logistics infrastructure such as road networks. In addition, we look into the appreciation of land value for the next three to five years.

PLR'S LAND BANK AS OF 31ST MARCH 2024

Amber Skye Negombo | 292P

Negombo Dungalpitiya | 1,275P

Hikkaduwa | 1,416P

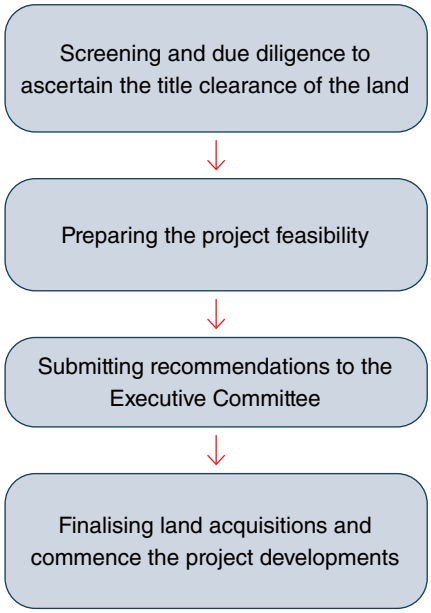


Manufactured Capital

Consistently growing our land inventory allows us to obtain sustainable financial capital, while the collective value of our manufactured capital results in enhanced social and relationship capital as well as brand reputation. Meanwhile, our strong land inventory further elevates our brand reputation.

LAND INVENTORY PROCESS

Our real estate team oversees land acquisition and the inventory process.



FUTURE OUTLOOK

We will continue to create value in developing our manufactured capital in line with organisational growth goals. These objectives include strategic acquisitions to further strengthen our manufactured capital as well as the use of technology to expedite due diligence and the land acquisition process.



“Be Unwavering in Your Commitment”

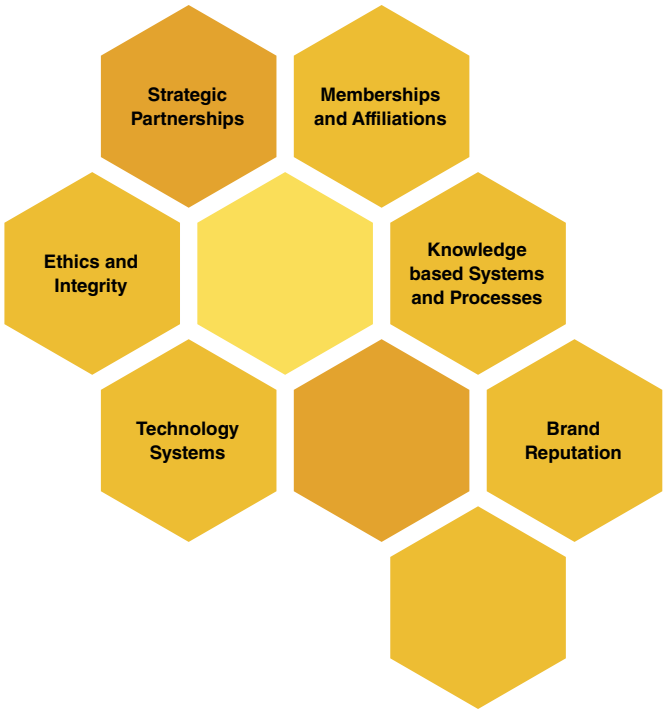
Stay steadfast in your dedication to your goals, maintaining focus and consistency through all challenges.

INTELLECTUAL CAPITAL

Our inherently valuable intangible assets such as knowledge, expertise, processes and technological prowess make up the intellectual capital. Striving to develop our intellectual capital, we invest in process improvement, management system elevation and, technology & innovation.



The below illustration depicts the components of our intellectual capital.



RELEVANT SDGS

MATERIAL TOPICS

- Brand Image Culture and Conduct
- Excellence in Quality
- Resilience and Business Continuity

STRATEGIC PARTNERSHIPS

Our strategic partnerships with contractors, suppliers, architects and design consultants act as the linchpin of a powerful mechanism that we use to pursue success through leveraging on collective intelligence, resources and networks. This allows us to seek innovation and value creation in line with our sustainable growth goals. Our partnerships allow us to access expertise, pool resources, share risks and opportunities, accelerate learning and consistently enhance our brand reputation. In addition, our strategic partnerships allow us to expand our market access. As such, we nurture our strategic partnerships to cultivate our organisational culture of innovation, knowledge sharing, and continuous improvement. This in effect leads to sustainable creation and accumulation of intellectual capital.

MEMBERSHIPS AND AFFILIATIONS GRI 2.28

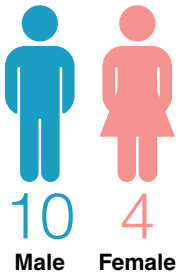
In addition to nurturing strategic partnerships, we maintain relevant memberships and affiliations to access knowledge networks, benefit from collaborative innovation, gain access to resources, improve brand recognition, contribute to advocacy efforts and influence thought leadership. We are a member of the Condominium Developers Association (CDASL) in Sri Lanka. This allows PLR to be part of the common voice that strives to safeguard the interests of the industry. In addition, we are also an approved training partner of the Institute of Chartered Accountants of Sri Lanka which allows students who follow Chartered Accountancy to cover training needs.



KNOWLEDGE BASED SYSTEMS AND PROCESSES

Knowledge-based systems and processes play a pivotal role in our intellectual capital by facilitating the acquisition, creation, maintenance, organisation and usage of intangible knowledge assets.

Our Executive Committee (EXCO) provides leadership and guidance to develop organisational intellectual capital. The EXCO members collectively possess knowledge assets that contribute to organisational growth.



EXCO - Expertise Matrix	
Strategic Leadership	●●●
Financial Acumen	●●●●
Sales and Marketing	●●●●
Legal	●●
Risk and Governance	●●●
Engineering & Operations	●●●●
Real Estate Acumen	●●●●●
Information Technology	●●
Human Resources	●●
Government Affairs & Public Policy	●●●

Meanwhile, our long-term employees, particularly in the engineering, quality assurance and procurement areas provide invaluable knowledge assets that contribute to our intellectual capital.

SERVICE YEARS WISE AGE DISTRIBUTION - FY 2023/24

	No. of EXCO Members		No. of Senior Management	
	Male	Female	Male	Female
< 5 years	4	1	2	0
6 - 10 years	3	1	4	2
> 10 years	3	2	4	0
Total	10	4	10	2

Our knowledge assets develop intellectual capital through facilitating the below aspects of organisational knowledge and expertise:



BRAND REPUTATION

There is a symbiotic relationship between our brand reputation and intellectual capital. As an organisation that has been able to maintain a strong brand reputation over the years, PLR has been able to foster our core promise to create “Liveable, Lovable Neighbourhoods” in a consistent manner. As such, our strong brand reputation continues to develop our intellectual capital through nurturing trust, credibility, differentiation, market positioning, risk management, brand equity, stakeholder relationships, and overall value creation. In turn, our intellectual capital promotes and safeguards our brand reputation through fostering expertise, innovation, quality and long-term success.

Intellectual Capital

The PLR marketing team leverages AI-generated content tailored to resonate with distinct target audiences across various platforms like social media ads, blog posts, and targeted marketing campaigns. By customising content according to user data and preferences using AI tools, PLR ensures that the content remains pertinent and captivating, thereby nurturing deeper connections with its customer base.

BRAND PERFORMANCE - FY 2023/24

Name of the Award/ Ranking	Awarding Body
TAGS Awards - Silver Award (LAND & PROPERTY COMPANIES SECTOR)	The Institute of Chartered Accountants of Sri Lanka
TAGS Awards - Silver Award (EMERGING LISTED COMPANIES SECTOR)	
Most Respected Entity in Sri Lanka	LMD (Lanka Monthly Digest) Magazine
Most Awarded Entity in Sri Lanka	
Most Valuable Consumer Brands (Ranked 60th in Most Valuable Consumer Brands in 2023)	Brands Annual by Brand Finance
Best of the Best Finance – Most Valuable Consumer Brand of the Year by Category (Ranked The Most Valuable Real Estate Brand in Sri Lanka in 2023)	

Our intellectual capital contributes to enhanced brand reputation by facilitating the below:



TECHNOLOGY SYSTEMS

Technology systems play an invaluable role in developing the intellectual capital of PLR, by contributing in improving our operational efficiency, decision-making process, customer relationship management, market intelligence, capacity for innovation and risk management. As such, we invest in developing technology systems in our operations to improve efficiency, streamline knowledge assets and data, and contribute to our environmental sustainability efforts.





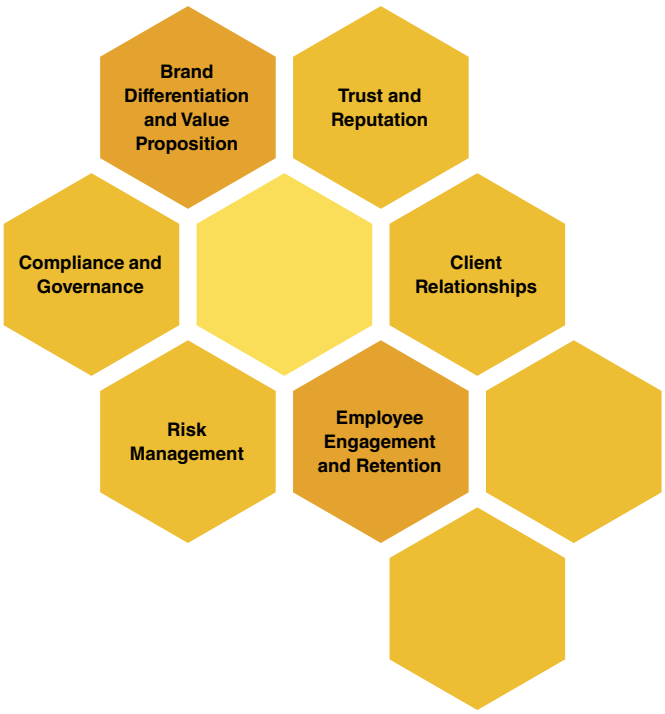
The below table presents our ongoing technology systems and their impact on operations:

Technology System	Impact
A private cloud network supported by a dual system DR architecture maintains the organisation's core enterprise applications and all network services	• Improved efficiency • Information security
Automated Deed transfer process	• Improved efficiency • Process visibility for improved decision-making • Paper usage reduction (95%)
Digital document archiving platform	• Improved confidentiality • Paper usage reduction • Effective use of office space

ETHICS AND INTEGRITY

As an organisation that enjoys a long-held reputation as a trustworthy, financially and operationally stable real estate and property management entity in Sri Lanka, PLR's inherent ethics and integrity safeguards our brand reputation and contribute to the intellectual capital. As we continue to embed ethical principles into the operations of our organisational culture and decision-making process, we foster our intellectual capital by ensuring lasting and sustainable success and value creation for all stakeholders.

The illustration below depicts the components that drive our intellectual capital through our ethical approach to business:



FUTURE OUTLOOK

Mindful of the inherent role that intellectual capital plays in our success, we will continue to explore avenues to improve intellectual capital and invest in related technologies, knowledge acquisition and development.

HUMAN CAPITAL

GRI 2.7, 2.8, 2.19, 2.20, 2.21, 401 - 2

Our human capital consists of skills, knowledge, and capabilities of our employees who are involved in different aspects of our business. As such, we seek to nurture and invest in our employees to effectively manage our own organizational goals whilst also ensuring the professional and personal well-being of our employees. These efforts pivot on our larger concerns of purposefully managing our economic, social and environmental impact with focus on ESG issues.



In these efforts, our human capital value creation model provides the fundamental framework:



RELEVANT SDGS



Material Topics

Pay and Benefits | Career Prospects | Health and Well-being

EMPLOYEE WELL-BEING AND DEVELOPMENT (SOCIAL) GRI 2.16

Striving to offer our employees the tools to maintain their professional integrity while taking care of their personal well-being, we provide them with a safe and growth-conducive environment. In addition, we maintain an open-door policy that aligns with the community-oriented approach that we promote within the organisation, to provide the freedom to employees to confidentially raise their concerns and grievances.



PROGRAMS CONDUCTED TO ENJOY LIFE WHILE WORKING:

ALL STAFF MOVIE OUT

In November 2023, PLR orchestrated a special event aimed at enhancing employee engagement and well-being, held at the Colombo City Centre (CCC), a hub of recreational activity in Sri Lanka's capital, the event offered all staff members an opportunity to unwind and bond outside the confines of the office.

EMPOWERS WOMEN: A CELEBRATION OF STRENGTH AND ACHIEVEMENT

In March 2024, Prime Lands Residencies demonstrated its unwavering commitment to gender equality and employee empowerment by organising a special Women's Day celebration. Held at two prestigious venues, Colombo City Centre and the Courtyard by Marriott, the event was not just a commemoration but a testament to PLR's dedication to fostering employee engagement and motivation.



PRIME TRIP SEASON

In the spirit of fostering employee engagement and motivation, PLR embarked on an exciting journey during the trip season in November 2023. Recognising the importance of rewarding and rejuvenating its hardworking staff, PLR took a unique approach by organising department-specific trips tailored to the desires of its employees. Departing from the conventional one-size-fits-all approach, PLR allowed each department to choose its preferred destination for the trip season.



PROGRAMS CONDUCTED FOR RELIGIOUS ENLIGHTENMENT

From August to November, PLR embarked on a journey of spiritual enrichment and cultural immersion through a series of programs conducted at the revered Alanmathiniyarama Temple. Recognising the significance of fostering holistic well-being among its employees, PLR curated a range of activities aimed at promoting religious enlightenment and personal growth.



HEALTH AND SAFETY 403 - 1, 403 - 3

In line with our Occupational Health and Safety concern, PLR communicates occupational health and safety impacts and practices with each contractor on a case-by-case basis and informs relevant employees about the necessary precautions

and practices. Our contractor appointment process includes exhaustive verification of contractors' safety systems and assurances regarding their safety track record. Our contractor appointment policy stipulates that we work only with CS1 contractors who conform to the Construction Industry Development Authority (CIDA) approved safety benchmarks. This provides us enhanced assurance of the safety protocol of our business partners and ensures employee wellbeing.

We follow stringent safety protocols at our head office premises in Colombo. These include the implementation of mandatory safety requirements, periodical maintenance of equipment, along with annual safety/fire drills conducted to raise awareness.



TRAINING GRI 403 - 5, 404 - 1, 404 - 2

We rely on the annual performance review as well as feedback from team leaders to gather information to determine training needs. Once we identify the training needs, the HR department compiles a comprehensive training plan for the financial year. Once the management approves the training budget, based on skill development goals, the HR department organises and facilitates relevant training programmes. The HR department also evaluates the progress of training programmes and provides feedback.





Training	Date	No of Hours	No of participants
Anti-Money Laundering Awareness Training	17-Jul-23	2 Hour Session	54
Awareness Session on Anti-Corruption Act	28-Feb-24	2 Hour Session	9
Board Leadership Training program	15-16-Nov-23	16 Hours Session	3
Cost Reduction and Waste Elimination	17-Feb-24	3 Hours Session	1
Power BI Comprehensive Training	3-Feb-24	3 Hours Session	2
"Service Serves Us"	27-Mar-24	10 Hours Session	1
Negotiation skills for procurement and Supply Management	27-Mar-24	8 Hours Session	2
Unlocking the power of Chat GPT	23-Jan-24	3 Hours Session	1
Digital Media Marketing	15-Jan-24	2.5 Hours Session	4
Corporate Governance Rules	5-Oct-23	3 Hours Session	2
Tax Seminar	3-Apr-24	2.5 Hours Session	1
Law Seminar	2-Mar-24	3 Hours Session	1

In the financial year 2023/24, PLR demonstrated a steadfast commitment to employee development and skill enhancement, utilising 59% of its training budget and delivering a total of 220.5 hours of training. These efforts were coordinated under the umbrella of "Prime Thaksalawa," an academy format designed specifically for managing development programs aimed at improving employees' skills, knowledge, and attitudes.

Prime Thaksalawa served as the cornerstone of PLR's training and development initiatives, providing a structured framework for delivering high-quality learning experiences to employees across the organisation. Through Prime Thaksalawa, PLR was able to offer a diverse range of training programs tailored to the specific needs and career aspirations of its workforce.

One notable addition to the Prime Thaksalawa curriculum during the financial year was the introduction of a special program aimed at sharing tacit knowledge within the group. Recognising the invaluable insights and expertise that exist within its workforce, PLR sought to facilitate the transfer of tacit knowledge from experienced employees to their peers.

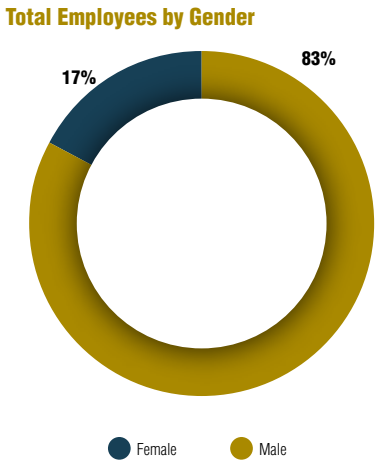
LABOUR PRACTICES AND SUPPLY CHAIN (SOCIAL)

NON-DISCRIMINATION

PLR is an equal opportunity employer. While cultural norms in the country as well as the nature of our business conventionally attracted male employees, we have been actively encouraging prospective female employees to join the organization, whilst also facilitating the wellbeing and growth of our existing female employees.

TOTAL EMPLOYEE CATEGORY – GENDER-WISE

GRI 405 - 1



FEMALE REPRESENTATION BY CATEGORY

	2023/24		2022/23	
	Male	Female	Male	Female
Management	1	1	1	1
Executive	72	14	65	14
Non-Executive	0	0	0	0

Department	No of Female employees	Female as a % to total employee count
Engineering	1	1%
Sales & Marketing	4	5%
Support Services	9	10%

Meanwhile, as an organisation, PLR respects gender, religious and ethnic diversity and identification. We refrain from discriminating against employees or prospective candidates in terms of gender identification, religious beliefs and identified ethnic backgrounds.

PERFORMANCE MANAGEMENT

We maintain a robust Performance Management System (PMS) cycle to ensure fair remuneration and recognition and determine training needs. At the point of the annual budgeting and strategic planning process, PLR determines and sets department-wise goals. Each department then facilitates the process of breaking down and assigning goals to individual employees. While we monitor the performance of sales teams on a weekly basis, the other departments conduct monthly evaluations. The Executive Committee conducts reviews on goals quarterly, while the HR department conducts bi-annual analysis as well as annual appraisals for the purpose of rewarding and development. During the year under review, we provided all permanent cadre employees with increments, based on the findings of PMS evaluations.

TOP PERFORMERS WERE ENROLLED ON THE PRIME PREMIERS' CLUB.

In recognition of their outstanding contributions and exemplary performance, Prime Lands Residencies has established the prestigious Prime Premiers' Club. This exclusive forum serves as the pinnacle of recognition for the top performers within the organisation, celebrating their dedication, excellence, and significant impact on PLR's success.



Membership in the Prime Premiers' Club is reserved for a select group of individuals who have demonstrated exceptional performance, leadership, and commitment to excellence in their respective roles. These top performers embody the core values and principles of PLR, serving as role models and inspiring their colleagues to strive for excellence.

DIGITALISATION OF HR COMPONENTS

Our employees can access their HR related requests including leave applications as well as their salary and commission earnings via a mobile application. This provides our employees with convenience and quick access to information.

TALENT ATTRACTION AND RETENTION (SOCIAL AND GOVERNANCE)

CADRE PLANNING

Our Cadre planning process aligns with organizational goals and annual strategy development. The Chief Human Resources Officer (CHRO) and members of PLR's Executive Committee determine the cadre planning process, based on the annual manpower requirement of the Company. The CHRO and Executive Committee members take into action the information gathered during the PMS review and submit the drafted cadre plan for the year to the Board for approval.

RECRUITMENT GRI 401 - 1

Once the Board approves the cadre plan, we rely on our comprehensive and transparent recruitment process. Our Group Recruitment and Selection Policy provides the framework for our recruitment efforts. The policy framework was designed to ensure our ability to remain an equal opportunity employer. While our recruitment process refrains from any type of discrimination, the recruited candidates go through a probation period of 6 months. Once the employee successfully completes the probation period requirements, we engage them on a permanent basis.

During the year under discussion, we welcomed a diverse cohort of new recruits, reflecting a range of ages and gender identities. The recruitment data provides insights into the demographics of PLR's newest team members:

		New Recruits		
		Male	Female	Total
Age Analysis	<30 years	7	5	12
	30 - 50 years	16	1	17
	> 50 years	3	0	3

EMPLOYEE ENGAGEMENT AND STAKEHOLDER RELATIONS (GOVERNANCE)

Purposeful and impactful communication is part and parcel of our human capital efforts. In line with our leadership model, each team leader remains in regular contact with members of their team. The primary communication channel we rely on to engage with employees is Email. In addition, our community-based approach to workplace engagements allows each employee to feel at ease in communicating their professional requirements with team members both formally and informally. The management communicates operational changes to employees via email.

FUTURE OUTLOOK

As we prepare for the next phase of our growth, we remain mindful of the importance of developing our human capital. In the near future, we will continue to further explore improvements to our human capital management practices in line with our efforts to implement sustainable business practices, enhance stakeholder value and contribute positively to our social and economic impact.



"Be Better Every Day"

Commit to continuous self-improvement, striving to surpass your previous achievements daily.

SOCIAL AND RELATIONSHIP CAPITAL

GRI 2.6, GRI 203-1

Our ability to nurture our social and relationship capital determines the long-term success of PLR, the sustainability of operations and our ability to create value. As we continue to invest in our relationships, we foster a culture of trust, partnerships, collaboration and integrity. Our social and relationship capital reflects the ability to maintain mutually beneficial relationships with customers, business partners, regulators and the community, whilst upholding our brand reputation. The below illustration depicts the components of PLR's social and relationship capital.





CUSTOMER VALUE PROPOSITION

GRI 416 - 1, 417 - 1

As a trusted entity in the real estate and property market in Sri Lanka, PLR has already secured a strong brand reputation as a primary choice for customers. As such, we consistently strive to be the first choice of a customer in home ownership. To this end, we have adopted a customer centric approach to business, which incorporates a focus on design excellence, exceptional procurement practices, high quality construction, quality assurance as well as a deep understanding of customer requirements.

Our core philosophy of construction revolves around creating "Liveable and Lovable Neighbourhoods." We incorporate the fundamental premise of striving for excellence into our business approach including design excellence, quality excellence, management excellence, and service excellence.



The below illustration depicts our customer value proposition:



Moreover, we obtain customer feedback on a regular basis to gain deeper insights into their requirements as well as necessary improvements to our processes. The stakeholder engagement section of this report further discusses how we engage customers to receive feedback and involve them in our value creation process. At present, we use innovative web based platform to capture and monitor customer complaints.

Mindful of the fact that customer privacy is a fundamental right, we maintain strict confidentiality of the details we obtain from customers as per the legislative requirements of the Anti-Money Laundering & Countering the Financing of Terrorism (AML/CFT) and disclose such information only at the request of the regulatory bodies.

BUSINESS PARTNER RELATIONSHIPS

GRI 204-1, 308 - 1, 414 - 1

Maintaining mutually beneficial partnerships with our business partners is part and parcel of our social and relationship capital. Our supply chain consists mainly of local suppliers (90%) and local contractors100%. In addition, direct suppliers of accessory items and finishes count as the second largest component of our supply chain.

In our bid to consistently seek excellence, we connect with suppliers and contractors that share our values of service excellence, international standards, integrity and transparency. In selecting suppliers and contractors, we evaluate a set of predetermined criteria to assess the contractors' track record, delivery timeline, financial credibility, compliance with company's anti-corruption programs, safety conduct and overall social and environmental performance. An independent committee led by our Chief Quantity Surveyor, Chief Procurement Officer including representatives from project design consultants and the engineering team conduct evaluations, which then are submitted to the Executive Committee for further analysis and approval. In accordance with our tender guidelines, PLR strictly work with CIDA accredited (CS1 & PB1) contractors who adhere to global benchmarks such as the Euro codes and the British Construction Standards.

SUPPLIER RELATIONSHIP STATUS

	2023/24	2022/23
<2 years	30%	40%
2 -5 years	30%	20%
>5 years	40%	40%

Supplier Spend	%
Payment to Main Contractors	80
Payment to Sub Contractors	12
Import Material Component	8
	100

Local	92
Foreign	8
	100

As the stakeholder engagement section of this report further explains, we maintain robust communication channels with our business partners to ensure that we understand their needs and meet those in a mutually beneficial manner.

Social and Relationship Capital

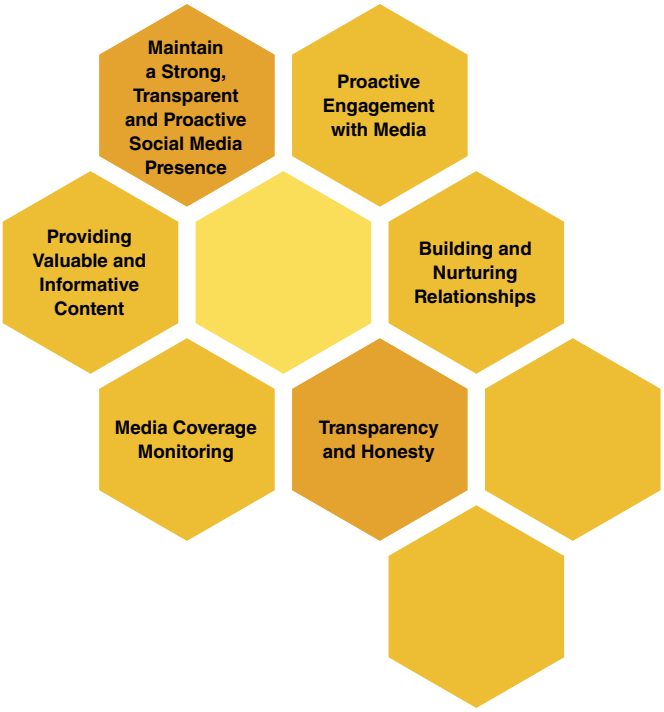
Our suppliers fall under the purview of our general sourcing framework that aligns with the stewardship of the Company's Procurement division. As such, we maintain a supplier registry and the aforementioned supplier selection process that also include due diligence activities such as product testing and site visits. To this end, we maintain a vital and transparent working relationship with leading local suppliers for such items as sanitary ware, tiles and electrical appliances.

The below illustration depicts the key components of our business partner relationship approach:



PUBLIC RELATIONSHIPS AND COMMUNICATION

Our relationship with the larger community and media presence pivot on our efforts to remain transparent and in communication with media outlets. Mindful of this fact, we maintain purposeful relationships with media and effectively manage our social media presence. The illustration below presents our overall public relationship strategy:



SOCIAL MEDIA STATISTICS

Facebook Follower Growth
44%

Instagram Follower Growth
25%

Website User Visits
95%

YouTube Video Views
486%

Engagement
667%

GOVERNMENT AND REGULATOR RELATIONSHIPS

A robust relationship with government authorities and regulatory bodies allows us to effectively navigate the regulatory environment, engage with government stakeholders, and contribute to the development of sustainable and resilient communities as part of our own growth aspirations.

The below illustration depicts the components of our efforts to maintain robust relations with the Government and regulators:



SPECIFIC LEGISLATIVE REQUIREMENTS APPLICABLE TO PLR'S OPERATIONS

Urban Development Authority	The construction of the relevant buildings should comply with the planning regulations prepared by the Urban Development Authority (UDA) for the relevant local authority
Central Environment Authority	The Authority regulates the implementation of projects affecting the environment and the construction of sites specifically designated by the Central Environment Authority
Coastal Conservation Department	If the construction is taking place in a coastal area, the relevant approvals and regulations should be obtained from Coastal Conservation Department (CCD).
Civil Aviation Authority	If the relevant construction is a high rise building, approval should be obtained in accordance with the regulations of the Civil Aviation Authority (CAA).
National Building Research Organization	Approval from this Organization is essential if construction is taking place on slopes and hills, and if there is excessive digging for the foundation of the building
Condominium Management Authority	If the relevant construction is to be developed as a condominium property, the prior approval of this authority and the final approval of the construction must be obtained. The regulations of this Authority also govern the Management Corporations. In this regard, the authority requires the appointment of a dedicated body for the control, management, maintenance and administration of each condominium
Sri Lanka Land Reclamation and Development Corporation	If it is necessary to carry out the relevant construction and fill the land at the site and develop it, the approval of this body should be obtained.
Ministry of Defense	If construction is taking place around areas critical for national security, it must first be approved by this Ministry.
Ceylon Electricity Board/National Water Supply & Drainage Board	Relevant institutions should obtain confirmation that electricity and water can be provided as infrastructure facilities for the relevant construction.
Fire Service Department	Approvals to be obtained from this department for the manner in which the relevant construction fire prevention activities are carried out.
Road Development Authority	If the construction is facing a road belonging to the Road Development Authority, prior approval should be obtained from this authority

COMMUNITY RELATIONSHIPS GRI 413 - 1

Engaging communities and ensuring that we contribute to overall economic and social progress through managing our economic, social and environmental impact remain a vital components of our fundamental sustainable value creation strategy. As the stakeholder relationship segment of this report explain, we consistently engage communities and strive to become part of the development of sustainable communities across Sri Lanka. While our business process plays an important role in economic and social progression, we provide direct assistance to various community building efforts as part of our CSR strategy.

The table below presents the direct CSR projects that we initiated during the period under review:

Scholarship Programme for students at University of Colombo	We donated scholarships at a value of Rs. 1 Mn rupees to support 20 economically underprivileged students and students with special needs in their first year at the University of Colombo through the Scholarship Scheme conducted by the Alumni Organization of the University.
Donation of an air conditioner to University of Colombo.	We donated an air conditioner to the Centre for Environmental Law and Policy (CELP), affiliated with the Faculty of Law at the University of Colombo. This donation highlights our commitment to supporting environmental conservation efforts and fostering academic excellence.
Refurbishment of Ward 38 at the Colombo South Teaching Hospital in Kalubowila.	We refurbished the Ward 38 (ENT & Surgical Ward) at the Colombo South Teaching Hospital – Kalubowila. We continue to conduct maintenance work at the Ward for the foreseeable future. PLR donated emergency, ward round and dressing trolleys along with the pantry cupboards, partitions, and curtains. In addition, we donated 100 bed rexine and stationery for the same ward worth of Rs. 2 Mn
Donation of School Bags to children at the Chithra Lane School	We donated school bags to 140 special needs students at the school.
Renovation of the Alan-mathiniyarama Temple	We renovated the Alanmathiniyarama Temple, focusing on enhancing the Vihara premises and providing essential amenities. In addition, we provided kitchen appliances, wardrobes, and a pantry area valued at Rs. 3.1 Mn.



In addition, we organised Christmas Carols on 22nd December 2023, at The Palace - Gampaha project to engage with the local community in a meaningful way. This unconventional CSR initiative allowed us to foster a sense of belonging and goodwill within the community.



FUTURE OUTLOOK

In the foreseeable future, we will continue to develop our social and relationship capital through enhanced stakeholder engagement, transparency and collaboration, strategic partnership formation, investments in community development and safeguarding sustainable corporate social responsibility. In this endeavour, we will continue to learn and continuously improve.

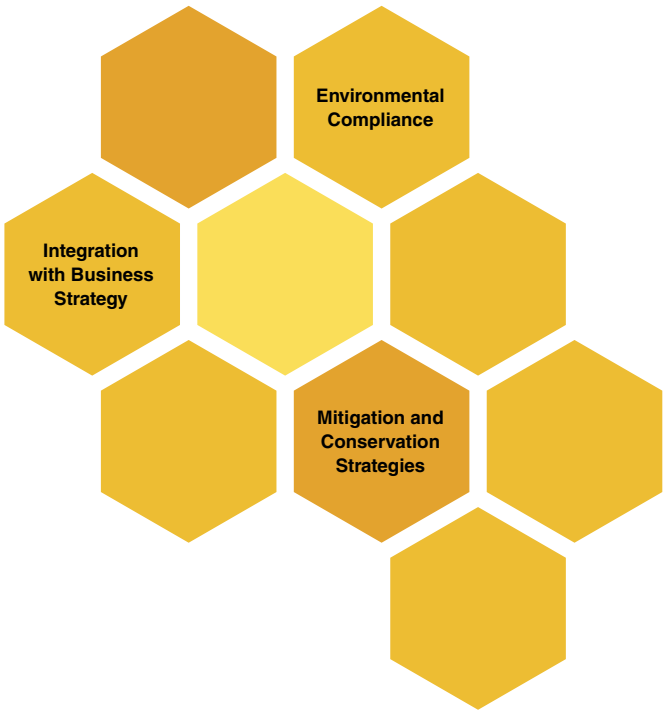
NATURAL CAPITAL

GRI 2.22, 302-1, 302 - 4, 302 - 5, 303 - 3, GRI 303 - 4, 303 - 5



At Prime Lands Residencies, our meticulous attention to natural capital in our business operations enables us to actively contribute to sustainable development while generating value for our stakeholders and society at large. By prioritising natural capital, we enhance property values, streamline operational processes, mitigate risks, ensure compliance with regulations, distinguish ourselves in the market, and fortify our resilience against the challenges posed by climate change.

The illustration below depicts the components of our natural capital focus:



RELEVANT SDGS



Material Topics

Environmental Stewardship

ENVIRONMENTAL COMPLIANCE

GRI 2.27

We strictly adhere to all applicable environmental compliance regulations in all aspects of our business. The scope, scale and location of our development projects determine the applicable compliance criteria. During the year under review, there were no incidents of non-compliance.





The below table presents the environmental regulation purviews applicable to PLR:

Environmental Regulations applicable to PLR's operations	
Urban Development Authority	The construction of the relevant buildings should comply with the planning regulations prepared by the Urban Development Authority for the relevant local authority.
Central Environment Authority	The authority regulates the implementation of projects affecting the environment and the construction of sites specifically designated by the Central Environment Authority.
Coastal Conservation Department	If the construction is taking place in a coastal area, the relevant approvals and regulations should be obtained from the Coastal Conservation Department
National Building Research Organisation	Approval from this Organization is necessary if construction is taking place on slopes and hills, and if there is excessive digging for the foundation of the building.
Sri Lanka Land Reclamation and Development Corporation	If it is necessary to carry out the relevant construction and fill the land at the site and develop it, the approval of this body should be obtained

MITIGATION AND CONSERVATION STRATEGIES

In line with our environmental mitigation and conservation strategies, we take proactive steps to include environmentally sustainable practices in our building projects.

We work with architects to incorporate green building design elements into our real estate building projects. Incorporating energy efficient design elements such as natural lighting and ventilation and building layout design to minimise energy usage allows PLR to work towards environmental sustainability. Our latest projects incorporate rainwater harvesting systems and effective Building Management Systems. Our condominiums built after the year 2020 are equipped with energy efficient LED lighting, inverter air conditioning units and motion sensor activated lighting in all common areas. Meanwhile, we strive to maintain an overall building footprint between 40 - 50% of the total land extent with the balance dedicated to landscaping and green coverage.



In addition to working with architects to incorporate environmental sustainability into design concepts, we work with contractors who possess valid green credentials such as ISO 14001 Environmental Management Standard.

Meanwhile, we consistently look to minimise our usage of non-renewable materials in construction activities. We work with contractors to source reclaimed products and waste materials from other industries for various construction activities within the safety and quality parameters required for the viability of our buildings. We have equipped all our condominiums with water treatment plants to treat sewage and wastewater. A considerable percentage of our concrete mixture is made using quarry dust or fly ash instead of sand mined from river basins. We use reclaimed timber for doors and door frames. In addition, we use land markers on newly sold land plots in place of conventional plastic boards and gift each client with a symbolic sapling when they invest in our land plots.



The nature of our construction work calls for the use of a large volume of water. While we rely on water from municipal water lines for urban building projects, we install deep tube wells to extract water for use in construction projects in other locations. As the water runoff from our construction activities is free of harmful contaminants, we release used water back into the municipal sewage system. In instances where sewage system capacity is insufficient, we install on-site soakage pits and septic tanks.

While the responsibility of safely disposing construction waste lies with the construction contractor, we review their waste disposal processes during the initial evaluation stage to ensure the environmental sustainability of the said processes.

INTEGRATION WITH BUSINESS STRATEGY

Climate change impact is one of the key risks that we face as a real estate and property development company. At present, severe weather conditions negatively impact our project completion timelines. As such, we incorporate climate risk analysis into our natural capital risk framework. We rely on sophisticated weather analysis and forecast tools in crafting our construction project timelines.

Meanwhile, we integrate natural capital concerns into the Company's overall business strategy, including decision-making processes, risk management and corporate sustainability initiatives.

FUTURE OUTLOOK

As we map the future of PLR, we will assess the developments in environmental sustainability, regulatory frameworks, and market dynamics whilst also remaining mindful of climate change risks to nurture our natural capital. As such, we will remain committed to environmental stewardship and contribute to the conservation and sustainable management of natural resources.



“Be Burning With Passion”

Let your intense enthusiasm and love for what you do fuel your actions and drive you toward success.

OUR APPROACH TOWARDS SUSTAINABILITY

GRI 405 - 2

Principles that Drive Our Commitment to Sustainable Development

1. No Poverty

- Site workforces are sourced by PLR from rural areas across the country to enhance their livelihood and standard of living, thereby contributing to poverty alleviation.

2. Zero Hunger

- Lunch is offered to PLR employees at a concessionary rate, with the majority of the cost covered by the company.
- Food was provided to those observing sil at Alanmathiniyarama Temple on Poya days during the Katina season.

3. Good Health & Wellbeing

- Ward 38 at the Colombo South Teaching Hospital in Kalubowila was refurbished and essential equipment worth Rs. 2 Mn was provided to enhance national healthcare standards.
- Workmen compensation for site staff is obtained by PLR to ensure their health and safety.
- Health insurance, accidental cover, and life cover are provided by the company for all employees.

4. Quality Education

- 140 school bags were donated to special needs children at the Chithra Lane School.
- A scholarship program worth Rs. 1 Mn was provided by PLR for economically underprivileged students and students with special needs at the University of Colombo.
- "Prime Thaksalawa," an initiative designed to manage educational and development programs aimed at enhancing the skills, knowledge, and attitudes of PLR employees, was initiated.

5. Gender Equality

- The Board of PLR is chaired by a female chairperson, ensuring adequate female representation in leadership roles within PLR's management team.

6. Clean Water and Sanitation

- Rainwater harvesting systems have been incorporated into PLR's latest projects to promote sustainable water management and conservation.
- Deep tube wells are installed at selected locations to sustainably extract water for construction purposes, ensuring efficient and responsible water use.
- Water runoff from construction activities, free of harmful contaminants, is safely released back into the municipal sewage system. When the municipal system's capacity is insufficient, on-site soakage pits and septic tanks are installed to manage wastewater effectively and sustainably.

7. Affordable and Clean Energy

- Energy conservation is proactively pursued by PLR through the installation of solar panels to reduce dependence on traditional energy sources.
    - At "The Colombo Border," the roofs of covered car parks are utilized for solar panel installation, reducing the carbon footprint and showcasing a commitment to renewable energy.
    - Solar street lighting has been integrated into "The Palace - Gampaha" project to decrease electricity consumption within the development.

8. Decent Work and Economic Growth

- Fresh talents are attracted, career guidance is provided, and internships are offered through collaboration with government universities, aligning with the commitment to the SDGs.
- Career growth opportunities for each employee have been identified through career development programs.
- An annual increment of 20% was given to all permanent staff of PLR to improve their financial well-being and reduce economic disparities.

9. Industry Innovation and Infrastructure

- The Revolutionary Prime 1% payment plan, a pioneering initiative in Sri Lanka's real estate industry, was introduced to make homeownership attainable for everyone.
- Innovation in design and construction methodologies is harnessed by PLR, utilizing cutting-edge technologies like Building Information Modelling (BIM), 3D printing, and smart home systems to enhance efficiency and sustainability.

10. Reduced Inequality

- Equal opportunities are ensured for all employees and a zero-tolerance policy towards any form of unfair discrimination, including those based on race, religion, and gender, is maintained.
- The ratio of basic salary at the entry level for males and females is maintained at 1:1.

11. Sustainable Cities and Communities

- Different customer segments are catered to own a home by extending the portfolio of PLR projects.

- Sustainable vertical living is promoted by PLR as a solution to urban land scarcity.
- Environmental sustainability is integrated into design concepts by partnering with architects, and contractors certified with green credentials like the ISO 14001 Environmental Management Standard are collaborated with to deliver sustainable products.
- An air conditioner was donated to the Centre for Environmental Law and Policy (CELP) at the University of Colombo to demonstrate a commitment to environmental conservation efforts.



12. Responsible Consumption and Production

- A digital document archiving platform was implemented at PLR to contribute to responsible consumption and production sustainability.
- Automated deed transfer and sale & purchase agreement processes were implemented, reducing paper consumption by 95%.

13. Climate Action

- Green building design principles are integrated into real estate projects.
- Climate risk analysis is integrated by PLR into the natural capital risk framework, aligning with the Sustainable Development Goals. Advanced weather analysis and forecasting tools are utilized to develop construction project timelines.
- Energy-efficient features such as natural lighting, ventilation, layout design, LED lighting, inverter air conditioning units, and motion sensor-activated lighting are incorporated by PLR, contributing to climate and environmental sustainability.

14. Life Below Water

- Although primarily focused on terrestrial projects, water runoff is managed responsibly by PLR to prevent pollution and harm to aquatic ecosystems, aligning indirectly with the SDGs.

15. Life on Land

- The building footprint of The Palace Gampaha project and The Colombo Border project is only 30% and 25% of the total land area respectively with the remainder allocated for landscaping and green spaces, promoting biodiversity and environmental conservation.

16. Peace & Justice Strong Institutions

- A zero-tolerance policy for bribery and corruption is upheld by PLR among all employees and directors, ensuring integrity and transparency in all operations.

17. Partnerships for the Goals

- Strategic partnerships are fostered to address challenges in education, community empowerment, and entrepreneurship development.



"Be Relentless in Your Efforts to Succeed"

Persist tirelessly in your pursuit of success, never giving up until you achieve your desired outcomes.

GOVERNANCE STRUCTURE



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE DECLARATION BY THE CHAIRPERSON

On behalf of the Board of Directors of Prime Lands Residencies PLC (PLR), I am pleased to present our unwavering commitment to robust corporate governance practices. As custodians of your investment, we understand the paramount importance of effective governance in safeguarding your interests, promoting transparency, and driving sustainable value creation. The Board of Directors at PLR diligently oversees and provides strategic leadership to guide the Company towards its objectives. Comprised of seasoned professionals with diverse expertise and perspectives, the Board ensures that PLR upholds the highest standards of integrity, ethics, and accountability.

At PLR, we are dedicated to upholding principles of transparency, fairness, and accountability in all our dealings. We operate in compliance with applicable laws, regulations, and corporate governance guidelines, continuously striving to enhance our governance framework to align with evolving best practices. The Board is actively engaged in overseeing PLR's risk management processes to identify, assess, and mitigate risks that may impact the Company's performance or reputation. We maintain robust compliance mechanisms to ensure adherence to legal and regulatory requirements, thereby minimising potential risks and liabilities.

PLR has established specialised Board committees, such as the Audit Committee, Remuneration and Human Resources Committee, Related Party Transaction Review Committee and Nominations and Governance Committee, each with distinct responsibilities and mandates to enhance the performance of the Company to achieve its objectives within an effective governance framework. This performance is an important role in ensuring effective oversight and informed decision-making in key areas of corporate governance. PLR is committed to continuous improvement and adaptation in its governance practices. We regularly evaluate and update our governance framework, policies, and procedures to respond to changing market dynamics, emerging risks, and stakeholder expectations.

On behalf of the Board of Directors of Prime Lands Residencies PLC, we are pleased to confirm that the Company has maintained full compliance with all laws, rules, and regulations relevant to our business throughout the year under review. This includes adherence to the Rules of the Securities and Exchange Commission of Sri Lanka (SEC) and the Colombo Stock Exchange (CSE) for listed entities. Furthermore, we affirm that all members of the PLR Board and employees have performed their duties and responsibilities in conformity with corporate policies, procedures, and standards outlined in the Internal Code of Ethics and Conduct.



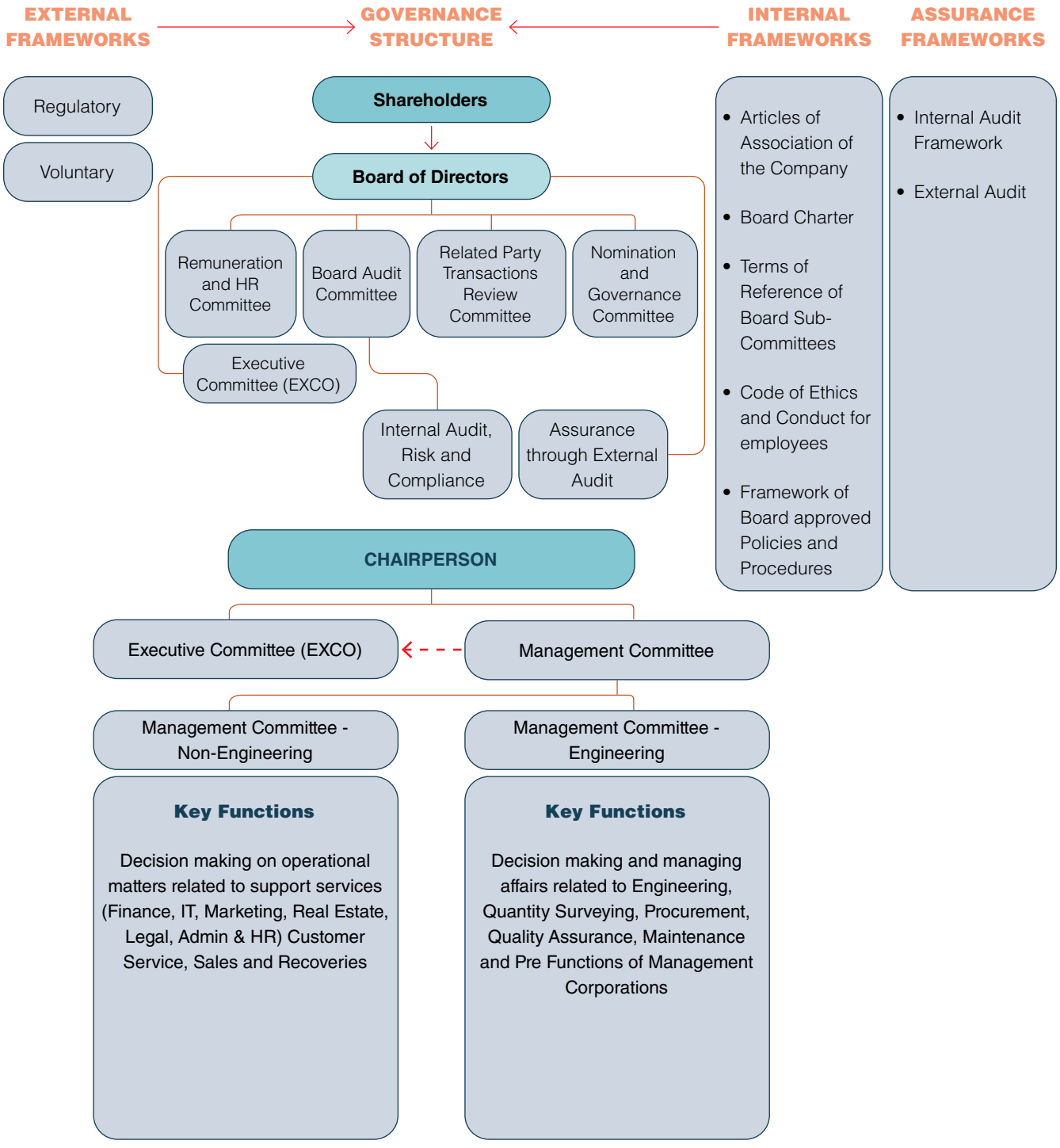
Ms. H.K. Sandamini R. Perera
Chairperson

GOVERNANCE FRAMEWORK

PLR's corporate governance framework is the linchpin of our corporate structure encompassing business reputation and integrity, regulatory compliance, transparency, ethical business conduct and ultimately our economic, social and environmental impact. There exists a strong connection between our governance framework and the Environmental, Social and Governance (ESG) approach. Mindful of the fact that ESG issues have become integral to being a good corporate citizen, we have infused these aspects into our corporate governance framework. Consequently, our corporate governance efforts ensure that our strategic objectives fall in line with stakeholder interests and long-term value creation. As such, we are able to consistently maintain the correlation between our strategic impetus with sustainability concerns, credibility and transparency.

PLR's Board of Directors is the ultimate custodian of the corporate governance process, while sub-committees assist the Board in implementing governance decisions and strategies. During the year under review, we appointed the Nominations and Governance Committee in line with the latest regulatory requirements stipulated by the Colombo Stock Exchange. This has further strengthened our corporate governance structure for the future. The below illustration depicts our latest corporate governance structure:

CORPORATE GOVERNANCE STRUCTURE AND FRAMEWORK GRI 2.9



BOARD OF DIRECTORS

GRI 2.10, 2.11, 2.12, 2.13, 2.15, 2.17, 2.18

The Board of Directors exercise oversight on the strategic direction of the Company as well as the risk management process. This allows the Board to incorporate ESG related considerations to effectively steer the Company's direction by identifying risks and opportunities.

The Board of Directors of Prime Lands Residencies PLC (PLR) comprises six Executive and five Independent Non-Executive Directors. The collective experience and expertise of our Board of Directors include a well-balanced and diverse combination of skills, business acumen, and professional knowledge, which renders our corporate governance leadership competent and capable to provide the Company a comprehensive strategic outlook. As such, PLR is able to incorporate a broader ESG approach to corporate governance and craft a path geared for progress.

PLR's Board is headed by the Chairperson and, in accordance with good governance practices, the Company has established a clear division between the roles of Chairperson and Managing Director.

The Chairperson is responsible for leading the Board and enabling the Directors to operate effectively as one unit to determine the strategy, risk appetite, and governance structure that are necessary to deliver Shareholder value in a transparent and responsible manner.

PLR's Managing Director is also the Chief Executive Officer of the Company and is responsible for executing the Board approved strategy in order to achieve the stated commercial objectives. The Managing Director is the head of the Company's Executive Committee (EXCO), which is collectively responsible for the day-to-day management of the Company.

The below illustration presents the Board Composition:

Name of Director	Nature of Directorship
Ms. H K Sandamini R Perera*	Chairperson/ Executive Director
Mr. Premalal Brahmanage*	Executive Director
Mr. N.M. Weerakkody	Executive Director
Mr. H M N U Kumara	Executive Director
Ms. Shehana S A P Brahmanage	Executive Director
Mr. Anura Pathirage**	Executive Director
Mr. Deepal Sooriyaarachchi	Non-Executive, Senior Independent Director
Mr. Sanjaya Bandara	Independent Non-Executive Director
Mr. Mahinda Perera	Independent Non-Executive Director
Mr. Dhammika Kalapuge	Independent Non-Executive Director
Mr. Noel Joseph	Independent Non-Executive Director

*Effective 1st January 2024, Ms Sandamini R. Perera, previously Co-Chairperson, has been appointed as Chairperson after Mr Premalal Brahmanage, the Company's former Co-Chairman and Chair of the meeting, stepped down from his position to continue to serve as an Executive Director.

** Appointed to the Board with effect from 1st January 2024.

INDEPENDENT DIRECTORS

To ensure Board balance in compliance with the CSE listing rules and the Code of Best Practices on Corporate Governance, all five Non-Executive Directors of the Board were independent as of 31st March 2024. All Non-Executive Directors declare their independence on an annual basis against the specified criteria.

In appointing the Board of Directors, PLR follows the provisions laid down by the CSE listing rules. In addition, we take into consideration the requirements of the Board in terms of the Company's strategic direction, governance practices, gender and knowledge gaps.

SENIOR INDEPENDENT DIRECTOR

In line with regulatory requirements and best corporate governance practices, a Senior Independent Director has been appointed to support the Chairperson, who serves in an executive capacity. This role ensures adherence to Listing Rules and the Code of Best Practice on Corporate Governance. The Senior Independent Director offers valuable guidance to the Chairperson on corporate governance matters. For further insights, please refer to the statement provided by the Senior Independent Director, available on Page 115.

ROLE OF THE BOARD

The Board of Directors oversees the operational success of the Company by setting the strategic direction and taking on the core responsibility of creating lasting value on behalf of all stakeholders, including shareholders. Risk identification and management is an integral part of Board oversight. In addition, the Board consistently monitors the financial position and performance of the Company's operations. The Board is responsible for overseeing the timely delivery of transparent and accurate information to shareholders, regulators and other stakeholders as well as regulatory compliance.

The following matters are reserved expressly for consideration and approval by the PLR Board:

- Approving the Company's strategy and business plan
- Approving major acquisitions, investments and capital expenditure
- Dividend policy
- Changes to the capital structure
- Approving and/or amending the Terms of Reference of Board Sub Committees
- Appointments to the Board and Board committees
- Approving annual budgets and monitoring of performance against budgets
- Amendments to key policies and procedures
- Approval of Interim and Audited Financial Statements

BOARD MEETINGS

During the year under review, the Board convened on a quarterly basis as predetermined and planned at the beginning of the calendar year. Guidelines and procedures were effectively communicated in advance to ensure that Directors were promptly informed about the scheduled meetings. In addition to the regular meetings, the Board of Directors convene as needed for in-depth discussions on strategically important matters.

The Board has approved the meeting dates for the year in advance, and any changes to the schedule are promptly communicated to the Directors. The agendas and Board papers are distributed to all Board members seven days prior to meetings, and if a Board meeting is convened for urgent circumstances, every effort is made to provide the Board papers as early as possible. The Directors are also kept informed of any changes in the economic and industry landscape that could impact the Group's ability to create value and its overall performance.

BOARD AND SUBCOMMITTEE MEETING ATTENDANCE

Details on Board, sub-committee meetings, and individual member attendance for FY 2023/24 can be found on page 90 of this Report.

BOARD COMMITTEES

At PLR, effective governance is paramount to ensuring transparency, accountability, and strategic decision-making. To fulfil this mandate, the Board has established several specialised committees, each tasked with specific responsibilities outlined in their Terms of Reference (TOR). These committees serve as integral components of the corporate governance framework, facilitating in-depth discussions, rigorous oversight, and informed decision-making processes.

BOARD AUDIT COMMITTEE:

The Audit Committee plays a pivotal role in overseeing PLR's financial reporting, internal controls, risk management and compliance with regulatory requirements. Comprising Independent Directors with financial expertise, this committee reviews financial statements, internal audit findings, and risk management practices. It ensures that the Company adheres to sound accounting principles and maintains the integrity of its financial reporting.

RELATED PARTY TRANSACTION REVIEW COMMITTEE:

This committee is entrusted with scrutinising transactions involving related parties to identify any conflicts of interest and ensure fairness. Its mandate includes evaluating the terms, necessity, and impact of such transactions on PLR's stakeholders. By conducting thorough assessments, the committee upholds ethical standards and safeguards the interests of all shareholders and other stakeholders.

REMUNERATION AND HUMAN RESOURCES COMMITTEE:

This committee ensures responsible executive compensation to foster a high-performing, diverse workforce. They oversee human resource strategies, review compensation packages, and promote a positive work environment that attracts and retains top talent. This ensures alignment with shareholder interests and long-term value creation.

NOMINATIONS AND GOVERNANCE COMMITTEE:

The Nominations and Governance Committee is responsible for ensuring effective Board composition, Director nominations, and governance practices within the Company. It identifies qualified candidates for Board positions and evaluates their skills and expertise to ensure a diverse and proficient Board membership. Additionally, it oversees Board performance evaluations, training of Directors when required, and reviewing the corporate governance framework to ensure it is effective and appropriate. This comprehensive approach considers not only the Listing Rules and other regulatory requirements but also industry best practices to uphold the highest standards of governance. The committee was appointed in November 2024.

Each committee convenes periodically to deliberate on relevant matters within its purview, guided by its TOR. Meeting minutes are meticulously recorded, reflecting discussions, decisions, and action items. Once approved by committee members, these minutes are disseminated to the respective boards for review and subsequently presented at the next Board meeting for review of the Directors. This ensures transparency, accountability, and alignment with organisational objectives throughout the governance structure.

In addition, PLR appoints and maintains committees at the management level to infuse concentrated oversight into different, core aspects of the business.

BOARD AND BOARD SUBCOMMITTEE ATTENDANCE

The number of meetings of the Board, Subcommittees and the individual attendance by members are as follows:

Number of meetings held

Type of meeting	Number of meetings held
Board meetings	4
Audit Committee meetings	6
Related Party Transactions Review Committee meetings	4
Remuneration and Human Resource Committee meetings	3
Nomination and Governance Committee meetings	1

Date of the meetings held

Board meetings	Audit Committee meetings	Related Party Transactions Review Committee meetings	Remuneration and Human Resource Committee meetings	Nomination and Governance Committee meetings
26th May 2023	9th May 2023	22nd May 2023	20th April 2023	28th March 2024
10th August 2023	22nd May 2023	7th August 2023	27th October 2023	-
08th November 2023	7th August 2023	26th October 2023	02nd February 2024	-
02nd February 2024	26th October 2023	26th January 2024	-	-
-	26th January 2024	-	-	-
-	28th March 2024	-	-	-

The Board composition, together with the attendance of the Board members

The details of the Board meeting attendance of each Board member are disclosed below:

Name of director	Nature of directorship	Eligibility	Attended	26th May 2023	10th August 2023	08th November 2023	02nd February 2024
Ms. H.K. Sandamini R. Perera*	Chairperson/ Executive Director	4	4	✓	✓	✓	✓
Mr. Premalal Brahmanage*	Executive Director	4	3	✓	×	✓	✓
Mr. N.M. Weerakkody	Executive Director	4	3	✓	✓	×	✓
Mr. H.M.N.U. Kumara	Executive Director	4	4	✓	✓	✓	✓
Ms. Shehana S.A.P. Brahmanage	Executive Director	4	3	✓	×	✓	✓
Mr. Pathirage Anura W Perera**	Executive Director	1	1	n/a	n/a	n/a	✓
Mr. Deepal Sooriyaarachchi	Non-Executive, Senior Independent Director	4	3	×	✓	✓	✓
Mr. Sanjaya Bandara	Independent Non-Executive Director	4	4	✓	✓	✓	✓
Mr. Mahinda Perera	Independent Non-Executive Director	4	4	✓	✓	✓	✓
Mr. Dhammika Kalapuge	Independent Non-Executive Director	4	4	✓	✓	✓	✓
Mr. Noel Joseph	Independent Non-Executive Director	4	4	✓	✓	✓	✓

* Effective 1st January 2024, Ms. Sandamini R. Perera, previously Co-Chairperson, has been appointed as Chairperson after Mr. B. Premalal, the Company's former Co-Chairman and Chair of the meeting, stepped down from his position.

** Appointed to the Board with effect from 1st January 2024.

The Subcommittee composition, together with the attendance of the members

The Board Subcommittees are comprised exclusively of Independent Non-Executive Directors. The membership of the Board Sub-Committees and the individual attendance by members are as follows:

Name of director	Board Audit Committee		Board Related Party Transactions Review Committee		Board Remuneration and HR Committee		Board Nominations and Governance Committee	
	Status	Attendance	Status	Attendance	Status	Attendance	Status	Attendance
Mr. Sanjaya Bandara	C	6/6	C	4/4	M	3/3	M	1/1
Mr. Deepal Sooriyaarachchi	M	5/6	M	3/4	C	3/3	M	1/1
Mr. Mahinda Perera	M	6/6	M	4/4	n/a	n/a	C	1/1
Mr. Dhammika Kalapuge	n/a	n/a	n/a	n/a	M	3/3	n/a	n/a

C - *Chairman* M - *Member*

THE BELOW TABLES PRESENT THE LEVEL OF COMPLIANCE OF PRIME LANDS RESIDENCIES PLC TO THE CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE 2017 ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA, COMPANIES ACT AND LISTING RULES:

LEVEL OF COMPLIANCE WITH THE CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE AS OF 31ST MARCH 2024

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
The Board	A.1	✓	The Board, led by the Chairperson, comprises eleven directors, including five Independent Non-Executive Directors. Comprised of seasoned professionals in business leadership, engineering, finance, sales and marketing, legal and compliance, human resources, corporate governance, and risk management, the Board brings a wealth of diverse expertise to steer the Company's strategic direction.
Regular Board meetings, Structure and process of submitting information	A.1.1	✓	The Board convenes quarterly, with additional meetings scheduled as necessary. Throughout the financial year ending on 31st March 2024, the Board held four meetings. Board packs, containing essential information, are sent seven days prior to each session. Typically, these packs encompass: ● Financial statements for the relevant quarter and year to date together with comparatives for the corresponding period of the previous financial year and budgets ● Use of common seal and litigation status of the Company ● Compliance dashboard ● Current status of construction projects ● Current status of the sales and recovery performance

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Responsibility of the Board	A.1.2	✓	The board is primarily responsible for the Company's strategic planning process. This involves being responsible for developing the Company's strategic vision and mission. The Board is also responsible for matters including; ● Appointing a Chairperson to the Board. • During the year, the Board has appointed Ms. H.K. Sandamini R. Perera as the Chairperson of the Board. ● Ensuring an effective succession plan for the MD/CEO and key management personnel. ● Approving budgets and major capital expenditures. ● The Board has delegated the responsibility to the Board Audit Committee to ensure effective systems to secure the integrity of information, internal control, and risk management. ● The Audit Committee Report on page 116 presents information about the composition, responsibilities, and duties of the Board Audit Committee.
Act in accordance with the law and obtain independent professional advice.	A.1.3	✓	There is a significant emphasis across the organization on ensuring compliance with applicable laws and regulations. The statutory and regulatory compliance dashboard is presented at every board meeting and is monitored at the board level. The Board members are permitted to obtain independent professional advice from a third party, including the Company's external auditors, lawyers, and other professional consultants, whenever deemed necessary at the expense of the Company.
Access to the advice and services of the Company secretary	A.1.4	✓	All Directors have access to the advice and services of the Company secretarial function provided by SSP Corporate Services (Private) Limited, which is responsible for ensuring follow-up of Board procedures, ensuring that the Company complies with its Articles of Association and Companies Act, and maintaining minutes and relevant mandatory records.
Independent judgment of Directors	A.1.5	✓	All Directors exercise independent judgment in all decisions pertaining to strategy, performance, resource allocation, risk management, compliance, and standards of business conduct. Each director receives a comprehensive set of board papers in advance of every board meeting, allowing sufficient time for directors to evaluate and express their independent judgment.
Dedication of adequate time and effort by Directors	A.1.6	✓	The Board met on four occasions during the year (once in each quarter). The board is satisfied that the chairperson and all other Directors committed sufficient time during the financial year 2023/24 to fulfil their duties. The Board Papers and the Agenda are received by the Directors ahead of board meetings, enabling the directors to review the papers and obtain clarifications ahead of the meetings.
Call for resolution by Directors	A.1.7	✓	As per the Articles of Association, resolutions could be passed with majority voting. However, any single Director may call for a resolution to be presented to the board if he or she feels it is in the interest of the Company.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Training for Directors	A.1.8	✓	The Board recognizes the need for continuous training and expansion of Directors' knowledge and skills to effectively discharge their duties and are encouraged to attend various corporate forums and seminars. Some Directors attend sessions of the Sri Lanka Institute of Directors. Further, at Board and audit committee meetings, members are briefed on regulatory changes that may affect the business.
Separation of the roles of Chairperson and CEO	A.2	✓	The positions of Chairperson and CEO are separated to provide a clear separation of responsibility at the apex of the Company as well as a balance of power and authority. The Managing Director has the same authority as the CEO.
Chairman's role & Conduct of Board Meetings	A.3- A.3.1	✓	The Board was headed jointly by the Co-Chairman, Mr. Premalal Brahmanage, and the Co-Chairperson, Ms. H.K. Sandamini R. Perera, until 31st December 2023. With effect from 1st January 2024, the Board is headed by Chairperson, Ms. H.K. Sandamini R. Perera. Mr. Premalal Brahmanage continues to serve on the board as an Executive Director. The Chairperson ensures the following; ● Developing an appropriate agenda for Board meetings with the Company Secretaries, taking into consideration the Directors' recommendations. ● Provide sufficient information in board packs and timely availability ● Effective participation of Executive and Non-Executive Directors ● Sufficient balance of power between Executive and Non-Executive Directors ● The views of directors on issues under consideration are obtained, and a record of such deliberations is reflected in the Minutes appropriately.
Financial Acumen	A.4	✓	The Board is made up of directors who are skilled, experienced, and have the expertise and capacity to provide the Board with expert advice on financial concerns. The Board includes a member who is a fellow member of the Institute of Chartered Accountants of Sri Lanka, two members who are fellow members of the Chartered Institute of Management Accountants (UK), and a fellow member of the Chartered Institute of Taxation of Sri Lanka. Other members of the Board also have the ability to offer guidance on matters of finance to the Board.
Board Balance	A.5	✓	The Board has a mix of executive and Non-Executive Directors, ensuring that no individual or small group of individuals may control the Board's decision-making. The oversight of the SID further strengthens the independence of the Board performance and its decision making process.
Majority of Non-Executive Directors	A.5.1	✗	The Board consists of six executive directors and five Non-Executive Directors. The Board is committed to appoint in due course another independent director with the appropriate business acumen, skills and professional experience to support the Board
Independent Non-Executive Directors	5.2	✓	All five Non-Executive Directors on the Board are independent based on the criteria set by the Code and the Listing Rules of the Colombo Stock Exchange.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Directors independent from management	5.3	✓	The Company maintains the "Interest Register" mandated by the Companies Act No. 07 of 2007, which also includes information on the Director's interest in contracts with the Company. A disclosure on related party transactions is available on Page 118.
Annual Declaration of Independence by Non-Executive Directors	5.4	✓	Every Non-Executive Director has made a signed declaration regarding their Independence or Non-Independence based on specified criteria set out by the Code.
Determination of Independence of Directors	5.5	✓	The Board has determined the independence of the Non-Executive Directors based on the declarations submitted by the Non-Executive Directors. No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code. Accordingly, Independent Non-Executive Directors of the Company are: Mr. Deepal Sooriyaarachchi Mr. Sanjaya Bandara Mr. Mahinda Perera Mr. Noel Joseph and Mr. Dhammika Kalapuge
Alternate Director	5.6	N/A	No alternate Directors were appointed
Appointment of Senior Independent Director	5.7	✓	Mr. Deepal Sooriyaarachchi is appointed as the Senior Independent Director (SID) as the Chairperson is not an independent Director. During the financial year, SID met with Non-Executive Directors twice and with Executive Directors once to discuss and communicate governance-related matters.
Confidential discussion with Senior Independent Director	5.8	✓	The Senior Independent Director is available for confidential meetings if there are any concerns about governance or issues that may have an unfavourable impact on the Company and have not been appropriately addressed by the Board. No confidential meetings were held during the financial year.
Chairman's meetings with Non-Executive Directors	5.9	✓	The Chairperson has held a meeting with the Non-Executive Directors without the presence of Executive Directors.
Recording of Concerns raised by Directors in Board Minutes	5.10	✓	Concerns raised by the Directors during the financial year, if any, are adequately recorded in the minutes of Board meetings by the Company Secretary.
Supply of Information	A.6.1	✓	The Company ensures that the Directors receive adequate information on a timely basis. On urgent matters, every effort is made to give information as soon as possible. The Board receives a standard set of documents, which are timely, accurate, and comprehensive. These papers include a detailed analysis of Financial and Non-Financial Information. The Board may request additional information or clarify issues with any member of the Executive Committee.
Adequate time for the conduct of Board Meetings	A.6.2	✓	The Agenda for the Board meeting and connected Board papers are ordinarily circulated to the Directors seven days in advance to facilitate the effective conduct of the meeting.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Appointments of a Director to the Board	A.7.1	✓	The Nominations & Governance Committee is established. The committee consists of three Independent Non-Executive Directors and the Chairman of the committee is an Independent Non-Executive Director. (The N&GC Report is available on Page 120)
Annual assessment of Board composition	A.7.2	✓	The Nominations and Governance Committee annually assessed the Board composition against pre-defined criteria to ensure that the combined knowledge and experience of the Board matches the strategic demand facing the Company. The outcomes of such assessments are taken into account when new Board appointments are made.
Communication with Shareholder on the appointment of new Directors	A.7.3	✓	All new appointments are communicated to the shareholders by way of announcement through the Colombo Stock Exchange (CSE). During the financial year, the Board appointed a Director Finance, which was communicated to shareholders via a market announcement on the CSE.
Re-election	A.8.1-8.2	✓	Re-elections take place as per the provisions of the Code of Best Practice on Corporate Governance.
Resignation	8.3	✓	Written communications are provided to the Board by Directors who resign prior to the completion of their appointed term. However, no resignations have taken place during the year under review.
Appraisal of Board Performance	A.9.1-9.4	✓	The performance of the Board and its Sub-committees was evaluated annually. The Board was presented with the evaluation's final results.
Disclosure of information in respect of Directors	A.10	✓	The details in respect of Directors are disclosed in the Annual Report covering: ● Name, qualifications and brief profile (Refer Page 19) ● The nature of his/her expertise in relevant functional areas (Refer Page 19) ● Whether Executive, Non-Executive and/or Independent Director (Refer Page 19) ● Names of listed companies in Sri Lanka in which the Director concerned serves as a Director (Refer Page 19) ● Number of Board meetings of the Company attended during the year (Refer Page 90) ● The total number of Board seats held by each Director indicating listed and unlisted Companies and whether in an Executive or Non-Executive capacity (Refer Page 19) ● Names of Board Committees in which the Director serves as Chairman or a member - Refer to the “Committee Reports” ● Number of committee meetings attended during the year (Refer Page 90)
Appraisal of Chief Executive Officer	A.11-A.12	✓	At the commencement of financial year, the Board in consultation with the Managing Director has set short, medium and long-term objectives, and reasonable financial and non-financial targets that should be met by the MD during the year. The performance of the Managing Director has been evaluated by the Board to ascertain whether the targets have been achieved.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Directors' Remuneration	B.1	✓	The Board has implemented a formal and transparent procedure for developing policies on remuneration by setting up a Remuneration and HR Committee. Its purpose is to assist the Board of Directors in matters relating to the compensation of the Company's Directors and Key Management Personnel.
Establishment and composition of the Remuneration Committee	B.1.1-B.1.2	✓	Remuneration and Human Resources Committee consist of three Non-Executive Directors and all of them are independent. The Chairman of the Remuneration Committee –Mr. Deepal Sooriyaarachchi is a Senior Independent Non-Executive Director.
Disclosure of Chairman and Members of the Remuneration Committee	B.1.3	✓	Please Refer Page 119 – for details on Remuneration and Human Resources Committee
Remuneration of Non-Executive Directors	B.1.4	✓	The Board as a whole determine the fees payable to the Non-Executive Directors including members of the Remuneration Committee.
Remuneration of Executive Directors	B.1.5	✓	The Remuneration Committee consults the Chairperson about its proposals relating to the remuneration of other Executive Directors.
The Level and Make up of Remuneration	B.2-2.10	✓	The Board ensures that Executive Directors are provided with an attractive remuneration package to attract them and retain them with the Company, and the remuneration is designed to promote the long-term success of the Company. At the same time, the Board as a whole determines the levels of fees for NEDs (who are all INEDs), taking into account the time, commitment, and responsibilities associated with their role and with due consideration of industry best practices and non-discriminatory principles.
Disclosure of Remuneration	B.3.1	✓	Annual Report contains a statement of Remuneration & Human Resources Committee and a Statement of Remuneration Policy. Please refer Note 7 to the Financial Statements on Page 156 for aggregate remuneration paid to the Executive Directors and the aggregate fees paid to Non-Executive Directors.
Relationship with Shareholders	C.1-C.2	✓	AGM is held on a timely basis for shareholder participation. Notice of the AGM, Form of the Proxy and related papers sent to shareholders before the meeting in order to provide the opportunity to all the shareholders to attend the AGM. The effective communication with shareholders has been established. The primary means of communication between the Company and its shareholders are CSE announcements. The Company used the following channels to provide timely information to all shareholders. ● Shareholders meetings ● Corporate website ● Press notices
Major and Material Transactions	C.3.1-3.2	✓	During the year, there were no major transactions as defined by Section 185 of the Company's Act No. 07 of 2007 which materially affect the Net Assets Base of the Company. Transactions which materially affect the Net Assets Base of the Company will be disclosed in the Interim/Audited Financial Statements, if any.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Accountability and Audit	D		
Financial and Business Reporting	D.1.1	✓	The Board has presented the Annual Report, which includes the Financial Statements of the Company that is true and fair, balanced and understandable and prepared and presented in accordance with LKASs and SLFRSs as required by statutory requirements. The Annual Report is partially compliant with Integrated Reporting standards.
Financial and Business Reporting with Statutory and Regulatory Bodies in a balanced and understandable manner	D.1.2	✓	The Board recognizes its responsibility to present regulatory and statutory reporting, as well as other price-sensitive information, in a balanced and understandable manner. The Company strictly followed the requirements of Companies Act No. 07 of 2007 in the preparation of interim and annual financial statements, which were prepared and presented in accordance with Sri Lanka Accounting Standards. Furthermore, the Company has complied with the reporting requirements prescribed by the regulatory authority, such as the Colombo Stock Exchange (listing rules).
Declaration by Director Finance and CFO on the Accuracy of Financial Records	D.1.3	✓	The Director Finance and CFO review the quarterly and year-end Financial Statements before submitting them to the Audit Committee and Board, ensuring that the entity's financial records have been properly maintained, and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view.
The Directors' Report in the Annual Report	D.1.4	✓	The Annual Report of the Board of Directors on the Affairs of the Company given on Pages 122 to 127 covers all of these sections.
Directors' and Auditors' Responsibility for the Financial Statements	D.1.5	✓	A statement setting out the responsibilities of the Board of Directors for the preparation and presentation of financial statements is given on Page 130. A statement by the Auditors about their reporting responsibilities is given on page 129.
Management discussion and analysis	D.1.6	✓	Please refer to the Chairperson's Statement on Pages 34 to 36, MD's review on Pages 38 to 40, and Organizational Performance on Pages 33 to 83 of this Annual Report.
Summoning an Extra Ordinary General Meeting (EGM) to notify serious loss of capital	D. 1.7	✓	Circumstances to summon an EGM did not arise during the financial year 2023/24. However, if the situation arises, an EGM will be called for and shareholders will be notified.
Related party transactions	D.1.8	✓	The transactions entered into by the Company with the related parties are disclosed on Note 31 of the Financial Statements.
Risk Management and Internal Control	D.2	✓	A risk management and internal control system was effected by the Board under the Internal Audit, Risk and Compliance Department which will report to the Board Audit Committee.
Internal Control Mechanism	D.2.1	✓	The board has devised a monitoring system to assess the Company's risk management and internal control systems. The Company's internal audit department evaluates the effectiveness of the internal control system by conducting regular reviews of all processes, including risk assessments, and presenting them to the Board Audit Committee.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Robust assessment of the principal risk	D.2.2	✓	The risk assessment conducted by the internal audit, risk, and compliance department is reviewed by the Company's Executive Committee, which discusses all of the key risks in depth. The reviewed risk register is presented to the Board Audit Committee, which oversees the effectiveness of the Company's risk management and internal control systems. Please refer Pages 104 to 111 in the Risk Management report.
Internal Audit Function	D.2.3	✓	An internal audit function is established.
The Board's responsibility over risk management and internal controls	D.2.4	✓	The Internal Audit Division of the Company conducts regular reviews of the risk management function and internal control system, including internal control over financial reporting. The Audit Committee monitors, reviews, and assesses the effectiveness of internal control systems, particularly internal controls over financial reporting.
Audit Committee	D.3		
Composition of Audit Committee	D.3.1	✓	The Audit Committee consists of three Non-Executive Directors; of whom all are Independent. The Committee is Chaired by Mr. Sanjaya Bandara, who is an independent Non-Executive Director and a fellow member of the Institute of Chartered Accountants of Sri Lanka. The members of the Committee have expertise in finance, risk, governance, and compliance.
Terms of Reference of the Audit Committee	D.3.2	✓	The Audit Committee has a written Term of Reference covering its purpose, duties and responsibilities.
Activities of the Audit Committee	D.3.3	✓	The Audit Committee Report, describing the scope of the committee in discharging its responsibilities is included in the Annual Report – Page 116
Related Party Transactions Review Committee (RPTRC)	D.4		
Definition of Related party and Related Party Transactions	D.4.1	✓	Related party and Related Party Transactions are defined as LKAS 24
Composition of RPTRC	D.4.2	✓	The RPTRC consist of three Non-Executive Directors, of whom all are Independent. The Committee is Chaired by Mr. Sanjaya Bandara, who is an Independent Non-Executive Director.
Terms of Reference of the RPTRC	D.4.3	✓	The Related Party Transaction Review Committee has a written Term of Reference covering its purpose, duties and responsibilities.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Code of Business Conduct & Ethics	D.5.1	✓	The Company has adopted a Code of Business Conduct and Ethics, and the directors, key management personnel, and all employees are committed to upholding the code and its values. There were no recorded instances of non-compliance with the Code of Business Conduct and Ethics by any Director, key management personnel, or other employees. The Code of Business Conduct and Ethics includes but is not limited to the following provisions. ● Strictly avoid employees from accepting gifts from partners or service providers including contractors. ● Strictly avoid giving or accepting any kind of bribe, either directly or indirectly. ● Exercise honesty, objectivity, and diligence when performing one's duties. ● Strictly avoid any form of sexual harassment and discrimination. ● Strictly avoid possessing and using prohibited drugs at the workplace. The code of conduct also includes provisions relating to the protection and privacy of whistleblowers, and their identities are never disclosed at any time.
Process for material and price-sensitive information	D.5.2	✓	The Company has implemented policies and procedures that ensure that material and price-sensitive information is immediately disclosed to the Colombo Stock Exchange after relevant decisions are made by the Board of Directors.
Policy for monitoring and disclosure of shares purchased by any directors, KMPs and other employees.	D.5.3	✓	A procedure is in place to monitor share acquisitions by Directors, and any such purchases will be reported to the Company Secretary immediately so that the necessary disclosure can be made to the Colombo Stock Exchange immediately. Shares purchased by key management personnel or other employees involved in the financial reporting process will be reported to the compliance department.
Affirmative statement by the Chairman	D.5.4	✓	The Chairperson's affirmation in the Company's Annual Report that she is not aware of any violation of any of the provisions of the Code of Business Conduct and Ethics is on Page 86.
Corporate Governance Disclosures	D.6.1	✓	The Corporate Governance Report sets out the manner and extent to which the Company has complied with the principles and provisions of the code is included in the Annual Report – Page 91
Institutional investors/ Shareholder Voting	E.1	✓	Institutional shareholders are given the right to use their votes.
Communication with Shareholders	E.1.1	✓	The Board engages in discussions with its shareholders at the general meetings to avoid conflicts of interest and foster mutual understanding.
Due weight by Institutional Investors	E.2	✓	The institutional investors have the freedom to give due weight to matters relating to the Board structure and composition when they consider resolutions relating to the Board structure and composition.
Individual Shareholder's Investing/Divesting decision	F.1	✓	Individual investors are encouraged to carry out adequate analysis or seek independent advice when making investment or divesting decisions.
Individual Shareholder voting	F.2	✓	Individual shareholders are encouraged to participate in general meetings and exercise their voting rights.

Corporate Governance Principle	Principle No.	Compliance	Level of Compliance and Implementations
Internet of things and Cybersecurity	G	✓	The Board delegated this responsibility to the Information Technology Division, and the Chief Information Technology Officer is primarily responsible for completing this work. IT policy and Cybersecurity policies are in place which are approved by the Board. As part of risk management, the Board Audit Committee reviews the risk register of the IT function, which is reassessed each year.
Environment, Society and Governance	H	✓	Annual Report contains information on Environment (Page 78-Environment Capital), Social (Social Capital- Page 72) and Governance (Governance report- Page 86), that will enable investors and other stakeholders to assess how ESG risks and opportunities are recognized, managed, measured and reported.

LEVEL OF COMPLIANCE WITH MANDATORY REGULATIONS

This section provides a summary of the level of compliance with the Companies Act and the Regulations issued by the Colombo Stock Exchange with references to relevant pages for ease of reference.

DISCLOSURES REQUIRED BY THE COMPANIES ACT NO. 07 OF 2007

Section Reference	Requirement	Annual Report Reference (Page)
168 (1) (a)	The nature of the business of the Company together with any change thereof, if any, during the accounting period	About the Company - Page 8 Notes to the Financial Statements on Pages 138 to 182
168 (1) (b)	Signed Financial Statements of the Company for the accounting period	Audited Financial Statements - Page 129 to 182
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company	Independent Auditor's Report - Page 129
168 (1) (d)	Accounting Policies and changes thereto, if any	Notes to the Financial Statements - Page 138
168 (1) (e)	Particulars of the entries made in the Directors' Interests Register during the accounting period	Annual Report of Directors on the State of Affairs of the Company - Page 122
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Annual Report of Directors on the State of Affairs of the Company - Page 122
168 (1) (g)	The total amount of donations made by the Company during the accounting period	Social Capital - Page 72
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 Directors on the State of Affairs of the Company - Page 122
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered by them during the accounting period	Notes to the Financial statements - Page 156
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries	Annual Report of Directors on the State of Affairs of the Company - Page 122
168 (1) (k)	Acknowledgment of the contents of this Report and Signatures on behalf of the Board (Annual Report of the Board of Directors)	Annual Report of Directors on the State of Affairs of the Company - Page 122

DISCLOSURES REQUIRED BY THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE

Rule No.	Subject	Applicable Requirement	Status	Compliance Details
9.3.1	Board Committees	Listed entities shall ensure that at a minimum, the following Board committees are established, maintained, and functioning effectively. a) Nominations and Governance Committee b) Remuneration Committee c) Audit Committee d) Related Party Transactions Review Committee.	Compliant	Refer to the sub-committee reports on Pages 116, 118, 119, and 120.
9.3.2		Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the Board committees as set out in the Listing Rules	Compliant	Refer to the sub-committee report on Pages 116, 118, 119, and 120.
9.4.1	Adherence to principles of democracy	Listed Entities shall maintain records of all resolutions and the other information upon a resolution being considered at any General Meeting of the Entity.	Compliant	The Company secretaries maintain records of all resolutions and the other information upon a resolution is considered at any General Meeting of the Company.
9.6.1	Chairperson and CEO	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity	Compliant	The Chairperson is an Executive Director, and a SID has been appointed. The position of Chairperson and CEO has not been held by the same person.
9.6.2		Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month.	Compliant	The market announcement has been made within one month.
9.6.3(a)	The Requirement for a SID	Listed Entity shall appoint an Independent Director as the SID if the Chairperson is an Executive Director.	Compliant	A SID has been appointed.
9.6.3(b)		The Independent Directors shall meet at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence of the other Directors.	Compliant	SID has met the Independent Directors twice this year.
9.6.3(c)		The SID shall chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually, to appraise the Chairperson's performance	Compliant	SID has met Non-Executive Directors without the presence of the Chairperson twice this year.
9.6.3(e)		The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of the duties of the SID.	Compliant	Senior Independent Director's report on Page 115
9.8.5(a)	Independence declarations	Each Independent Director is to submit a signed and dated declaration annually of his or her "independence" or "non-independence"	Compliant	The Non-Executive Directors have submitted the signed and dated declarations in the prescribed format.

Rule No.	Subject	Applicable Requirement	Status	Compliance Details
9.8.5(b)	Disclosure of Independent Directors	Disclose the names of Directors determined to be 'Independent' in the Annual Report.	Compliant	Board profile – Pages 19 - 29.
9.9 (a)-(e)	Alternate Directors	Appointment of Alternate Directors	Compliant	No alternate director is appointed
9.10.2	Disclosures relating to Directors	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement	Compliant	An immediate market announcement was made after the appointment of Director Finance.
9.10.3		Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees.	Compliant	No changes to the composition of Board Sub-committees.
9.10.4		Listed Entities shall also disclose the following in relation to the Directors in the Annual Report. (a) name, qualifications and brief profile; (b) the nature of his/her expertise in relevant functional areas; (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity; (d) whether Executive, Non-Executive and/or independent Director; (e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted companies and whether such Director functions in an Executive or Non-Executive capacity (f) number of Board meetings of the Listed Entity attended during the year; (g) names of Board Committees in which the Director serves as Chairperson or a member; (h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees; and, (i) The terms of reference and powers of the SID (where applicable).	Compliant	Refer to; i. Board profile – Pages 19 - 29 ii. Corporate Governance report (Board attendance)- Page 90 iii. Sub-committee reports-Pages 116, 118, 119 and 120 iv. Senior Independent Director's report - Page 115
9.11.1-9.11.4	Nominations and Governance Committee	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11	Compliant	Report of the Board Nominations and Governance Committee – Page 120
9.11.6	Disclosures in Annual Report	The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson.	Compliant	Report of the Board Nominations and Governance Committee – Page 120

Rule No.	Subject	Applicable Requirement	Status	Compliance Details
9.12.1-9.12.6	Remuneration Committee	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12	Compliant	Report of the Remuneration and Human Resources Committee- Page 119
9.12.8	Disclosure in Annual Report	The Annual Report should set out the following: (a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (b) A statement regarding the remuneration policy; and, (c) The aggregate remuneration of the Executive and Non-Executive Directors.	Compliant	Report of the Remuneration and Human Resources Committee - Page 119 Annual Report of Directors on the State of Affairs of the Company - Page 122
9.13.1-9.13.3	Audit Committee	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13	Compliant	Report of the Board Audit Committee- Page 116
7.10.6 (b) & c) (Instead of 9.13.4 & 5)	Functions of the Audit Committee & Disclosures in Annual Report	The Audit Committee shall also prepare an Audit Committee Report which shall be included in the Annual Report of the Listed Entity.	Compliant	Report of the Board Audit Committee- Page 116
9.14.1-2	Related Party Transactions Review Committee	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14	Compliant	Report of the Board RPTR Committee- Page 118
9.14.7	Disclosures	Immediate Disclosures	Compliant	No such events that require immediate disclosure have occurred during the financial year.
9.14.8	Disclosures in the Annual Report	Recurrent/Non-recurrent transaction	Compliant	Notes to the Financial Statements – Page 138 (Related party transactions)
		The Annual Report shall contain a report by the Related Party Transactions Review Committee	Compliant	Report of the Board RPTR Committee- Page 118
9.16	Additional disclosures	The following declarations by the Board of Directors to be included in the Annual Report: (i) They have declared all material interests in contracts involving in the Entity; (ii) They have conducted a review of the internal controls covering financial, operational and compliance controls and risk management; (iii) They made arrangements to make themselves aware of applicable laws, rules and regulations; (iv) Disclosure of relevant areas of any material non-compliance with law or regulation	Compliant	Annual Report of Directors on the State of Affairs of the Company - Page 122 There were no material non-compliances during the financial year.

RISK MANAGEMENT REVIEW

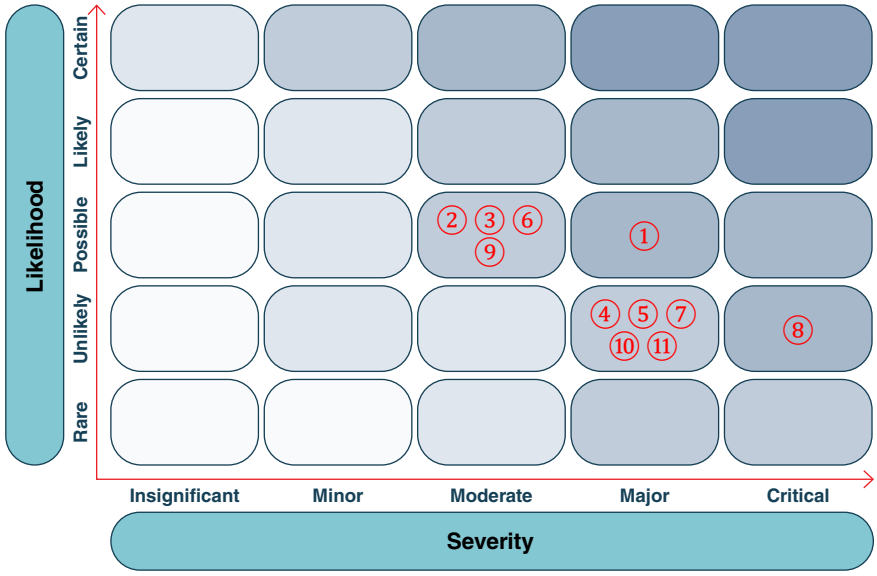
GRI 201-2, 207 - 2

Risk management is essential to sustaining our success and ensuring long-term value creation. Our risk management framework enables us to anticipate, assess and mitigate risks effectively, which in turn safeguards our investments, operations and financial stability whilst supporting us to build social and relationship capital and maintain our brand reputation.

We integrate Environmental, Social, and Governance (ESG) principles into our risk management approach, purposefully identifying, assessing, and mitigating these risks. This consideration of ESG issues in risk management provides guidance to improve our sustainability, resilience, and sustained value creation while meeting the expectations of investors, homeowners, regulators, and other stakeholders.

Mindful of the fact that risk monitoring is the first step to effective risk mitigation, we rely on a comprehensive process to identify and categorise risks. Our risk approach involves the use of a risk heat map, designed to map the likelihood of occurrence against the severity of impact on the Company. Once we identify and categorise risks based on impact and likelihood, we formally document each risk in the Risk Register. The Internal Audit, Risk and Compliance Department is responsible for the maintenance of the Risk Register.

RISK HEAT MAP 2023/24

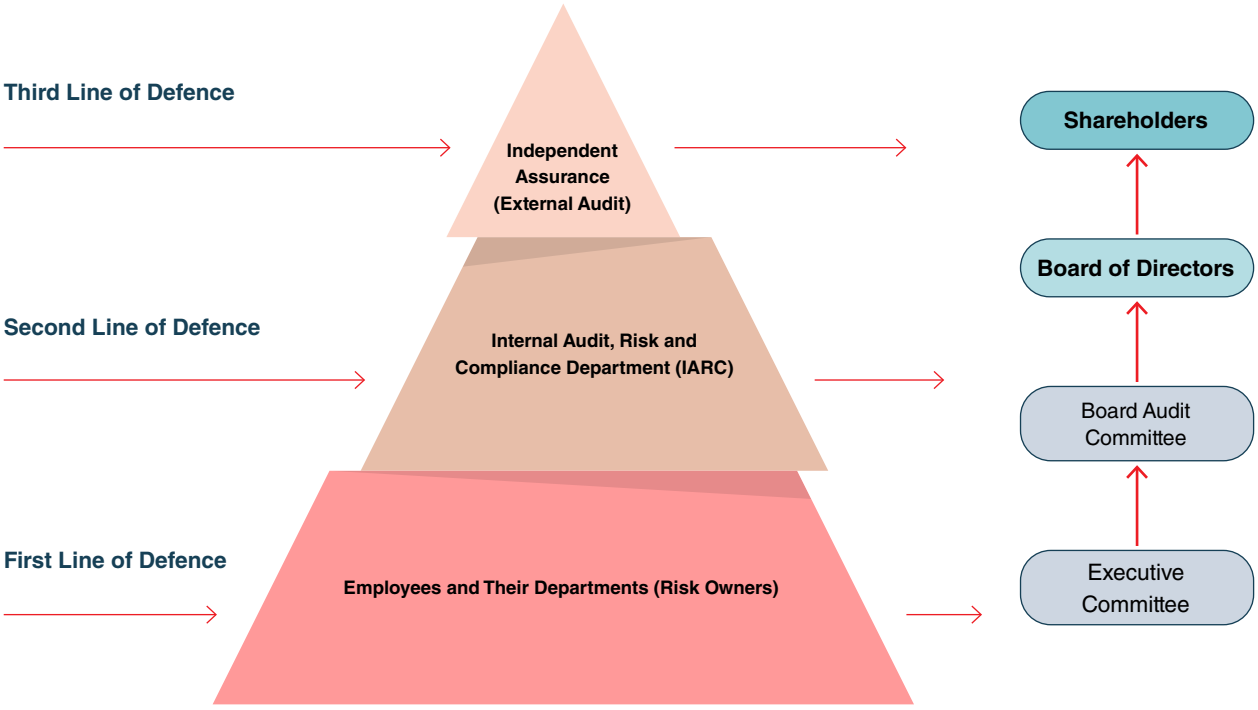


Risks that exceed PLR's Risk Appetite

1	Currency Risks/ Foreign Exchange Risk
2	Interest Rate Risk
3	Operational Risk
4	Legal, Compliance and Regulatory Risk
5	Reputation Risk
6	Strategic Risk
7	IT & Data Security Risks
8	Data Privacy Risk
9	Disruption in Supply Chain Management
10	Climate Related Risks
11	Health and Safety Risk

RISK GOVERNANCE

Our risk governance framework is based on the three lines of defence approach. This framework allows us to delegate responsibility for risk management in an appropriate manner to relevant parties from the management to operational employees.



THE FIRST LINE OF DEFENCE – DEPARTMENT HEADS AND EMPLOYEES

Department heads and employees form the first line of defence, leveraging their expertise to identify potential risks. Once each department identifies risks, the heads of departments are responsible for documenting the risks and presenting the findings on an annual basis or sooner if circumstances require otherwise. Department heads are also responsible for implementing risk mitigation activities and providing feedback for queries raised through internal audit reports.

The Company's Executive Committee (EXCO) oversee the actions of Department heads and their teams, acting as guardians of the first line of defence. They review divisional risk assessments annually or sooner if circumstances need it, to assess the effectiveness of existing risk controls and identify areas for improvement.

THE SECOND LINE OF DEFENCE - INTERNAL AUDIT, RISK AND COMPLIANCE (IARC) DEPARTMENT

The IARC serves as the second line of defence, conducting targeted internal audits to assure the effectiveness of the Company's risk controls.

The annual internal audit programme is developed by the Internal Audit Department using a Risk Base Approach. It is reviewed and approved by the Board Audit Committee (BAC). Findings with the Management Comments are then submitted to the review of the BAC who in turn keeps the Board Appraised of the key issues that need the Board's attention.

Further, the Senior Management (Chairperson) conduct discussions with relevant managers to explore High-Risk issues/ major deviations in the standard processes as raised in the internal audit reports.

The Audit Committee is responsible for thoroughly evaluating quarterly reports in consultation with the Board. Following these discussions, the Committee assesses the adequacy and effectiveness of internal controls and recommends the introduction of new policies and procedures or the revision of existing ones to the Board.

THE THIRD LINE OF DEFENCE - EXTERNAL AUDITORS

External Auditors constitute the third line of defence, offering independent assurance to shareholders via the Board.

RISK AWARENESS AND TRAINING

The IARC department conducts periodic training on risk awareness throughout the organization to train employees to take responsibility for identifying and mitigating risk in an appropriate manner within the risk management framework. A high level of risk awareness across the organization embeds accountability, transparency and ethical standards.

The below table presents identified risk factors, mitigation measures implemented during the period under review with their severity of impact and likelihood of occurrence: Also, based on the reasonable and supportable assumptions, we provide a forward looking risk rating for the key risks identified.

	Risk Category	Description of the Risk	Impact to PLR	2023/24	
				Severity of Impact	Likelihood
1	Currency Risks/ Foreign Exchange Risk	Unusual depreciation/ appreciation of the rupee against foreign currencies.	Delaying allocation of foreign currency for import materials / Restriction over import materials in the second half of the year may result in increased costs of material prices that cannot be passed on to customers	Major	Possible
2	Interest Rate Risk	The potential adverse impact on the value of financial instruments or investments resulting from fluctuations in interest rates	• PLR's exposure to the risk of changes in market interest rates relates primarily to short-term/long-term floating rate based debt and investments. • Increased construction costs as a result of fluctuations in high market interest rates. • High interest rates also affect potential customers' affordability	Moderate	Possible
3	Operational Risk	The risk of loss resulting from inadequate or failed internal processes, people, systems, or external events.	Disruption to the normal course of business due to non-availability of key resources such as construction materials, skilled employees and adequate suppliers/contractors in the market.	Moderate	Possible

Mitigating Strategy	Forward looking	
	Severity of Impact	Likelihood
• Rigorous tracking of foreign exchange rate fluctuations. • Secure fixed-price contracts with upfront payments backed by unconditional Bank Guarantees. • Implement periodic price adjustments for unsold units to offset cost increases from exchange rate fluctuations. • Employ hedging mechanisms to mitigate foreign currency risks.	Moderate	Unlikely
• Enforce stringent controls over treasury management practices in alignment with prevailing bank borrowing rates. • Continuously engage with banks and financial institutions to secure optimal rates for the Group's borrowing and investments. • Establish long-term interest rate agreements with grace periods to manage interest rate risks effectively. • Actively pursue overdue payments from customers to minimize finance costs and improve cash flow. • Offer flexible payment options to customers opting for bank loans to enhance affordability and encourage timely settlements. • Collaborate with banks to negotiate favourable banking facilities based on AWPLR plus a margin (AWPLR + x) and fixed rates. • Establishing POD facilities in lien over the fixed deposit (local and foreign currency) (FD + x), and prioritising POD utilisation for PODs on FD lien.	Moderate	Unlikely
• Secure long-term fixed-price contracts with suppliers to stabilize costs and minimize uncertainties. • Incorporate mandatory clauses in construction contracts outlining project milestones to ensure adherence to timelines. • Conduct monthly monitoring of project timelines against expected milestones to identify and address any significant deviations promptly. • Develop proactive strategies to attract potential candidates, ensuring a steady influx of talent. • Create talent pipelines within the organization to foster internal growth and succession planning.	Moderate	Unlikely

Risk Management Review

	Risk Category	Description of the Risk	Impact to PLR	2023/24	
				Severity of Impact	Likelihood
4	Legal, Compliance and Regulatory Risk	Non-compliance with legal and regulatory requirements	No non-compliance with legal and regulatory requirements has been identified during the year. However, if this occurs, it can cause to loss of reputation, and consequently impact sales.	Major	Unlikely
5	Reputation Risk	The potential for negative publicity or damage to a Company's good standing can harm its profitability, customer base, and overall success.	• Negative client and public opinion regarding the Company / Group and its actions and the damage caused by the failure to manage customers, shareholders and public expectations. • Loss of customer satisfaction will impact negatively the current and future performance of the Company	Major	Unlikely
6	Strategic Risk	The potential for adverse outcomes stemming from inadequate or failed strategic decisions, actions, or responses to changes in the business environment.	• Changes in Government legislation affecting the strategies and planning of the Organization • Competition from the multinational construction development companies involved in the local construction industry.	Moderate	Possible
7	IT & Data Security Risk	Disruptions to IT systems, caused by cyberattacks, infrastructure failures, or other unforeseen events, can lead to significant business disruptions.	IT system failures, ransomware attacks, or data breaches can disrupt business operations, leading to downtime, loss of productivity, and delays in delivering services.	Major	Unlikely
8	Data Privacy Risk	Breach of data confidentiality in stakeholder information by unauthorised access or misuse.	Unauthorised access to proprietary information or intellectual property can result in competitive disadvantage, loss of market share, and damage to operation.	Critical	Unlikely

Mitigating Strategy	Forward looking	
	Severity of Impact	Likelihood
• Conduct regular review of laws and regulations relevant to the company's operations to ensure compliance. • Provide periodic reports on internal and external regulatory compliance to the Board for oversight. • Engage external audit, tax, and legal consultants as needed to address legal, regulatory, and compliance matters. • Ensure prompt and timely payment of all taxes and other obligations. • Maintain strict adherence to the company's Code of Business Ethics and Conduct to uphold ethical standards and integrity.	Major	Unlikely
• Implement sound HR practices and robust governance measures to foster a culture of shared values and integrity, prioritizing stakeholder interests. • Ensure strict adherence to statutory and regulatory requirements, particularly as a Listed Company, through dedicated controls. • Address customer complaints promptly to enhance satisfaction and maintain goodwill. • Effectively address shareholder concerns and promptly escalate issues to the Board when necessary. • Monitor and respond to feedback received through the corporate website in real time to demonstrate responsiveness and accountability.	Major	Unlikely
• Implement portfolio diversification strategies to broaden revenue streams across various sectors including lands, housing, apartments, and investments. • Offer a diverse range of products spanning from affordable luxury to ultra-luxury segments to cater to different market segments. • Leverage industry networks and the company's stability to negotiate favourable terms with suppliers and contractors, thereby enhancing bargaining power. • Capitalize on the company's long-standing history, strong reputation, and industry expertise to command premium prices from customers, reflecting the value proposition offered.	Moderate	Possible
• Implement stringent cybersecurity measures including robust firewalls, antivirus software, and spam filters to safeguard against cyber threats. • Utilize advanced technologies such as SPF, DKIM, and DMARC to authenticate legitimate senders and prevent email spoofing. • Employ SSL/TLS protocols to ensure secure end-to-end communication and protect sensitive data from interception or tampering. • Enforce strict IT security policies to govern the usage of technology resources and promote adherence to best practices for information security.	Major	Unlikely
• Identify the location of confidential information to ensure proper safeguarding. • Conduct staff training on data privacy protocols to enhance awareness and compliance. • Enforce adherence to IT policies and processes among users. • Establish a password-protected system with enforced password policies for enhanced cybersecurity measures. • Implement system validations, such as NIC number and mobile number validations, to minimise human errors.	Critical	Unlikely

	Risk Category	Description of the Risk	Impact to PLR	2023/24	
				Severity of Impact	Likelihood
9	Disruption in Supply Chain Management	This risk of interruptions in the flow of materials, equipment, or services essential for construction projects.	The interruptions in the flow of materials, equipment, or essential services will significantly impact the project's progress, which may lead to delays in the expected date of completion of the project.	Moderate	Possible
10	Climate-Related Risk	The potential hazards and challenges posed by changes in weather patterns and extreme weather events.	• Rising temperatures and heatwaves can impact construction activities and pose health risks to workers, hence leading to labour shortages. • Changes in rainfall patterns, including increased rainfall intensity or prolonged droughts, can lead to soil erosion, and waterlogging at construction sites, affecting site stability and project progress.	Major	Unlikely
11	Health and Safety Risk	Risk of possible threats to the health and safety of customers, employees and any person within the office premises or construction sites	• Non-adherence to health and safety regulations or any major safety measures at the construction site could result in legal issues, fines, or project stoppages and reputational damage. • Breeding grounds for mosquitoes within office premises and construction sites pose a significant risk of disease transmission.	Major	Unlikely

FUTURE OUTLOOK

As the country moves forward on a path of recovery from the financial crisis, we remain vigilant of the specific risks inherent to the real estate and property development sector. As such, we will continue to adhere to our risk management framework and gain effective insights into current and future risks in line with the ESG approach to ensure sustainable value creation in the Company.

Mitigating Strategy	Forward looking	
	Severity of Impact	Likelihood
• Diversify suppliers and maintain buffer stocks of critical materials while fostering strong relationships with reliable suppliers to mitigate supply chain risks. • Utilize technology for real-time monitoring of supply chain activities, enabling proactive identification and response to potential disruptions. • Develop contingency plans and alternative scenarios to ensure resilience and adaptability in the face of supply chain disruptions.	Moderate	Unlikely
• Conduct a comprehensive analysis of climate-related risk factors in advance and integrate them into the project program. • Maintain transparent communication with customers in case of unforeseen delays resulting from factors beyond our control, offering detailed explanations for any extensions to the project completion timeline due to such unavoidable circumstances.	Moderate	Unlikely
• Implement stringent health and safety guidelines, including mandatory usage of safety equipment and regular awareness programs. • Enforce compulsory vaccination and adhere to Government directives regarding health measures. • Obtain workman compensation insurance to cover workplace injuries and accidents, in addition to providing personal accident coverage for all employees. • Provide medical cover for permanent employees and contract employees with more than two years of service, along with life cover for all employees. • Ensure regular disinfection and sanitisation of work floors. • Conduct continuous inspections and implement regular pest control measures.	Major	Unlikely

STAKEHOLDER ENGAGEMENT

GRI 2.29, 207 - 3

Stakeholder engagement is a fundamental aspect of our value creation process. Building purposeful relationships with our stakeholders allows us to manage risk, enhance reputation, identify innovation needs and opportunities and ultimately achieve sustainable growth in the complex and interconnected business environment. We rely on our core ESG approach to manage relationships with various stakeholder groups and report the outcomes to the management to ensure that they are utilised in the Company's strategy and decision-making processes.

OUR STAKEHOLDER GROUPS

- Shareholders & Potential Investors
- Customers
- Employees
- Government and Interested Regulatory Bodies
- Contractors and Suppliers
- Providers of Debt Capital
- Community & Society

Our ESG approach enables us to examine stakeholder engagement from a broader ESG performance perspective, ensuring that our methodology enhances brand reputation, builds trust, and aligns with our business strategy.

Our four-pronged stakeholder identification methodology allows us to remain in line with ESG concerns.

FOUR-PRONGED STAKEHOLDER IDENTIFICATION APPROACH:

IDENTIFY
- Business unit leaders identify related stakeholders

PRIORITISE
- Map stakeholder groups into power/interest grid to understand and prioritise the degree of engagement

ENGAGE
- Use relevant engagement methods to communicate with stakeholders

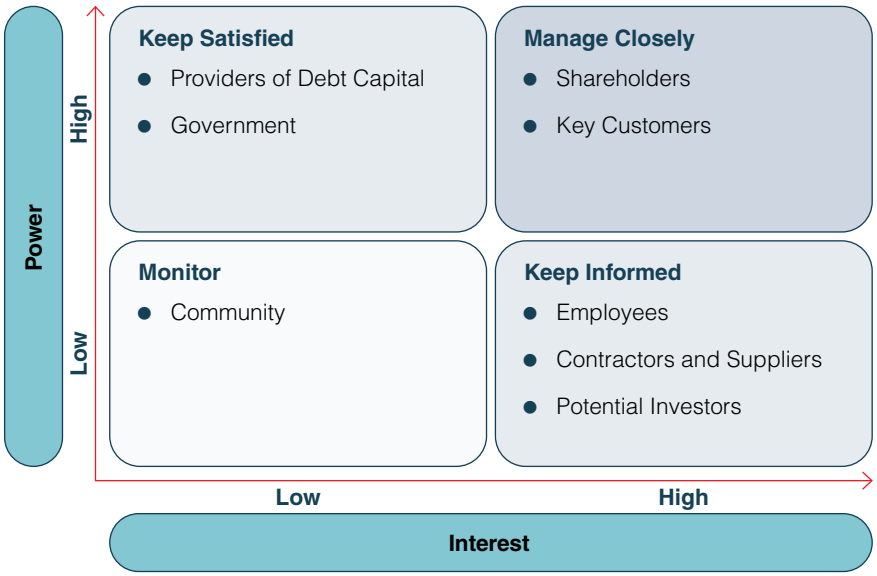
REPORT
- Gather and record all feedback and information received from stakeholders

We comprehend stakeholder impact and degree of engagement based on the power/interest grid tool.

POWER INTEREST GRID

Power-based stakeholders have the power to influence business outcomes.

Interest based stakeholders are not able to directly influence business outcomes, but there is an indirect correlation to their ability to influence the sustainability of our business.



Our stakeholder engagement process prioritises transparent communication, and collaboration with stakeholders to empower each group to become involved in our value creation process.

The table below presents our stakeholder engagement process:

Stakeholder	Engagement Mechanism	Frequency	Key concerns raised	Our response
SHAREHOLDERS & POTENTIAL INVESTORS 	Interim Financial Statements	Quarterly	Financial performance	We employ a prudent approach towards managing our financial resources to ensure adequate resources are re-invested in the business, while fully honouring stakeholder obligations.
	Annual Report and AGM	Annually	Business strategies and operational efficiency	
	Announcement to the CSE	As required	Governance stability and sustainability	
	Digital platforms		Risk management	
	Press releases			
EMPLOYEES 	HR Digital platform (HRIS), WhatsApp Groups, Group Email	Continuous & On going	Employee engagement and communication	PLR is committed to assure an excellent employee experience throughout the employee lifecycle. The Company believes a friendly and supportive work environment will be a definite positive impact on productivity and service quality improvement. We make a conscious effort to inculcate the Company's core values among employees to drive the team towards a high performance organization; ultimately meeting the expectations of all the stakeholders.
			Technology collaboration	
	One- on- one discussions	As required	Industrial Harmony	
	Staff meetings			
	Regular performance review	As required	Employee wellbeing	
	Training need analysis	Review and discussions	Growth conducive work environment	
	Remuneration and benefit review	Annually	Career growth, development and remuneration	
			Competitive remuneration benefits	
CUSTOMERS 	One-one-interaction	As required	Product affordability and quality	PLR consistently provide assurance, transparency, and quality of services to ensure value creation and enhancement on behalf of customers, whilst maintaining our robust reputation through compliance, good governance and pragmatic business progress that ensure sustainability of operations.
	Digital communication	Continuous & On going	Support services	
	Marketing activities		Access to information	
	Press releases		Timely delivery of projects	
GOVERNMENT & INTERESTED REGULATORY BODIES 	One-on-one meetings	As required	Regulatory and statutory compliance	We take proactive measures to comply with all applicable regulations and ensure that we remain transparently committed to social and environmental impact enhancement
	Compliance Verification Framework	Continuous & On going	Environmental management and compliance	
	Compliance Audits		Health and safety management	
	Other Correspondence	As required	Concerns about sustainability initiatives and compliance with anti money laundering (AML/ CTF) regulations	

Stakeholder Engagement

Stakeholder	Engagement Mechanism	Frequency	Key concerns raised	Our response
CONTRACTORS AND SUPPLIERS 	One-on-one meetings	As required	Cost effectiveness and the quality of the work performed	PLR strives to build strong trust-based relationships with all suppliers including contractors for progress reviews and timely delivery. Contractors are selected based on a strict tender procedure, while other suppliers are comprehensively vetted to ensure their alignment with PLR's ethical procurement standards.
	Progress reviews	Continuous & On going	Timely delivery of projects	
	Other correspondence		Procurement practices	
			Payment schedule	
			Business ethics and compliance	
			Supply chain management	
PROVIDERS OF DEBT CAPITAL 	One-on-one meetings	As required	Financial Stability and liquidity	PLR aims to enhance our credibility among the banking sector by meeting all debt service obligation in a timely manner.
	Project Evaluations			
	Other correspondence	Continuous & On going	Timeliness of debt servicing	
	Annual Report	Annually	Organisational Resilience and Business Continuity	
COMMUNITY & SOCIAL 	Annual Report	Annually	Development opportunities for regional economies	PLR remains committed to contribute towards improving community well-being and the development of sustainable communities across Sri Lanka.
	PLR's Digital platforms	Continuous & On going		
	Press releases & Other Marketing Activities			
	Announcements in CSE	As required		

As we seek to engage our stakeholders in a meaningful manner, we continue to improve our resilience, reputation and impact in the evolving business landscape to contribute to our overall goals as well as our social, economic and environmental impact.

Integrating ESG considerations into stakeholder management practices, real estate companies can enhance their resilience, reputation, and competitiveness in a rapidly evolving business landscape while contributing to broader social and environmental goals.

SENIOR INDEPENDENT DIRECTOR'S STATEMENT



Mr. Deepal Sooriyaarachchi
Senior Independent Director

To strengthen corporate governance, PLR PLC, with an Executive Chairperson, has appointed a Senior Independent Director (SID) as mandated by the Colombo Stock Exchange's Revised Corporate Governance Rules (Section 9). This aligns with best practices outlined in the Institute of Chartered Accountants of Sri Lanka's "Code of Best Practice on Corporate Governance 2017."

The SID role fosters a framework for evaluating the Board's effectiveness and the Chairperson's performance, while promoting transparency in governance. In this capacity, I collaborate with the Chairperson on critical strategic and governance issues.

To ensure open communication, I actively engaged with the Board by holding separate meetings with Non-Executive Directors (twice) and Executive Directors (once) during the financial year to discuss governance matters. I remain readily available for confidential discussions with any Director concerning the Company's business.

Furthermore, I participated in all meetings with majority, significant, and minority shareholders to understand their concerns, fostering a culture of open communication.



Deepal Sooriyaarachchi
Senior Independent Director

04th June 2024

AUDIT COMMITTEE REPORT



Sanjaya Bandara
Chairman – Audit Committee

INTRODUCTION

The Audit Committee is established to support the Board in its oversight of the Company's financial reporting system, internal controls, legal and regulatory compliance, risk management processes, and the internal audit function. Additionally, the Committee reviews the independence and performance of the external auditors, safeguarding the interests of both shareholders and all other stakeholders.

COMPOSITION

The Audit Committee is comprised exclusively of three Independent Non-Executive Directors. The committee is chaired by an Independent Non-Executive Director who is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.

The above composition complies with the provisions of the Code of Best Practice on Corporate Governance and the Listing Rule of CSE regarding the composition of the Audit Committee.

AUDIT COMMITTEE MEMBERS

Mr. Sanjaya Bandara (CHAIRMAN)
Independent Non-Executive Director

Mr. Deepal Sooriyaarachchi (Member)
Senior Independent Director

Mr. Mahinda Perera (Member)
Independent Non-Executive Director

Brief profiles of the Directors are given on Pages 19 to 29 of this Annual Report.

The Finance Director, Chief Financial Officer, Chief Accountant, Consultant-Finance, Manager- Internal Audit, Risk and Compliance, and when necessary, relevant Operational Directors and Managers attend the meetings by invitation.

TERMS OF REFERENCE

The Audit Committee has written terms of reference approved by the Board that clearly define its scope, authority, and duties.

DUTIES AND RESPONSIBILITIES

- Overseeing the preparation, presentation, and adequacy of disclosures in the financial statements in accordance with Sri Lanka Accounting Standards.
- Overseeing the Company's compliance with financial reporting requirements and all relevant financial regulatory frameworks.
- Overseeing the processes to ensure that the Company's internal controls and risk management procedures are adequate.
- Provide oversight assessing the Company's ability to continue as a going concern in the foreseeable future.
- Make recommendations to the Board on appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.

MEETINGS OF THE COMMITTEE

During the financial year, the Audit Committee met six times to discuss the Internal and External Auditors' Reports, Interim Financial Statements, risk registers, and compliance reports. The activities are listed below.

The attendance of the Audit Committee meetings held during the financial year ended 31st March 2024, is given on Page 90 of this Annual Report.

ACTIVITIES IN THE FY 2023/24

The Audit Committee convened six times during the financial year. The table below provides an overview of the key areas reviewed by the Committee.

Meeting No	Areas Covered
01 – 09th May 2023	2 6
02 – 22nd May 2023	3 4 5
03 – 07th August 2023	2 3 4
04 – 26th October 2023	1 2 3 4
05 – 26th January 2024	2 3 4
06 – 28th March 2024	1 2 3 5

1. Risk Management
2. Internal Audit
3. Compliance and Governance
4. Financial Reporting
5. External Audit
6. Review of Audit Committee Charter

RISK MANAGEMENT AND INTERNAL CONTROLS

The committee assesses the adequacy of internal controls and provides guidance on enhancing them further. It evaluates the risk assessments for each division, discussing significant risks and their corresponding controls in detail. Key risks that exceed the Company's risk appetite are examined in the risk management report from Pages 104 to 111.

The Committee is satisfied that an effective system of internal control is in place to provide reasonable assurance on safeguarding the Company's assets and the reliability of Financial Statements. The effectiveness of the Company's system of internal controls is evaluated through reports provided by the management, Internal Auditors and External Auditors.

INTERNAL AUDIT

The Committee serves as a platform for the objective review of internal audit reports, considering the findings and recommendations related to significant business risks and control issues. The Manager of Internal Audit, Risk, and Compliance provides the necessary information for these discussions.

COMPLIANCE AND GOVERNANCE

The Internal Audit, Risk, and Compliance Department reports on the Company's compliance with statutory and regulatory requirements, as well as adherence to best practices in corporate governance. The Audit Committee reviews and provides feedback on the Company's compliance and governance status. The Committee is satisfied that laws and regulations are duly complied with and statutory payments have been made on a timely basis.

FINANCIAL STATEMENTS

The Audit Committee reviews the quarterly and annual financial statements before their publication. This includes evaluating the appropriateness and changes in accounting policies, significant estimates and judgments made by management, and compliance with relevant accounting standards and regulatory requirements. The review also covers issues identified by the internal and external auditors, the Company's ability to continue as a going concern, and statements and reports included in the Annual Report.

EXTERNAL AUDIT

The Committee reviewed and discussed the external audit approach and scope with the External Auditors and Management prior to the commencement of the audit. Further, before the conclusion of the audit, the Committee had closed-door discussions with the External Auditors to address audit issues and any observations they may have. The Committee has also assessed the independence of the external auditors, Messrs. BDO Partners, Chartered Accountants, as well as their fees.

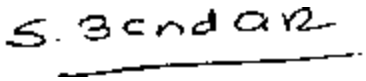
EVALUATION OF THE COMMITTEE PERFORMANCE

The annual evaluation of the committee was conducted by the committee members and reported to the Board.

REPORTING TO THE BOARD

The minutes of the Audit Committee meetings are tabled at the Board meetings for the information of all the Board members.

I would like to express my gratitude to all members who served on the Committee and contributed to its discussions throughout the period. Your dedication and insights have been invaluable.



Sanjaya Bandara
Chairman - Audit Committee

04th June 2024
Colombo

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT



Sanjaya Bandara
Chairman – Related Party Transactions Review Committee

INTRODUCTION

The Board established the Related Party Transactions Review Committee to perform the oversight function on behalf of the Board in complying with the Listing Rules of the Colombo Stock Exchange and with the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission to ensures that the interests of shareholders as a whole are taken into account when entering into Related Party Transactions. The committee independently reviews transactions between the company and its related parties, either before the transaction is entered into or upon completion.

COMPOSITION

The Related Party Transactions Review Committee is comprised exclusively of three Independent Non-Executive Directors, and the committee is chaired by an Independent Non-Executive Director.

The above composition complies with the provisions of the Code of Best Practice on Corporate Governance and the Listing Rule of CSE regarding the composition of the Related Party Transactions Review Committee.

MEMBERS OF THE COMMITTEE

Mr. Sanjaya Bandara (CHAIRMAN)
Independent Non-Executive Director

Mr. Deepal Sooriyaarachchi (Member)
Senior Independent Director

Mr. Mahinda Perera (Member)
Independent Non-Executive Director

Brief profiles of the Directors are given on Pages 19 to 29 of this Annual Report.

The Finance Director, Chief Financial Officer, Chief Accountant, Manager-Internal Audit, Risk and Compliance and when necessary, relevant Operational Directors and Managers attend the meetings by invitation.

TERMS OF REFERENCE

The Committee has written terms of reference adopted by the Board that clearly describe its scope, authority, and responsibilities. The terms of reference cover matters outlined in the Listing Rules of the Colombo Stock Exchange.

DUTIES AND RESPONSIBILITIES

- Reviewing all transactions between the Company and its related parties and determining if such transactions are in the best interests of the Company and its stakeholders.
- Evaluating if transactions fall within the ambit of a normal business relationship and whether the terms of such transactions are no more favourable than would reasonably be expected of transactions negotiated on an arm's length basis.
- Ensure the implementation of policies, procedures, guidelines, and manuals necessary to review transactions.
- Determining if transactions that are to be entered into by the Company require the approval of the Board or shareholders.
- Establish guidelines for Senior Management to follow on ongoing related party transactions (recurrent related party transactions).

RELATED PARTY TRANSACTIONS DURING THE YEAR

During the year, there were no non-recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules requiring disclosure in the Annual Report .

All the recurrent transactions that exceeded the internal thresholds set by the Committee were brought to the Committee's prior approval before execution.

Details of other related party transactions entered into by the Company during the year are disclosed in Note 31 to the Financial Statements.

MEETINGS OF THE COMMITTEE

During the financial year, the Committee met four times. The attendance of the Committee meetings held during the financial year ended 31st March 2024, is given on Page 90 of this Annual Report.

EVALUATION OF THE COMMITTEE PERFORMANCE

The annual evaluation of the Committee was conducted by the Committee Members and reported to the Board.

REPORTING TO THE BOARD

The Minutes of the RPTRC meetings are tabled at the Board meetings for the information of all the Board members.

I would like to express my gratitude to all members who served on the Committee and contributed to its discussions throughout the period. Your dedication and insights have been invaluable.

S. Bandara

Sanjaya Bandara
Chairman - Related Party Transactions Review Committee

04th June 2024
Colombo

REMUNERATION AND HUMAN RESOURCES COMMITTEE REPORT



Deepal Sooriyaarachchi
Chairman – Remuneration and Human Resources Committee

INTRODUCTION

The Remuneration and Human Resources Committee (R&HRC) supports the Board by making recommendations on Executive Director compensation structures, selection and succession planning for key management personnel and strategic human resources policies.

COMPOSITION

The R&HRC is comprised of three Independent Non-Executive directors, chaired by Mr. Deepal Sooriyaarachchi (Senior Independent Director).

The above composition complies with the provisions of the Code of Best Practice on Corporate Governance and the Listing Rule of CSE regarding the composition of the Remuneration Committee.

MEMBERSHIP

Mr. Deepal Sooriyaarachchi (CHAIRMAN)
Senior Independent Director

Mr. Sanjaya Bandara (Member)
Independent Non-Executive Director

Mr. Dhammika Kalapuge (Member)
Independent Non-Executive Director

Brief profiles of the Directors are given on Pages 19 to 29 of this Annual Report.

The Chairperson, Chief Human Resources Officer, and when necessary, relevant Operational Directors and Managers attend the meetings by invitation.

TERMS OF REFERENCE

The Committee has written terms of reference adopted by the Board that clearly describe its scope, authority, and responsibilities.

DUTIES AND RESPONSIBILITIES

The Committee's responsibilities include:

- Recommending Board appointments and overseeing succession plans for key management personnel.
- Reviewing Board composition, size, and diversity.
- Recommending insurance coverage for Directors and key management personnel.
- Overseeing the development and implementation of the Company's remuneration policy for Directors and senior management.
- Evaluating strategic human resources policies.

Note*: The Company previously had a Remuneration, Nomination, and Human Resources Committee (RNHRC). However, in compliance with the revised listing rules, the Board has established a separate committee known as the Nomination and Governance Committee (N&GC) to fulfil the responsibilities outlined in the listing rules. Consequently, prior to the formation of the N&GC, the RNHRC was tasked with handling the responsibilities related to the nomination of Directors and Key Management Personnel for the Company.*

REMUNERATION POLICY

The Company's remuneration policy aims to:

- Attract, retain, and motivate talented Directors and employees.
- Align compensation with experience, contribution, Company performance, and shareholder value.

Please refer Note 7 to the Financial Statements on Page 156 for aggregate remuneration paid to Executive and Non-Executive Directors.

ACTIVITIES IN THE FY 2023/24

The R&HRC held three meetings in FY 2023/24, focusing on:

- Strategic human resources policies
- Succession planning for key management personnel (KMPs)
- Remuneration for Executive Directors and senior management
- Training and development programs

EVALUATION OF THE COMMITTEE PERFORMANCE

The annual evaluation of the committee was conducted by the committee members and reported to the Board.

REPORTING TO THE BOARD

R&HRC meeting Minutes are presented to the Board for full transparency.

I would like to express my gratitude to all members who served on the Committee and contributed to its discussions throughout the period.



Deepal Sooriyaarachchi
Chairman - Remuneration and HR Committee

04th June 2024
Colombo

NOMINATION AND GOVERNANCE COMMITTEE REPORT



Mahinda Perera
Chairman – Nomination and Governance Committee

INTRODUCTION

The Nomination and Governance Committee (N&GC) is tasked with evaluating nominees to identify qualified candidates to recommend for appointment to the Board and the CEO/MD positions, to oversee Board performance evaluations, and to ensure compliance with strong corporate governance practices sanctioned by the Board.

COMMITTEE COMPOSITION

The N&GC comprises of three Independent Non-Executive Directors, chaired by Mr. Mahinda Perera (Independent Non-Executive Director). The composition complies with the provisions of the Code of Best Practice on Corporate Governance and the Listing Rules of the Colombo Stock Exchange (CSE).

MEMBERS OF THE COMMITTEE

Mr. Mahinda Perera (CHAIRMAN)
Independent Non-Executive Director

Mr. Deepal Sooriyaarachchi (Member)
Senior Independent Director

Mr. Sanjaya Bandara (Member)
Independent Non-Executive Director

Their biographies can be found on pages 19 to 29 of this Annual Report.

The Finance Director, Chief Human Resources Officer, Manager- Internal Audit, Risk and Compliance and, when necessary, Executive Directors and Managers responsible for relevant operations attend the meetings on the invitation of the Committee.

TERMS OF REFERENCE

The Committee adheres to the terms of reference adopted by the Board that clearly describe its scope, authority, and responsibilities. The terms of reference, *inter alia,* cover specific responsibilities delegated to the Committee in the Listing Rules of the CSE.

RESPONSIBILITIES OF THE COMMITTEE

The Committee's key responsibilities include:

- Recommending a policy for appointment and re-appointment of Directors to the Board.
- Recommending persons for appointment/re-appointment to the Board Subcommittees.
- Evaluating the performance of Board members and the CEO/MD.
- Establishing a corporate governance framework aligned with relevant regulations.
- Monitoring compliance with governance policies and relevant regulations.

MEETINGS OF THE COMMITTEE

The Committee was appointed by the Board in November 2023, following the Revised Rules issued by the Exchange in October 2023. Since their appointment, the Committee met once during this Financial Year. The attendance of the Committee meeting held during the financial year ended 31st March 2024, is given on Page 90 of this Annual Report.

ACTIVITIES IN FY 2023/24

The N&GC convened only once during the financial year after it was constituted. During this meeting, they reviewed and found satisfactory of the Company's compliance with:

- The Code of Best Practice on Corporate Governance
- Mandatory Listing Rules and Companies Act regulations
- Governance Policy documents required by the revised Listing Rules.

CONCLUSION

The Committee is committed to ensure that strong governance practices are adhered to within the Company.



Mahinda Perera
Chairman – Nomination and Governance Committee

04th June 2024

FINANCIAL REPORTS



ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE STATE OF AFFAIRS OF THE COMPANY

Annual Report of the Board of Directors on the Affairs of the Company as required by section 168 of the Companies Act No. 07 of 2007 as amended ("the Companies Act")

GENERAL

The Directors of Prime Lands Residencies PLC have the pleasure of presenting this Report to the shareholders together with the Audited Financial Statements for the year ended 31st March 2024 and the Auditors' Report, in conformity with the requirements of the Companies Act No. 07 of 2007. The details set out herein provide appropriate information required by the Companies Act and subsequent amendments thereto and recommended best practices on Corporate Governance. The Board of Directors approved this Report on 04th June 2024.

COMPANY OVERVIEW

Prime Homes International (Private) Limited was incorporated as a Private Limited Company in May 2005 under the provisions of the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007 under the Company Registration Number PV 7540. The Company name was changed to Prime Lands Residencies (Private) Limited in 2015 and was converted to a Public Limited Liability Company with effect from 12th February 2021 in accordance with the provisions of the Act. Ordinary shares of the Company have been listed on the Colombo Stock Exchange with effect from 08th June 2021. The Company changed its name from Prime Lands Residencies Limited to Prime Lands Residencies PLC under registration No. PQ00234680 with effect from 17th July 2021. Rs. 937,500,000 fully paid ordinary voting shares were issued and listed on the DiriSavi Board of the Colombo Stock Exchange (CSE) on 08th June 2021.

The Registered office of the Company and the principal place of business is situated at No 75, D.S Senanayake Mawatha, Colombo 08.

PURPOSE AND VALUES

The Company's Vision and Values are given on Pages 8 to 9 of the Annual Report. In achieving its set goals and objectives all Directors, Management, and Employees of the Company conduct their activities to the highest level of ethical standards and integrity as set out in the Code of Ethics of the Company.

PRINCIPLE BUSINESS ACTIVITIES

The principal activities of the Company include primarily the business of the development and sale of residential apartments, and the sale of lands for residential purposes. The business caters to all market segments and the economic landscape of Sri Lanka.

CHANGES TO THE COMPANY STRUCTURE

There were no changes to the Company structure during the year under review.

REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

An overall assessment of the Company's financial position and performance during the year, with comments on financial results, special events that took place, and future developments, is summarized in the Chairperson's Message on Pages 34 to 37 and the Managing Director's Review on Pages 38 to 40, while more comprehensive details are available in the Business Report on Pages 49 to 50 and the Capital Management Reports on Pages 54 to 80 of this Annual Report. These sections form an integral part of the report of the Directors, and together with the Audited Financial Statements reflect the state of affairs of the Company for the year ended 31st March 2024.

FINANCIAL STATEMENTS OF THE COMPANY

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

The financial statements of the Company, which are duly certified by the Director Finance and Chairperson, approved by the Board of Directors, and signed, by the Executive Director (Mr. Premalal Brahmanage) and the Board Audit Committee Chairman, are shown on Pages 133 to 134 of this Annual Report.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the financial statements of the Company, which reflect a true and fair view of the state of its affairs. The Directors are of the view that the statement of comprehensive income, statement of changes in equity, statement of cash flow, significant accounting policies and notes for the year ended 31st March 2024, and statement of financial position as at that date have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, the Companies Act No. 07 of 2007, the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

The "Statement of Director's Responsibility for Financial Reporting" is provided on Page 130 and forms an integral part of this report.

AUDITOR'S REPORT

The Company's Auditors, BDO Partners (Chartered Accountants) have performed a comprehensive audit of the financial statements for the year ended 31st March 2024 and the Auditor's Report issued thereon is given on Page 129 of this Annual Report.

ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

Significant new accounting policies adopted in preparation of the financial statements of the Company are given on

Pages 138 to 182. These financial statements comply with the requirements of Sri Lanka Accounting Standards on "Presentation of Financial Statements" (LKAS 01) and comply with Section 168 (1) (d) of the Companies Act No. 07 of 2007.

ACCOUNTING PERIOD

The financial accounting period reflects the information from 1st April 2023 to 31st March 2024.

FINANCIAL RESULTS

REVENUE

Total Revenue of the Company for the FY 2023/24 was Rs. 8,090 Mn (Rs. 19,799 Mn for the FY 2022/23) A more descriptive analysis of Revenue is given in Note 04 to the Financial Statements on Page 155.

FINANCIAL RESULTS

	2023/24 Rs. Mn	2022/23 Rs. Mn
Revenue	8,090	19,799
Operating profit	1,735	4,759
Profit before taxation	1,590	3,979
Profit after taxation	1,129	3,351
Profit brought forward from the previous year	5,936	3,242
Dividend proposed/paid for the year	563	938

The Company recorded a Net Profit of Rs. 1,129 Mn for the FY 2023/24 (Rs. 3,351 Mn for the FY 2022/23). The Company's performance and details of appropriation of profit relating to the Company are tabulated as above.

PROVISION FOR TAXATION

The income tax rate applicable on the profits and income earned during the year was 30%, according to the Inland Revenue Act, No 24 of 2017, and the amendments thereto.

Accordingly, the current year income tax expense of the Company is Rs. 461 Mn, A more descriptive note on income tax charged and differed tax assets/liability of the Company is disclosed in Note 08 to the Financial Statements.

DIVIDEND

An Interim Dividend of Rs. 0.60 per share has been declared to be paid on 26th June 2024 to the holders of the ordinary shares.

The Board of Directors remains satisfied that the Company will meet the requirement of the Solvency Test in terms of Section 56 (3) of the Companies Act No. 07 of 2007 immediately after the payment of said Interim Dividend. Accordingly, the Board of Directors has obtained a Certificate of Solvency from the External Auditors in respect of Dividend payment in conformity with the statutory provision.

PROPERTY, PLANT AND EQUIPMENT/ RIGHT-OF-USE ASSETS/ INTANGIBLE ASSETS

The total capital expenditure incurred on Property, Plant, and Equipment including intangible assets and Right-of-use Assets of the Company in the year ended 31st March 2024 amounted to Rs. 25 Mn (Rs. 22 Mn as at 31st March 2023). The details of Property, Plant, and Equipment are presented in Notes 10, 11, and 13 on Pages 158 to 162 of the Financial Statements.

The Directors confirm that there is no other significant changes in the Company's Fixed Assets, which substantially differs from book value.

INVESTMENT PROPERTY

The value of Investments Properties as at 31st March 2024 amounted to Rs. 766 Mn (Rs. 735 Mn as at 31st March 2023). The figure includes the fair value gain of Rs. 31 Mn that was recognized in the current financial year.

Extents, locations, valuations, and the number of buildings of the Entity's land holding and investment properties are detailed in Note 12 in the Financial Statements.

INVENTORY PROPERTY

Total Inventory Property was valued at Rs. 10,020 Mn (Rs. 12,388 Mn as at 31st March 2023), of which Rs. 3,204 Mn is attributed to the lands segment.

INVESTMENTS

Details of investments held by the Company are disclosed in Notes 14 and 16 on Pages 163 to 164 of the Financial Statements.

STATED CAPITAL AND SHAREHOLDERS' FUNDS

In compliance with the Companies Act, the Financial Statements reflect the Stated Capital of the Company. The Stated Capital is the total of all amounts

received by the Company in respect of the shares in issue.

The Stated Capital and Retained Earnings stood at Rs. 3,450 Mn and Rs. 6,125 Mn respectively as at 31st March 2024 (Rs. 3,450 Mn and Rs. 5,936 Mn as at 31st March 2023).

Details of the movement of Retained Earnings and Stated Capital are provided in the Statement of Changes in Equity on Page 135 of the Financial Statements.

DEBT CAPITAL

The Company has not issued any rated, unsecured, subordinated, redeemable debentures which are listed on the Colombo Stock Exchange during the Financial year.

SHARE INFORMATION

The five-year financial summary is given on Page 186 and shareholder information and information on trading have been provided under the title Share Information on Page 184 of this Annual Report and is presented with the purpose of providing more price-sensitive information to the shareholders which includes;

- Number of shares representing the entity's stated capital
- A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holding
- The ratio of Dividend Per Share, Dividend Payout, and Net Assets Per Share
- Market Value per share recorded as at the end of the financial year (2021 onwards after the listing)

SUBSTANTIAL SHAREHOLDINGS

Parent Company, Prime Lands (Private) Limited is the majority shareholder, holding 80% of the Company's ordinary voting shares as at 31st March 2024. The list of the Company's top 20 shareholders, number of shares held by them, percentage of their respective holding, and Public holding percentages are given under the title 'Shareholder Information' on Page No. 184.

INFORMATION TO SHAREHOLDERS

The Board strives to be transparent and provide accurate information to shareholders in all published material.

BOARD OF DIRECTORS

As at 31st March 2024, the Directorate of Prime Lands Residencies PLC consisted of 11 Directors with wide financial, commercial knowledge and experience. The qualifications and experience of the Directors is provided on Page 19 of this Annual Report. The following Directors held office as at the end of the financial year.

Name of Director	Executive / Non-Executive status	Independence / Non-Independence status
Mr. Premalal Brahmanage	Executive	Non- Independent
Ms. H K Sandamini R Perera	Executive	Non- Independent
Mr. N M Weerakkody	Executive	Non- Independent
Mr. H M N U Kumara	Executive	Non- Independent
Ms. S S A P Brahmanage	Executive	Non- Independent
Mr. Pathirage Anura W Perera	Executive	Non- Independent
Mr. D H Kalapuge	Non-Executive	Independent
Mr. M Perera	Non-Executive	Independent
Mr. S M S S Bandara	Non-Executive	Independent
Mr. D Sooriyaarachchi	Non-Executive	Senior Independent
Mr. N L S Joseph	Non-Executive	Independent

RESIGNATIONS AND APPOINTMENTS

Effective 01st January 2024, Ms H.K Sandamini R. Perera, previously Co-Chairperson, has been appointed as Chairperson after Mr Brahmanage Premalal, the Company's former Co-Chairman and Chair of the meeting, stepped down from his position to continue to serve as an Executive Director.

Mr. Pathirage Anura W. Perera was appointed to the Board as Director Finance on 01st January 2024. He serves as an Executive, Non-Independent Director.

INTEREST REGISTER

In compliance with the Companies Act, the Company maintains an interest register which is available for inspection with the Secretary of the Company.

DIRECTORS' INTEREST IN TRANSACTIONS

The Directors of the Company have made general declarations as provided in sections 192 (1) and 192 (2) of the Companies Act No. 07 of 2007 of their interests in contracts or proposed contracts with the Company. Details of the interest disclosed therein are given on Page 173 under related party transactions. Furthermore, the Chairperson and the Board of Directors have made general declarations that there is no financial,

business, family, or other material/relevant relationship between themselves as required to be disclosed by the Listing Rules of the Colombo Stock Exchange and with the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission.

DIRECTORS' REMUNERATION

The details of Directors fees and director's emoluments paid during the year are stated below:

	FY 2023/24	FY 2022/23
Executive Director's Remuneration	42,000,000	64,500,000
Non-Executive Directors Fees	5,121,800	5,400,000

DIRECTORS' INTEREST IN SHARES

In compliance with section 200 of the Companies Act, the Directors have disclosed to the Board their shareholding in the Company and any acquisitions or disposals thereof.

The Directors' individual shareholdings in the Company as at 31st March 2023 and 31st March 2024 are given on Page 184 of this Annual Report.

DIRECTOR'S MEETINGS

The details of Directors' meetings are presented in the Corporate Governance Report on page 90 of this Annual Report.

BOARD SUB-COMMITTEES

BOARD AUDIT COMMITTEE

All the members of the Audit Committee are Independent Non-Executive Directors. Senior Management Committee members, and Internal and External Auditors attend the meetings by invitation. The Board Audit Committee Report is given on Pages 116 to 117 of this Annual Report.

REMUNERATION AND HUMAN RESOURCES COMMITTEE

The Report of the Remuneration and Human Resources Committee is given on Page 119 of this Annual Report.

NOMINATION AND GOVERNANCE COMMITTEE

The Report of the Nomination and Governance Committee is given on Page 120 of this Annual Report.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Report of the Related Party Transactions Review Committee is given on Page 118 of this Annual Report.

RELATED PARTY TRANSACTIONS

The Company has complied with the requirements of the Code of Best Practice on Related Party Transactions in respect of requisite disclosures. The Directors have disclosed the transactions that could be classified as related party transactions which are adopted in the presentation of the Financial Statements and accordingly given in Note 31 on Pages 172 to 174 of this Annual Report.

SYSTEM OF INTERNAL CONTROLS

The Board of Directors has taken steps to oversee the implementation of an effective and comprehensive system of internal controls covering financial operations and compliance controls required to carry its operation in an orderly manner, safeguard its assets, and secure as far as possible the accuracy and reliability of the financial and other information. The Board has confirmed that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of the financial reporting and that the preparation of financial statements for external purposes have been done in accordance with relevant accounting principles and regulatory requirements. The Board Audit Committee Report forms an integral part of the Annual Report and is given on Pages 116 to 117. The Directors have assigned the internal audit function to the Manager Internal Audit, Risk, and Compliance, who reviews and reports on the effectiveness of financial, operational, and compliance controls.

CORPORATE GOVERNANCE

The Board of Directors is committed to developing the Corporate Governance principles of the Company and furthermore has adopted a Corporate Governance Charter including therein the procedures and processes governing the different participants in the organization – such as the Board, Managers, Shareholders and other Stakeholders to ensure that the highest principles of Corporate Governance are maintained across the Company,

In adopting the aforesaid Corporate Governance Charter, the Board has ensured that the Company is compliant with the recommendations and proposals of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

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

The Directors declare that,

- The Company has not engaged in any activity which contravenes laws and regulations
- The company has made all endeavours to ensure the equitable treatment of shareholders
- The business is a going concern
- Effectiveness and successful adherence of internal controls and risk management is practiced by the Company.

The measures taken in this regard are set out in the Corporate Governance Report on Pages 86 to 103 of this Annual Report.

The Board Audit Committee, Remuneration and Human Resources Committee, Nomination and Governance Committee and Related Party Transactions Review Committee function as Board sub committees with Directors who possess the requisite qualification and experience. The composition of the said committees is set out in Page 90 of this Annual Report.

HUMAN RESOURCES

The Company has continued to invest in human capital development and implement effective human resource management policies to develop an effective and efficient workforce to optimise their contribution towards the achievement of corporate goals and objectives and to ensure the future success of the Company and the workforce. The steps taken are further elaborate in the Human Capital Report on Pages 66 to 71 of this Annual Report.

STAKEHOLDER MANAGEMENT / CORPORATE SOCIAL RESPONSIBILITY

The Company continues to take measures on an ongoing basis to manage the stakeholders and enhance the value created to customers, suppliers, and the community. These efforts are presented in the Social and Relationship Capital Report presented on Pages 72 to 77 of the Annual Report.

ENVIRONMENTAL PROTECTION GRI 2.14

To the best of knowledge of the Board, the Company has complied with the relevant environmental laws and regulations. The Company has not engaged in any activity that is harmful or hazardous to the environment.

The Company has not engaged in any activity that can be construed as detrimental to the environment. Initiatives taken by the Company are outlined in the Natural Capital Report on Pages 78 to 81.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company has not engaged in any activity contravening any laws and regulations.

STATUTORY PAYMENTS

To the best of their knowledge and belief, the Directors are satisfied that all statutory payments due to the Government, other regulatory institutions and in relation to the employees have been made within the due date.

OUTSTANDING LITIGATION

In the opinion of the Directors formed in consultation with the Company lawyers, litigation currently pending against the Company will not have a material impact on the reported financial results or future operations of the Company.

EVENTS AFTER THE REPORTING DATE

Details of events after the reporting date are reflected in Note 34 Page 176 to the Financial Statements.

GOING CONCERN

After considering the financial position, the Company's Corporate / Business plans, operating conditions, regulatory and other factors and such matters required to be addressed in the Code of Best Practice on Corporate Governance, issued by the Institute of Chartered Accountants of Sri Lanka, the Directors have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

AUDITORS

The Company's Auditors during the year under review were BDO Partners. (Chartered Accountants)

Based on the declaration made by BDO Partners, and as far as the Directors are aware, the auditors do not have any relationship or interest in the Company or its subsidiaries other than to the extent disclosed.

REMUNERATION

BDO Partners, Chartered Accountants were paid a sum of Rs. 1.7 Mn (Rs. 1.7 Mn for the FY 2022/23) by the Company for audit and related services during the year under review.

RE-APPOINTMENT

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

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at Prime Lands Residencies PLC on the 28th June 2024 at 10.00 am.

NOTICE OF MEETING

Notice of the meeting relating to the Nineteenth Annual General Meeting is provided on Page 193 of this Annual Report.

ACKNOWLEDGMENT OF THE CONTENTS OF THE REPORT

As required by Section 168(1)(k) of the Companies Act No 07 of 2007, the Board of Directors hereby acknowledges the responsibility for the contents of this report.

By order of the Board of Directors of

Prime Lands Residencies PLC



SSP Corporate Services (Private) Limited
Company Secretaries

On behalf of the Board;



Ms. H K Sandamini R Perera
Chairperson

Colombo
04th June 2024

FINANCIAL CALENDAR - 2023/24

Submission of unaudited interim financial statements to the Colombo Stock Exchange (Rule-7.4 (a))

Description	Due Date	Complied Date
Three months ended 30th June 2023	14-Aug-2023	10-Aug-2023
Six months ended 30th September 2023	14-Nov-2023	9-Nov-2023
Nine months ended 31st December 2023	14-Feb-2024	2-Feb-2024
Twelve months ended 31st March 2024	30-May-2024	29-May-2024

Authorisation for issue of Audited Financial Statements for 2023/24	31-May-2024	
Publication of Annual Report for the financial year ended 31st March 2024	04-Jun-2024	
19th Annual General Meeting to be held on	28-Jun-2024	

Dividends		
First interim dividend for 2022/23 paid on	26-Jun-2023	
First interim dividend for 2023/24 - to be paid on	26-Jun-2024	

INDEPENDENT AUDITOR'S REPORT

BDO

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Sri Lanka

TO THE SHAREHOLDERS OF PRIME LANDS RESIDENCIES PLC

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Prime Lands Residencies PLC (the "Company"), which comprise the statement of financial position as at 31st March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information as set out on pages 132 to 182.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTER

MEASUREMENT OF INVENTORY PROPERTIES

As disclosed in Note: 15 to the Financial Statements, the Company's Inventory Properties including work-in progress, completed apartments and lands amounted to Rs. 10,019,522,244/- as at 31st March 2024. Inventory Properties account for 64% of the Company's total assets and are measured at the lower of cost and Net Realisable Value (NRV).

Measurement of Inventory Properties was considered as a Key Audit Matter due to the following factors:

- Inventory properties are significant and determining cost of sales relating to revenue recognised and carrying value involves complex calculations.
- Estimates and assumptions are applied in determining the carrying amount and Net Realisable Value which are impacted by prevailing market conditions and the economic situation continuing in the country.

The disclosures associated with measurement of Inventory Properties are set out in the financial statements in the following notes:

- *Note 3.8* - Material accounting policy information: Inventory Properties
- *Note 15* - Inventory Properties

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

In establishing whether the Inventory Properties – work-in-progress, completed apartments and lands for sale were stated at the lower of cost and NRV, our procedures included the following:

- We evaluated and tested the management's process in estimating the future costs for the completion of the Inventory Properties – work-in-progress, on a sample basis, by comparing them to the actual development cost of similar completed properties of the Company.
- We test-checked the appropriateness of the NRV of the Inventory Properties – work in progress, completed apartments and lands for sale, by comparing the NRV to market prices achieved in the same projects or comparable properties and our knowledge of the Company's business.
- We assessed the impact of continuing macro economic development and current market conditions on inventory properties and evaluated whether it was required to adjust the carrying value of the inventory prior to reflecting them at the lower of cost or net realisable value, and checked the adjustments made where applicable.

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Partners : Sujeewa Rajapakse FCA, ACCA, FCMA, MBA. Ashane J.W. Jayasekara FCA, FCMA (UK), MBA. H. Sasanka Rathnaweera FCA, ACMA. R. Vasanthakumar Bsc (Acc), ACA. F. Sarah Z. Afker FCA, FCMA (UK), CGMA, MCSI (UK). Dinusha C. Rajapakse FCA, LLB (Hons)(Colombo), CTA, Attorney at Law. Nirosha Vadivel Bsc (Acc), ACA, ACMA.

- We assessed the appropriateness of the amount recognised in cost of sales relevant to revenue by performing re-computation tests on cost of sales transfers.
- We also assessed the adequacy of the related financial statement disclosures.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Annual Report. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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 whether it appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of the 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 it 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 3890.

BDO Partners

CHARTERED ACCOUNTANTS

Colombo
31st May 2024

VR/cc

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2024	Note	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
Revenue	4	8,090,379,095	19,798,684,442
Cost of sales		(5,865,399,938)	(14,377,688,836)
Gross profit		2,224,979,157	5,420,995,606
Other income	5	58,395,791	53,908,040
Gain on fair valuation of investment property	12	31,000,000	10,000,000
Distribution expenses		(189,581,128)	(272,937,870)
Administrative expenses		(389,547,711)	(452,600,296)
Operating profit		1,735,246,109	4,759,365,480
Finance income	6.1	546,336,159	432,978,171
Finance expenses	6.2	(690,988,983)	(1,213,027,231)
Profit before taxation	7	1,590,593,285	3,979,316,420
Tax expenses	8	(461,591,585)	(628,084,657)
Profit for the year		1,129,001,700	3,351,231,763
Other comprehensive income			
Items that will not be re-classified to profit or loss			
Actuarial loss on retirement benefit obligation	21.3	(4,366,979)	(1,239,494)
Tax on other comprehensive income		1,310,094	371,848
Other comprehensive income for the year, net of tax		(3,056,885)	(867,646)
Total comprehensive income for the year		1,125,944,815	3,350,364,117
Earnings per share	9	1.20	3.57

Figures in brackets indicate deductions.

The accounting policies and notes on pages 138 to 182 form an integral part of these financial statements.

Colombo
31st May 2024

STATEMENT OF FINANCIAL POSITION

As at 31st March 2024	Note	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
ASSETS			
Non-current assets			
Property, plant and equipment	10	13,453,906	7,302,143
Right-of-use assets	11	11,170,749	13,913,562
Investment properties	12	766,000,000	735,000,000
Intangible assets	13	302,655	359,742
Financial assets at amortised cost	14	419,055,321	145,900,235
Total non-current assets		1,209,982,631	902,475,682
Current assets			
Inventory properties	15	10,019,522,244	12,388,430,515
Financial assets at amortised cost	14	-	384,815,095
Financial assets - Fair value through profit or loss	16	195,000	193,500
Advance paid for contractors	17	533,606,944	391,532,225
Advances, deposits and other receivables	18	44,494,500	264,618,846
Cash and cash equivalents	19	3,952,333,509	3,190,655,793
Total current assets		14,550,152,197	16,620,245,974
Total assets		15,760,134,828	17,522,721,656
EQUITY AND LIABILITIES			
Equity			
Stated capital	20	3,450,000,000	3,450,000,000
Retained earnings		6,124,741,476	5,936,296,661
Total equity		9,574,741,476	9,386,296,661
Non-current liabilities			
Retirement benefit obligation	21	32,418,497	22,326,080
Interest bearing borrowings	22	485,114,217	634,439,530
Lease liabilities	23	1,608,101	8,893,125
Deferred tax liabilities	24	67,339,381	59,649,238
Total non-current liabilities		586,480,196	725,307,973

Statement of Financial Position

As at 31st March 2024	Note	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Current liabilities			
Trade and other payables	25	634,343,023	1,165,388,517
Amount due to related party	26	5,311,172	7,867,056
Interest bearing borrowings - Current portion	22	399,325,212	769,370,613
Lease liabilities - Current portion	23	6,687,480	18,004,830
Customer advance collection	27	3,526,713,007	2,366,866,780
Income tax payable	28	219,989,096	467,297,568
Bank overdraft	19	806,544,166	2,616,321,658
Total current liabilities		5,598,913,156	7,411,117,022
Total liabilities		6,185,393,352	8,136,424,995
Total equity and liabilities		15,760,134,828	17,522,721,656

Figures in brackets indicate deductions.

The accounting policies and notes on pages 138 to 182 form an integral part of these financial statements.

Certification

We certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.

Mr. Pathirage Anura W. Perera
Director - Finance

Ms. H.K. Sandamini R. Perera
Chairperson

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

Approved and signed for and on behalf of the Board.

Mr. Brahmanage Premalal
Director

Mr. Sanjaya Bandara
Director

Colombo
31st May 2024
VR/cc

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2024	Stated capital Rs.	Retained earnings Rs.	Total Rs.
Balance as at 01st April 2022	3,450,000,000	3,242,182,544	6,692,182,544
Profit for the year	-	3,351,231,763	3,351,231,763
Other comprehensive income for the year, net of tax	-	(867,646)	(867,646)
Dividend paid	-	(656,250,000)	(656,250,000)
Balance as at 31st March 2023	3,450,000,000	5,936,296,661	9,386,296,661
Profit for the year	-	1,129,001,700	1,129,001,700
Other comprehensive income for the year, net of tax	-	(3,056,885)	(3,056,885)
Dividend paid	-	(937,500,000)	(937,500,000)
Balance as at 31st March 2024	3,450,000,000	6,124,741,476	9,574,741,476

Figures in brackets indicate deductions.

The accounting policies and notes on pages 138 to 182 form an integral part of these financial statements.

Colombo
31st May 2024

STATEMENT OF CASH FLOWS

For the year ended 31st March 2024	Note	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
Cash flows from operating activities			
Profit before taxation		1,590,593,285	3,979,316,420
Adjustment for			
Depreciation	10/11	5,955,303	36,968,161
Amortisation	13	57,087	57,244
Provision on retirement benefit obligation	21	6,825,688	6,055,255
Overdraft interest	6.2	389,423,860	469,018,130
Lease interest	6.2	2,968,666	6,858,340
Loan interest	6.2	210,606,148	611,906,099
Interest on debentures	14	(24,036,001)	(27,444,831)
Fair value (gain)/loss on share investment	16	(1,500)	(13,500)
Exchange gain on investment in debenture	14	58,812,065	(13,632,008)
Fair value gain on investment property	12	(31,000,000)	(10,000,000)
		619,611,316	1,079,772,890
Operating cash flows before change in working capital		2,210,204,601	5,059,089,310
Changes in working capital			
Decrease in inventory properties	15	2,368,908,271	2,763,813,594
(Increase)/Decrease in contractor advances	17	(142,074,719)	518,638,407
Decrease/(Increase) in advances, deposits and other receivables	18	190,695,216	(216,391,403)
Decrease in trade and other payables	25	(531,045,494)	(11,619,599)
Decrease increase in amounts due to related parties	26	(2,555,884)	(242,850)
Increase/(Decrease) in customer advance collection	27	1,159,846,227	(2,220,740,725)
Cash generated from operations		5,253,978,218	5,892,546,734
Income tax paid	28	(670,470,689)	(242,316,509)
Interest paid	6.2	(389,423,860)	(469,018,130)
Gratuity paid	21	(1,100,250)	(1,674,550)
Net cash generated from operating activities		4,192,983,419	5,179,537,545
Cash flows from investing activities			
Interest received from debentures	14	76,883,944	46,784,390
Acquisition of property, plant and equipment	10	(9,364,253)	-
Net cash generated from investing activities		67,519,691	46,784,390
Cash flows from financing activities			
Lease installments paid	23	(21,571,040)	(21,835,980)
Dividends paid		(937,500,000)	(655,025,370)
Proceeds from interest bearing borrowings	22	250,000,000	754,111,808
Repayment of interest bearing borrowings	22	(769,370,714)	(2,746,473,934)
Loan interest paid	6.2	(210,606,148)	(611,906,099)
Net cash used in financing activities		(1,689,047,902)	(3,281,129,575)
Net increase in cash and cash equivalents during the year		2,571,455,208	1,945,192,360
Cash and cash equivalents at the beginning of the year (Note A)		574,334,135	(1,370,858,225)
Cash and cash equivalents at the end of the year (Note B)	19	3,145,789,343	574,334,135

For the year ended 31st March 2024	Note	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
Note A			
Cash and cash equivalents at the beginning of the year			
Short-term deposit		3,013,414,074	710,897,962
Cash in hand		79,301,773	475,100,177
Cash at bank		97,939,946	249,093,998
Bank overdraft		(2,616,321,658)	(2,805,950,362)
		574,334,135	(1,370,858,225)
Note B			
Cash and cash equivalents at the end of the year			
Short-term deposit		3,811,550,110	3,013,414,074
Cash in hand		60,599,887	79,301,773
Cash at bank		80,183,512	97,939,946
Bank overdrafts		(806,544,166)	(2,616,321,658)
		3,145,789,343	574,334,135

Figures in brackets indicate deductions.

The accounting policies and notes on pages 138 to 182 form an integral part of these financial statements.

Colombo
31st May 2024

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

1.1 GENERAL INFORMATION

Prime Lands Residencies PLC ("the Company") is a public limited liability company, incorporated on 15th September 2008 in Sri Lanka under the Companies Act No. 07 of 2007 ("the Act") as a private limited liability company, and was converted to a public limited liability company with effect from 12th February 2021 in accordance with the provisions of the Act. Ordinary shares of the Company have been listed on the Colombo Stock Exchange with effect from 08th June 2021. The Company changed its name from "Prime Lands Residencies Limited" to "Prime Lands Residencies PLC" with effect from 17th July 2021. The registered office and the principal place of business are situated at No. 75, D.S. Senanayake Mawatha, Colombo 08.

1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The principal activities of the Company are purchasing lands and constructing residential apartment complexes and developing and selling land plots for residential purpose.

1.3 PARENT ENTERPRISE AND ULTIMATE PARENT ENTERPRISE

The Company's immediate and ultimate parent undertaking as at 31st March 2024 was Prime Lands (Private) Limited which has been incorporated in Sri Lanka.

1.4 SUBSIDIARIES AND ASSOCIATES

The Company has no subsidiaries or associates.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The statement of financial position, statement of comprehensive income, changes in equity and statement of cash flows, together with accounting policies and notes ("Financial Statements") of Prime Lands Residencies PLC as at 31st March 2024 and for the year then ended, comply with the Sri Lanka Accounting Standards (hereinafter referred to as SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and are in compliance with the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

2.2 RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and presentation of these Financial Statements as per the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards (SLFRS/LKAS).

2.3 DATE OF AUTHORISATION FOR ISSUE

The Financial Statements of Prime Lands Residencies PLC for the year ended 31st March 2024 were authorised for issue on 31st May 2024 in accordance with a resolution of the Board of Directors.

2.4 BASIS OF MEASUREMENT

The financial statements of the Company have been prepared on the historical cost basis, except for the following material items in the statement of financial position.

Item	Basis of Measurement	Note Number
Investment property	Measured at cost at the time of acquisition and subsequently, at revalued amounts which are the fair values at the date of valuation	3.7
Financial assets classified as fair value through profit or loss	Measured at fair value	3.2.3
Retirement benefit obligation	Recognised based on actuarial valuation	3.11

2.5 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.

These financial statements have been presented in Sri Lankan Rupees (Rs.). All financial information presented have been rounded to the nearest rupee except where it is otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 01 on "Presentation of Financial Statements".

2.6 MATERIALITY AND AGGREGATION

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 01 on 'Presentation of Financial Statements' and amendments to the LKAS 1

on 'Disclosure Initiative' which was effective from 01st January 2016.

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

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 realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the income statement unless it is required or permitted by Sri Lanka Accounting Standard and as specially disclosed in the material policy information of the Company.

2.8 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements of the Company in conformity with SLFRS/LKAS requires the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. In the process of applying the Company's accounting policies, key assumptions were made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results may differ from these estimates.

Accounting judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

2.8.1 Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Financial Statements.

i) Classification of property

The Company determines whether a property is classified as investment property or owner occupied property for significant judgment as disclosed in note 3.3 and note 3.7.

Investment property comprises land and buildings which are not occupied substantially for use by, or in the operations of the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

The Company determines whether a property qualifies as investment property by considering whether the property generates cash flows largely independently of the other assets held by the entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Company accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment.

ii) Revenue from contracts with customers

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

In recognising the revenue from the sale of properties, management applies judgment ascertaining when the controls have passed to the buyers. In this regard, the management recognises revenue over a period of time (percentage of completion method) as the Company's

performance does not create an asset with an alternative use to it and the Company has an enforceable right to payment for performance completed to date.

The Company determined that the input method is the best method in measuring progress of the construction because there is a direct relationship between the Company's effort and the transfer of control to the customer. The Company recognises revenue on the basis of the total cost incurred relative to the total expected cost to complete the construction.

2.8.2 Accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below. The respective carrying amounts of assets and liabilities are given in related notes to the financial statements.

i) Estimation of fair value of Investment Properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. The Company engaged an independent valuer to determine the fair value as at 31st March 2024. The valuation of investment property requires making significant estimates such as current market price per perch and yield rate which are based on current and future market or economic conditions.

The value of investment property of the Company has been ascertained by an independent valuer and due consideration has been given to recommended best practice in the valuation of real estate in uncertain times.

ii) Principal assumptions for management's estimation of fair value

If information on current or recent prices of assumptions underlying the discounted cash flow approach of investment properties is not available, the fair values of investment properties are determined using the discounted cash flow valuation techniques. The Company uses assumptions that are mainly based on market conditions existing at each reporting date.

The principal assumptions underlying the management's estimation of fair value are those related to: future rentals, maintenance requirements, and appropriate capitalisation rates / yields and voids. These valuations are regularly compared to actual market yield data and actual transactions by the Company and those reported by the market.

Further information about critical judgments, estimates and assumptions in applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes to these financial statements.

Critical Accounting Estimate / Judgment	Disclosure Note
Going concern	2.9
Fair value measurement	3.12
Useful life of property, plant and equipment	3.3.3
Fair value of investment property	3.7.2
Useful life of intangible assets	3.5.1
Retirement benefit obligations	3.11.2
Impairment losses on financial assets	3.2.6
Provision for liabilities, commitment and contingencies	3.19
Net realisable value of inventory	3.8
Income tax (Current tax and Deferred tax)	3.16

2.9 GOING CONCERN

The Company has prepared the financial statements for the year ended 31st March 2024 on the basis that it will continue to operate as a going concern.

In determining the basis of preparing the Financial Statements for the year ended 31st March 2024, based on available information, the management has assessed the current macroeconomic conditions and its effect on the Company and the appropriateness of the use of the going concern basis.

It is the view of the management that there are no material uncertainties that may cast significant doubt on the Company's ability to continue to operate as a going concern. In determining the above, significant management judgments, estimates and assumptions including the impact of the current macroeconomic challenges have been considered as of the reporting date and specific disclosures have been made under the relevant notes to the financial statements. The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and hence, has adopted the going concern basis in preparing and presenting these financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these financial statements are summarised below.

3.1 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currencies are translated to the respective functional currency, the Sri Lanka Rupee (Rs.), at the exchange rates prevailing at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the spot rate of exchange at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and the payments made during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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

Foreign currency differences arising on re-translation are recognised in the Statement of Comprehensive Income.

3.2 FINANCIAL INSTRUMENTS

3.2.1 Initial recognition, classification and subsequent measurement

Date of recognition

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes "regular way trades": purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the purpose and the management's intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

3.2.2 Classification and subsequent measurement of financial instruments

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely the payments of principal and interest ("SPPI").

A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment by investment basis. All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of a business model in which an 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. In particular, whether Management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's Management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for 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);
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Financial assets - assessment whether contractual cash flows are solely the 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 the payments of principal and interest, the Company 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 as such that it would not meet this condition. In making this assessment, the Company considers:

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

A prepayment feature is consistent with solely the 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 paramount, 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 at FVTPL	These assets are subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVTOCI	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 re-classified to profit or loss.

Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividend is 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 re-classified to profit or loss.

3.2.3 Financial assets

Financial assets are classified appropriately as financial assets recognised through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets at amortised cost.

All the financial assets are recognised at fair value at its initial recognition.

Financial assets measured at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition, transaction costs are recognised in profit or loss as incurred.

Financial assets at fair value through profit or loss are measured at fair value, and subsequent therein are recognised in Profit or Loss.

The following assets represent financial assets at fair value though profit or loss.

- Investment in quoted shares

Amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows

b. the contractual terms of the financial assets give rise on specified dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost of the Company comprise the following.

- Investment in debentures
- Other receivables
- Cash and cash equivalents

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income (FVTOCI) are non-derivative financial assets that are designated FVTOCI and that are not classified in any of the previous categories of financial assets. FVTOCI are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these are measured at fair value and changes therein other than impairment losses are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment in debt instrument is derecognised, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.2.4 Financial liabilities

The Company initially recognises debt securities and borrowings on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instruments.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable

transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Financial liabilities comprise:

- Interest bearing borrowings
- Lease liabilities
- Other payables
- Amount due to related party
- Amount due to directors
- Bank overdraft

Recognition and measurement of financial liabilities

The Company classifies financial liabilities other than financial guarantees and loan commitments, into one of the following categories:

- financial liabilities at amortised cost
- financial liabilities at fair value through profit or loss

A financial liability is measured initially at fair value plus, transaction costs that are directly attributable to its acquisition or issue. Subsequent measurement of financial liability is at fair value or amortised cost. The amortised cost of a financial liability is the amount at which the financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount.

Classification and subsequent measurement of financial liabilities

The subsequent measurement of financial liabilities depends on their classification.

Financial liabilities at amortised cost

Financial liabilities issued by the Company that are not designated at fair value through profit or loss are recognised initially at fair value plus any directly attributable transaction costs, by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The effective interest rate amortisation is included in "Interest Expense" in the statement of profit or loss. Gains or losses too are recognised in the income statement when the liabilities are de-recognised as well as through the effective interest rate amortisation process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative liabilities held for risk management purposes.

3.2.5 Re-classification of financial assets and liabilities

Financial assets are not re-classified subsequent to their initial recognition, except and only in those rare circumstances when the Company changes its objective of the business model for managing such financial assets. Financial liabilities are not re-classified as such re-classifications are not permitted by SLFRS 9.

3.2.6 Impairment of financial assets

The Company recognises a loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortised cost or at fair value through other comprehensive income. The Company, at each reporting date, measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since the initial recognition.

For trade and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. However, there are no trade and other receivables as at the reporting period.

3.2.7 Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a "pass–through" arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuous involvement in the asset. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuous involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

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

3.2.8 Off-setting financial instruments

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

3.2.9 Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

3.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

3.3.1 Recognition and measurement

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property or equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income in profit or loss.

3.3.2 Subsequent cost

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

3.3.3 Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of significant items of property, plant and equipment are as follows:

Type of assets	Year
Computer and equipment	05 years
Motor vehicle	08 years
Office equipment	04 years
Plant and machinery	08 years
Furniture and fittings	04 years

The assets' useful lives and depreciation methods are reviewed if there is an indication of a significant change since the last annual reporting date.

3.3.4 Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised.

3.4 LEASES

At the inception of a contract, the Company assesses to ascertain 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 a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in SLFRS 16.

i) As a lessee

Right-of-use assets and Lease liabilities

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

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

The Company determines its incremental borrowing rate by obtaining the interest rates from debt financing arrangements at the inception of the lease period.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is re-measured, 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.

Short-term leases and leases of low value assets

The Company elected not to recognise right-of-use assets and lease liabilities for lease of low value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on the straight-line basis.

ii) As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

3.5 INTANGIBLE ASSETS

3.5.1 Software

Software acquired by the Company is measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software is 10 years.

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

3.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date, whether there is any indication that an asset may be impaired.

If any indication exists, or when the annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuous operations are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset, except for the property previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date to ascertain as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at the revalued amount, in which case, the reversal is treated as a revaluation increase.

3.7 INVESTMENT PROPERTY

3.7.1 Basis of recognition

Investment properties are the properties held either to earn rental income or for capital appreciation or both but not for sale in the ordinary course of business, used in the production in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment properties are recognised if it is probable that future economic benefits that are associated with the investment property will flow to the Company and the cost of the investment property can be reliably measured.

Investment property comprises freehold land, freehold buildings together with the integral parts of such properties.

3.7.2 Basis of measurement

Fair value model

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value.

The fair value of investment property reflects, among other things, the rental income from current leases and assumptions about rental income from future leases in the light of current market conditions, as appraised by an independent valuer, annually.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit or loss during the financial period in which they are incurred.

Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the SLFRS 13.

If an investment property becomes owner occupied, it is re-classified as property, plant and equipment and its fair value at the date of re-classification becomes its cost for accounting purposes.

3.7.3 Derecognition

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of comprehensive income in the year of retirement or disposal.

3.7.4 Subsequent transfers to / from investment property

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

Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner occupation or commencement of development with a view to sale.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value. If the property occupied by the Company as an owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3.8 INVENTORY PROPERTY – APARTMENTS AND LANDS

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, and completed properties are shown as inventories and measured at the lower of cost and net realisable value.

Apartment costs include:

- freehold and leasehold rights for land
- amounts paid to contractors for construction
- planning and design costs, costs of site preparation, property transfer taxes, construction overheads and other related costs

Land costs include:

- freehold and leasehold rights for land
- costs of site preparation, property transfer taxes and other related costs

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale. The cost of inventory recognised in profit or loss on disposal is determined with reference to the costs incurred on the property sold and an allocation of costs based on the gross floor area of the property developed.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.10 Other liabilities

Other liabilities are recorded at amounts expected to be payable at the reporting date.

3.11 EMPLOYEE BENEFITS

3.11.1 Defined contribution plan

A defined contribution plan is a post-employment plan under which an entity 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 recognised as expense in the profit or loss as and when they are due.

Employees' Provident Fund

The Company and employee contribute 12% and 8% respectively of the salary of each employee to an approved Provident Fund.

Employees' Trust Fund

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund maintained by the Employees Trust Fund Board.

3.11.2 Defined Benefit Plans

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

Gratuity

Gratuity is a Defined Benefit Plan. The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the statement of financial position date. The defined benefit obligation is calculated annually by independent actuaries, using projected unit credit method, as recommended by LKAS 19 employee benefit. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability. The assumptions based on which the results of the actuarial valuation were determined are included in note 21 to the financial statements. This liability is not externally funded and the item is grouped under non-current liabilities in the statement of financial position.

The Company recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and expenses related to defined benefit plans in staff expenses in the statement of profit or loss.

According to the payment of the Gratuity Act No.12 of 1983, the liability for gratuity payment to an employee arises only after the completion of 5 years of continuous service.

3.11.3 Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.12 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

Level 1	quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable for the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

The Management of the Company determines the policies and procedures for both recurring fair value measurement, such as investment properties, and other investments.

External valuer, Ms. R.M.N. Priyadarshani is involved in valuation of significant assets, such as investment properties.

Involvement of external valuers is annually decided upon by the Management.

At each reporting date, the Management analyses the movements in the values of assets which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuer, also compares the change in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value of financial instruments

Financial instruments of the Company include Cash and cash equivalents, other receivables, investments, Interest bearing loans and borrowings, trade and other payables, rentals and customer deposits and bank overdrafts. The fair values of these financial instruments are determined at which determination, the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values;

- Cash and short-term deposits, other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Rentals and customer deposits are fair valued by using the appropriate market interest rates.
- Long-term variable rate as well as fixed rate investments and borrowings approximate their carrying amounts largely due to the market based interest rates.

Hence, the carrying amounts of the Company's financial instruments are reasonable approximations of their fair values.

Statement of Comprehensive Income

3.13 REVENUE AND INCOME

3.13.1 SLFRS 15 – Revenue from contracts with customers

The Company is in the business of real estate and providing related services. Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.8.1.

A five-step model with reference to SLFRS 15, Revenue from contracts with customers is applied before the revenue is recognised

1. identify the contract with customers
2. identify the separate performance obligations
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations and
5. recognise the revenue as each performance obligation is satisfied

The following specific criteria are used for the purpose of recognition of revenue in the revenue stream of Sale of Apartments and Lands:

Sale of property – Apartments and lands

The Company enters into contracts with customers to sell properties that are either completed or under development, and lands.

Revenue recognised at a point in time

The sale of completed apartments and lands are generally expected to be the single performance obligation and the Company has determined that it will be satisfied at the point in time when the control is transferred. For unconditional exchange of contracts, this is generally expected to be when legal title is transferred to the customer.

For conditional exchanges, this is expected to be when all significant conditions are satisfied. The determination of transfer of control for both unconditional and conditional exchanges are not expected to change upon the adoption of SLFRS 15.

Revenue recognised over time

For contracts relating to the sale of apartments under development, the Company is responsible for the overall management of the project and identifies various goods and services to be provided, including the design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures and finishing work. In such contracts, the Company has determined that the goods and services are not distinct and will generally account for them as a single performance obligation. Depending on the terms of each contract, the Company will determine whether control is transferred at a point in time or over time:

For each performance obligation satisfied over time, the Company recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation. For sale of apartments under development, the Company expects to continue recognising revenue over time because it expects that control will be transferred over time. Generally, its performance does not create an asset with alternative use to the Company and the Company has concluded that it has an enforceable right to payment for performance completed to date.

For contracts that meet the over time recognition criteria, the Company's performance is expected to be measured using an input method, by reference to the costs incurred to the satisfaction of a performance obligation (e.g., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the completion of the properties. The Company will exclude the effect of any costs incurred that do not contribute to the Company's performance in transferring control of goods or services to the customer (such as unexpected amounts of wasted materials, labour or other resources) and will adjust the input method for any costs incurred that are not proportionate to the Company's progress in satisfying the performance obligation (such as uninstalled material). This will be consistent with current practices.

Contract balances

Contract assets

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company executes performance obligations under the contract. The Customer deposits disclosed under Note 27 is considered as contract liabilities.

3.13.2 Other income

- **Rental income**

Rental income includes rental income from properties leased out to tenants under operating leases and income from other related services. Rental income from operating leases is recognised on a straight line basis over the lease term in accordance with the SLFRS 16.

- **Legal fee income**

Legal fee income represents the fee that the Company charges from its clients when they agree to transfer the deeds by taking the legal services provided by Prime Lands Residencies PLC instead of obtaining legal services to transfer deeds from the outside professionals. All income is recognised on a straight-line basis over the year.

- **Interest income**

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

3.14 EXPENSES RECOGNITION

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

For the presentation of the statement of comprehensive income, the directors are of the opinion that the nature of the expenses method presents fairly the elements of the Company's performance, and hence, this presentation method is adopted.

3.15 BORROWING COSTS

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

3.16 TAX EXPENSES

Income tax expense comprises the current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

Income tax provisions for the year ended 31st March 2024 have been made as per the provisions of the Inland Revenue Act No. 24 of 2017 and the amendments thereto.

3.16.1 Current tax expense

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

Current tax assets and liabilities are offset only if certain criteria are met.

Current tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.16.2 Uncertainty over income tax treatments

The Company has accounted for the uncertainty over tax treatments under IFRIC 23. An 'Uncertain Tax Treatment' is a tax treatment for which there is uncertainty over whether the relevant taxation authority will accept the tax treatment under tax law. If it is not probable that the taxation authority will accept an uncertain tax treatment, effect of uncertainty shall be reflected in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. The effect of uncertainty for each uncertain tax treatment shall be reflected by using either of the most likely amount or the expected value methods, depending on which method the Company expects to better predict the resolution of the uncertainty.

3.16.3 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of the goodwill

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no

longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are not discounted.

The net increase in the carrying amount of deferred tax liability net of deferred tax asset is recognised as deferred tax expense and conversely any net decrease is recognised as reversal to deferred tax expense in the statement of comprehensive income.

3.17 STATED CAPITAL

Stated capital consists solely of ordinary share capital. Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares other than on a business combination, are shown as a deduction, net of tax, in equity from the proceeds.

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders.

3.18 EARNINGS PER SHARE (EPS)

The Company presents Basic Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.19 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard - LKAS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'. Contingent Liabilities are not recognised in the statement of financial position but are disclosed unless its occurrence is remote.

Details of the commitments and contingencies are given in note 29 to the financial statements.

3.20 STATEMENT OF CASH FLOWS

The Statement of Cash Flows has been prepared using the "Indirect Method" of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard - LKAS 7 "Statement of Cash Flows". Cash and cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.21 EVENTS AFTER REPORTING PERIOD

Events after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date the financial statements are authorised for issue.

All material and important events that occurred after the reporting date have been considered and appropriate disclosures are made in Note 34 to the Financial Statements.

3.22 COMPARATIVE INFORMATION

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

3.23 SEGMENT INFORMATION

An operating segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment) or in providing products and services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Company has two reportable segments. These segments offer different products and services and are managed separately as they require different marketing strategies.

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment property and intangible assets.

Intersegment pricing is determined on an arm's length basis.

The activities of the Company are within Sri Lanka. Consequently, the economic environment in which the Company operated is not subject to risk and rewards that are significantly different on a geographical basis. Hence, disclosure by geographical region is not provided.

The Company's segments comprise the following:

- sale of apartment properties
- sale of lands

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

3.24 NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but are not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

The Company intends to adopt this amended standard and interpretation, if applicable, when it becomes effective.

- Liability in a Sale and Leaseback (Amendments to SLFRS 16 Leases) - mandatorily effective for periods beginning on or after 1 January 2024
- Classification of Liabilities as Current or Non-Current (Amendments to LKAS 1 Presentation of Financial Statements) - mandatorily effective for periods beginning on or after 01st January 2024
- Non-current Liabilities with Covenants (Amendments to LKAS 1 Presentation of Financial Statements) - mandatorily effective for periods beginning on or after 01st January 2024
- Supplier Finance Arrangements (Amendments to LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instruments: Disclosures) - mandatorily effective for periods beginning on or after 01st January 2024
- Lack of Exchangeability (Amendments to LKAS 21 The Effects of Changes in Foreign Exchange Rates) - mandatorily effective for periods beginning on or after 01st January 2025

The assessment of the impact on the Company does not have any material impact on the financial statements of the Company.

4. REVENUE

	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
Revenue from contracts with customers	8,090,379,095	19,798,684,442

4.1 REVENUE STREAMS

Revenue from contracts with customers		
Apartment sale	6,559,809,529	16,908,041,820
Land sale	1,530,569,566	2,890,642,622
	8,090,379,095	19,798,684,442

4.2 DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company generates its revenue locally and the following is the revenue from contracts with customers disaggregated by the timing of revenue recognition.

	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
Timing of revenue recognition		
Revenue recognised at point in time	1,530,569,566	2,890,642,622
Revenue recognised over time	6,559,809,529	16,908,041,820
	8,090,379,095	19,798,684,442

5. OTHER INCOME

	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
Rent income	20,400,000	20,400,000
Fair value gain on investments in quoted shares	1,500	13,500
Legal fee income	37,994,291	26,533,540
Cancellation fee income	-	6,961,000
	58,395,791	53,908,040

6. FINANCE INCOME AND EXPENSES

		For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
6.1	**FINANCE INCOME**		
	Interest income	537,968,400	420,733,605
	Foreign exchange gain	-	10,499,710
	Late payment fee	8,367,759	1,744,856
		546,336,159	432,978,171
6.2	**FINANCE EXPENSES**		
	Bank loan charges	1,955,865	2,951,883
	Loan interest	210,606,148	611,906,099
	Lease interest	2,968,666	6,858,340
	Overdraft interest	389,423,860	469,018,130
	Interest on customer refunds	37,278,336	122,292,779
	Foreign exchange loss	48,756,108	-
		690,988,983	1,213,027,231

7. PROFIT BEFORE TAXATION IS STATED AFTER CHARGING ALL EXPENSES INCLUDING THE FOLLOWING:

	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
Directors' remuneration	47,121,800	69,900,000
Staff salaries, bonus, allowances and incentives	158,077,938	145,212,459
Defined contribution plan costs - EPF and ETF	19,780,245	19,585,317
Depreciation and amortisation	6,012,390	37,025,404
Auditors' remuneration	1,758,900	1,742,200
Provision for retirement benefit obligation	6,825,688	6,055,255

8. TAXATION

	Note	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
Income tax	8.1	452,433,975	592,859,317
Under provision in previous year	28	157,372	-
Deferred tax provision for the period	24	9,000,237	35,225,340
		461,591,585	628,084,657

8.1 RECONCILIATION OF THE ACCOUNTING PROFIT TO CURRENT TAX EXPENSE

Profit before taxation		1,590,593,285	3,979,316,420
Income considered separately - Investment		(589,369,898)	(461,633,315)
Income considered separately - Others		(8,367,758)	(1,744,856)
Disallowable items		65,013,036	49,507,872
Allowable items		(27,826,925)	(179,474,635)
Business income		1,030,041,740	3,385,971,486
Income considered separately - Investment		589,369,898	461,633,315
Excempt income		(119,666,145)	(83,921,951)
Investment income		469,703,753	377,711,364
Income considered separately - Others		8,367,758	1,744,856
Taxable income		1,508,113,251	3,765,427,706
Income tax on taxable income			
Income tax rate at the statutory rate of	30%	452,433,975	123,186,447
Income tax rate at the statutory rate of	14%	-	469,672,870
Income tax expense for the year		452,433,975	592,859,317

The Company has computed income tax at the enacted rate as at the reporting date as per the Inland Revenue Act No. 24 of 2017 and the amendments thereto.

9. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	31.03.2024 Rs.	31.03.2023 Rs.
Amounts used as numerator		
Profit attributable to ordinary shareholders (Rs.)	1,129,001,700	3,351,231,763
Number of ordinary shares used as the denominator		
Weighted average number of ordinary shares in issue (No.)	937,500,000	937,500,000
Earnings per share (Rs.)	1.20	3.57

10. PROPERTY, PLANT AND EQUIPMENT

Description	FREEHOLD ASSETS						
	Office equipment	Plant and machinery	Computers and accessories	Furniture and fittings	Motor vehicles	Electrical items	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10.1 GROSS CARRYING AMOUNTS							
Balance as at 01.04.2023	23,200	3,794,367	16,783,863	3,162,927	29,900,132	2,701,663	56,366,152
Add : Transferred from right-of-use asset	-	-	-	-	21,100,000	-	21,100,000
Add : Additions during the year	-	7,182,450	2,140,801	41,002	-	-	9,364,253
Balance as at 31.03.2024	23,200	10,976,817	18,924,664	3,203,929	51,000,132	2,701,663	86,830,405
10.2 ACCUMULATED DEPRECIATION							
Balance as at 01.04.2023	23,200	3,794,367	11,192,918	3,162,927	29,199,173	1,691,424	49,064,009
Add : Transferred from right-of-use asset	-	-	-	-	21,100,000	-	21,100,000
Add : Depreciation for the year	-	618,592	1,931,222	2,135	162,477	498,064	3,212,490
Balance as at 31.03.2024	23,200	4,412,959	13,124,140	3,165,062	50,461,650	2,189,488	73,376,499
10.3 CARRYING AMOUNT							
Balance as at 31.03.2023	-	-	5,590,945	-	700,959	1,010,239	7,302,143
Balance as at 31.03.2024	-	6,563,858	5,800,524	38,867	538,482	512,175	13,453,906

10.4 During the year, the Company acquired property, plant and equipment to the aggregate value of Rs. 9,364,253 (2023: Rs. Nil).

10.5 TEMPORARILY IDLING PROPERTY, PLANT AND EQUIPMENT

There were no property, plant or equipment idling as at 31st March 2024.

10.6 TITLE RESTRICTION ON PROPERTY, PLANT AND EQUIPMENT

There was no restriction on the title of property, plant and equipment as at 31st March 2024.

10.7 PROPERTY, PLANT AND EQUIPMENT PLEDGED AS SECURITY FOR LIABILITIES

There were no items of property, plant and equipment pledged as securities for liabilities as at 31st March 2024.

10.8 Property, plant and equipment of the Company include fully depreciated assets having a gross carrying value of Rs. 57,845,662 (2023: Rs. 36,745,662).

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Freehold assets		
Office equipment	23,200	23,200
Plant and machinery	3,794,367	3,794,367
Computers and accessories	7,779,005	7,779,005
Furniture and fittings	3,162,928	3,162,928
Motor vehicles	42,400,132	21,300,132
Electrical items	686,030	686,030
	57,845,662	36,745,662

10.9 There were no compensations received/receivable from third parties for items of property, plant and equipment that were impaired, lost or given up and there were no capitalised borrowing costs related to the acquisition of property plant and equipment during the year.

11. RIGHT-OF-USE-ASSETS

		As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
11.1	**MOTOR VEHICLE**		
	Cost		
	Balance at the beginning of the year	131,438,021	131,438,021
	Less : Transferred to property, plant and equipment	(21,100,000)	-
	Balance at the end of the year	110,338,021	131,438,021
	Accumulated amortisation		
	Balance at the beginning of the year	117,524,459	85,145,673
	Less : Transferred to property, plant and equipment	(21,100,000)	-
	Add : Amortisation for the year	2,742,813	32,378,786
	Balance at the end of the year	99,167,272	117,524,459
	Carrying amount at the end of the year	11,170,749	13,913,562

12. INVESTMENT PROPERTIES

	Land Rs.	Building Rs.	Total Rs.
Balance as at 01.04.2022	542,400,000	182,600,000	725,000,000
Add : Fair value gain during the year	6,100,000	3,900,000	10,000,000
Balance as at 31.03.2023	548,500,000	186,500,000	735,000,000
Add : Fair value gain during the year	23,100,000	7,900,000	31,000,000
Balance as at 31.03.2024	571,600,000	194,400,000	766,000,000

Investment properties consist of freehold land at No 123, Castle Street, Colombo 08, and freehold land and building given on rent at No. 61, D. S. Senanayaka Mw, Colombo 08.

		For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
12.1	**THE AMOUNT RECOGNISED TO PROFIT OR LOSS ON INVESTMENT PROPERTY IS AS FOLLOWS:**		
	Rental income earned	20,400,000	20,400,000
	Operating expenditure	(36,000)	-
	Fair value gain during the year	31,000,000	10,000,000
		51,364,000	30,400,000

12.2 FAIR VALUE OF THE INVESTMENT PROPERTIES

Location of the investment property	Valuer's name and report date	Total extent	Valuation technique	Fair Value As at 31.03.2024 Rs.	Fair Value As at 31.03.2023 Rs.
Bare Land No 123, Castle Street, Colombo 08	R.M.N. Priyadarshani [Incorporated Valuer] - Report date : 31/03/2024	P 33.50	Comparison method	352,000,000	335,000,000
Land and Commercial Building No. 61, D S Senanayaka Mw, Colombo 08	R.M.N. Priyadarshani [Incorporated Valuer] - Report date : 31/03/2024	P 12.20	Comparison/ Investment method	414,000,000	400,000,000

12.3 The Company uses unobservable market input in determining the fair value of investment property (Level-3 of fair value hierarchy).

12.4 Valuation details of investment properties

		Total Perches/ Square feet	Value per perch / Square feet (Rs.)	Total value (Rs.)
a)	Bare land at No. 123, Castle Street, Colombo 08	P 33.50	10,500,000	351,750,000
	Land - Lot No. 1 in Plan No. 2074			
	Bare land			
	Rounding effect			250,000
	Fair value of the subject property			352,000,000
b)	Land and commercial building at No. 61, D. S. Senanayaka Mw, Colombo 08			
	Land - Lot A in Plan No. 4751/9000	P 12.20	18,000,000	219,600,000
	Commercial building	13,427	17,000	228,259,000
	Less: 15% for depreciation			(34,238,850)
				194,020,150
	Rounding effect			379,850
	Fair value of the subject property			414,000,000

Further details of the valuation techniques and significant unobservable input are given in Note 33.2.

12.5 The details of investment properties pledged as security against borrowings are disclosed in Note 30.

12.6 THE SIGNIFICANT ASSUMPTIONS USED BY THE VALUER ARE AS FOLLOWS :

Assumptions	2024	2023	Sensitivity
Anticipated maintenance cost	25% from annual rent income	25% from annual rent income	Increase will result in decrease in fair value gain
Capitalisation YP rate	5.75%	5.75%	Increase will result in decrease in fair value gain
Price per perch LKR Mn.- No 123, Castle Street, Colombo 08	10.5	10	Increase will result in increase in fair value gain
Price per perch LKR Mn.- No. 61, D. S. Senanayaka Mw, Colombo 08	18.0	17.5	Increase will result in increase in fair value gain
Future rental income Per Sq.Ft	Rs. 2,250	Rs. 2,250	Increase will result in increase in fair value gain

12.7 SENSITIVITY ANALYSIS OF ASSUMPTIONS EMPLOYED IN INVESTMENT PROPERTY VALUATION

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of investment property, in respect of the year 2024.

The sensitivity of the statement of profit or loss and statement of financial position is the effect of the assumed changes in each aspect (taken individually, while other variables are held constant) on the profit or loss and carrying value of investment property for the year.

Capitalisation YP rate increase/(decrease)	Maintenance cost increase/(decrease)	Investment property valuation (Rs.)	Fair value gain/(loss) on investment property (Rs.)
1%		685,000,000	(81,000,000)
-1%		827,000,000	61,000,000
	5%	717,400,000	(48,600,000)
	-5%	769,600,000	3,600,000

12.8 The valuation of investment properties as at 31st March 2024 has been prepared on the basis of 'material valuation uncertainty' as recommended by The Royal Institution of Chartered Surveyors, a professional body promoting and enforcing international standards in valuation, management and development of land, real estate, construction and infrastructure, in order to highlight the difficulties in undertaking valuations in the current environment.

12.9 A 'material valuation uncertainty' statement implies the valuation is current at the date of valuation only and that less certainty and a higher degree of caution should be attached to the valuation. In addition, the valuation should be kept under frequent review as the assessed value may change significantly and unexpectedly over a relatively short period of time.

12.10 Fair value of the investment property is ascertained by independent valuations carried out by Mrs. R.M.N.Priyadarshani, a chartered valuation surveyor, who has recent experience in valuing properties of similar location and category. In determining the fair value of the building, the capitalisation of net income method has been used, which is based upon assumptions including future rental income, anticipated maintenance costs, appropriate capitalisation rate and in determining the fair value of land, reference has been made to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are approximated within an appropriate range of values.

12.11 The carrying amount of revalued land and buildings under investment property if they were carried at cost less depreciation and impairment, would be as follows:

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
a) Lot No. 1 in Plan No. 2074 situated at No. 123, Castle Street, Colombo 08		
Bare land	291,000,000	291,000,000
b) Lot A in Plan No. 4751/9000 situated at No. 61, D. S. Senanayaka Mw, Colombo 08		
Land	62,603,760	62,603,760
Commercial building		
Cost	97,162,188	97,162,188
Accumulated depreciation	(39,109,848)	(35,667,324)
	58,052,340	61,494,864
Carrying value	120,656,100	124,098,624

12.12 LEASING ARRANGEMENTS

Minimum lease payments receivable on leases of investment property is as follows:

	As at ended 31.03.2024 Rs.	As at ended 31.03.2023 Rs.
Less than one year	20,400,000	20,400,000
One to five years	2,303,225	20,400,000
More than five years	-	-

The investment property is leased to tenants under operating leases with rentals payable as per the lease terms.

12.13 IMPACT OF ONGOING ECONOMIC CONDITIONS

During the year, the Sri Lankan economy demonstrated positive development, marking a recovery from challenges stemming from COVID-19 pandemic, tax cuts, and sovereign debt crisis. Supported by vital measures, including financial assistance from the International Monetary Fund (IMF), the Sri Lankan economy shows signs of recovery. As shown by the evidence, property market is emerging with new dimensions with its own ability to act as hedge against inflation. Real estate is also seen as a viable alternative in the low interest rate regime.

13. INTANGIBLE ASSETS

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
13.1 SOFTWARE		
Cost		
Balance at the beginning of the year	572,438	572,438
Balance at the end of the year	572,438	572,438
Amortisation		
Balance at the beginning of the year	212,696	155,452
Add : Amortisation for the year	57,087	57,244
Balance at the end of the year	269,783	212,696
Written-down value at the end of the year	302,655	359,742

13.1.1 There were no restrictions existing on the title of the intangible assets of the Company as at the reporting date. Further, there were no items pledged as security for liabilities.

14. FINANCIAL ASSETS AT AMORTISED COST- INVESTMENTS IN DEBT SECURITIES

		As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
14.1	**INVESTMENT IN UNQUOTED DEBENTURES**		
	Balance at the beginning of the year	530,715,330	536,422,881
	Add : Exchange gain/(loss) for the year	(58,812,065)	13,632,008
	Add : Interest receivable during the year	24,036,000	27,444,831
	Less : Interest received during the period	(76,883,944)	(46,784,390)
	Balance at the end of the year	419,055,321	530,715,330

	As at 31.03.2024		As at 31.03.2023	
	Number of debentures Nos.	Carrying amount Rs.	Number of debentures Nos.	Carrying amount Rs.
Debt securities - unquoted debenture	2,034	419,055,321	2,034	530,715,330
	2,034	419,055,321	2,034	530,715,330
Maturing within one year	-	-	1,382	384,815,095
Maturing after one year	2,034	419,055,321	652	145,900,235
	2,034	419,055,321	2,034	530,715,330

The Company has invested in non-convertible redeemable debentures denominated in Australian Dollar (AUD) amounting to AUD 2,034,000 for a tenor of five years maturing on 22nd December 2027, 13th August 2028 and 22nd January 2029 at an interest rate of 6% per annum as funding for operation of Prime Lands Australia (Pty) Ltd.

Present value of the expected cash flows of debentures issued by Prime Lands Australia (Pty) Ltd is the carrying value and hence, no impairment was recognised.

15. INVENTORY PROPERTIES

		As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
15.1	**INVENTORY PROPERTIES**		
	- Apartments	6,815,071,803	8,339,186,848
	- Lands	3,204,450,441	4,049,243,667
		10,019,522,244	12,388,430,515
15.2	**INVENTORY PROPERTIES - APARTMENTS**		
	Balance at the beginning of the year	8,339,186,848	11,650,287,352
	Add : Cost incurred during the year	3,189,723,851	8,927,402,792
		11,528,910,699	20,577,690,144
	Less : Disposals during the year (Recognised in cost of sales)	(4,713,838,896)	(12,238,503,296)
	Balance at the end of the year	6,815,071,803	8,339,186,848

		As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
15.3	**INVENTORY PROPERTIES - LANDS**		
	Balance at the beginning of the year	4,049,243,667	3,501,956,757
	Add : Cost incurred during the year	201,399,646	2,506,169,528
		4,250,643,313	6,008,126,285
	Less : Disposals during the year (Recognised in cost of sales)	(1,046,192,872)	(1,958,882,618)
	Balance at the end of the year	3,204,450,441	4,049,243,667

The details of inventory properties pledged as security against borrowings are disclosed in Note 30.

16. FINANCIAL ASSETS - FAIR VALUE THROUGH PROFIT OR LOSS

	Note	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Quoted equity securities	16.1	195,000	193,500

16.1 QUOTED EQUITY SECURITIES

	As at 31.03.2024			As at 31.03.2023		
	Number of shares Nos.	Cost Rs.	Fair value Rs.	Number of shares Nos.	Cost Rs.	Fair value Rs.
Mahaweli Reach Hotels PLC	15,000	638,740	195,000	15,000	638,740	193,500
	15,000	638,740	195,000	15,000	638,740	193,500

16.2 Financial assets at fair value through profit or loss (FVTPL) comprise quoted equity securities which are held principally for the purpose of trading in the near term.

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Investment in equity securities	193,500	180,000
Increase in market value	1,500	13,500
	195,000	193,500

		For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
16.3	**AMOUNTS RECOGNISED IN PROFIT OR LOSS**		
	Changes in fair value on quoted equity securities at FVTPL	1,500	13,500
		1,500	13,500

17. ADVANCE PAID FOR CONTRACTORS

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Balance at the beginning of the year	391,532,225	910,170,632
Add : Advance paid for contractors during the year	269,127,485	9,633,657
Less : Transferred to inventory properties during the year	(127,052,766)	(528,272,064)
Balance at the end of the year	533,606,944	391,532,225

18. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
VAT receivable	-	165,628,095
Staff advance	3,612,633	1,587,674
Other utility advance	29,655,480	26,255,103
Project advance	8,997,165	9,305,250
Refundable deposits	2,229,222	11,842,724
Other receivable	-	50,000,000
	44,494,500	264,618,846

19. CASH AND CASH EQUIVALENTS

		As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
19.1	**SHORT-TERM DEPOSIT**		
	Fixed deposits	3,811,550,110	3,013,414,074
		3,811,550,110	3,013,414,074
19.2	**FAVORABLE BALANCES**		
	Cash in hand	60,499,887	79,201,773
	Petty cash	100,000	100,000
	Cash at banks	80,183,512	97,939,946
		140,783,399	177,241,719
	Total short-term deposits and favorable balance	3,952,333,509	3,190,655,793
19.3	**UNFAVORABLE BALANCES**		
	Bank overdraft	806,544,166	2,616,321,658
		806,544,166	2,616,321,658
	Cash and cash equivalents for the purpose of statement of cash flows	3,145,789,343	574,334,135

Fixed deposits pledged as security against borrowings are disclosed in Note 30.

20. STATED CAPITAL

		Note	As at 31.03.2024	As at 31.03.2023
20.1	**ORDINARY SHARES**			
	Number of shares - Ordinary shares	20.1.1	937,500,000	937,500,000
	Value - Ordinary shares (Rs.)	20.1.1	3,450,000,000	3,450,000,000

		For the year ended 31st March 2024		For the year ended 31st March 2023	
		No. of shares	Rs.	No. of shares	Rs.
20.1.1	Movement during the year				
	Balance at the beginning of the year	937,500,000	3,450,000,000	937,500,000	3,450,000,000
	Balance at the end of the year	937,500,000	3,450,000,000	937,500,000	3,450,000,000

20.2 RIGHTS OF SHAREHOLDERS

The holders of ordinary shares confer their rights to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of shareholders.

All shares rank equally and pari passu with regard to the Company's residual assets.

21. RETIREMENT BENEFIT OBLIGATION

		As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
21.1	**RETIREMENT BENEFIT OBLIGATION - GRATUITY**		
	Balance at the beginning of the year	22,326,080	16,705,881
	Amount charged for the year	11,192,667	7,294,749
	Payments made during the year	(1,100,250)	(1,674,550)
	Balance at the end of the year	32,418,497	22,326,080

		For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
21.2	**AMOUNT RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME**		
	Current service cost for the year	3,476,776	3,549,373
	Interest cost for the year	3,348,912	2,505,882
		6,825,688	6,055,255
21.3	**AMOUNT RECOGNISED IN OTHER COMPREHENSIVE INCOME**		
	Actuarial loss for the year	4,366,979	1,239,494
		4,366,979	1,239,494

21.4 Messrs. Actuarial and Management Consultants (Pvt) Ltd, Actuaries, carried out an actuarial valuation of the retirement benefit obligation for Prime Lands Residencies PLC as at 31st March 2024. The valuation method used by the Actuary to value the liability is the 'Projected Unit Credit Actuarial Cost Method' recommended by LKAS 19. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

Actuarial assumptions	31.03.2024	31.03.2023
Discount rate	12%	15%
Salary increment rate	12%	10%
Staff turnover	21%	20%
Retirement age	60 years	60 years
Mortality	A 1967/70 Mortality Table (Institute of Actuaries, London)	

21.5 SENSITIVITY ANALYSIS

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

The sensitivity of the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

	2023/2024 Rs.	2022/2023 Rs.
Discount rate		
Effect on retirement benefit obligation due to 5% increase	(5,267,769)	(3,277,631)
Effect on retirement benefit obligation due to 5% decrease	7,857,415	4,696,093
Salary increment rate		
Effect on retirement benefit obligation due to 1% increase	1,214,214	936,759
Effect on retirement benefit obligation due to 1% decrease	(1,142,464)	(884,434)

21.6 MATURITY PROFILE OF THE DEFINED BENEFIT OBLIGATION

Within the next 12 months	5,875,807	4,406,354
Between 1 and 5 years	17,998,194	13,349,044
Between 6 and 10 years	6,245,748	3,566,467
Beyond 10 years	2,298,747	1,004,215

22. INTEREST BEARING BORROWINGS

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Balance at the beginning of the year	1,403,810,143	3,396,172,269
Loans obtained during the year	250,000,000	754,111,808
	1,653,810,143	4,150,284,077
Repayments during the year	(769,370,714)	(2,746,473,934)
Balance at the end of the year	884,439,429	1,403,810,143
Repayable within one year	399,325,212	769,370,613
Repayable between one and five years	485,114,217	634,439,530

Long term loans	Term of the loan	Maturity period	Interest rate	Facility amount (Rs.)
Seylan Bank PLC	Capital repayment within 48 monthly instalments	Mar-26	AWPLR + Margin	1,500,000,000
DFCC Bank PLC	Capital repayment within 96 monthly instalments	Aug-25	AWPLR + Margin	200,000,000
Commercial Bank of Ceylon PLC	Capital repayment within 41 monthly instalments	Nov-26	AWPLR + Margin	250,000,000

Assets pledged as security against borrowings and the facility details are disclosed in Note 30.

23. LEASE LIABILITIES

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Balance at the beginning of the year	31,652,078	53,488,058
Repayments during the year	(21,571,040)	(21,835,980)
Balance at the end of the year	10,081,038	31,652,078
Interest in suspense		
Balance at the beginning of the year	4,754,123	11,612,463
Charged to the statement of comprehensive income	(2,968,666)	(6,858,340)
Balance at the end of the year	1,785,457	4,754,123
Net lease creditor at the end of the year	8,295,581	26,897,955
Repayable within one year	6,687,480	18,004,830
Repayable between one and five years	1,608,101	8,893,125
23.1 MATURITY ANALYSIS OF LEASE LIABILITY - DISCOUNTED		
Less than 2 years	8,295,581	25,540,397
2- 5 years	-	1,357,557
23.2 MATURITY ANALYSIS OF LEASE PAYMENT - UNDISCOUNTED		
Less than 2 years	10,081,038	30,192,988
2- 5 years	-	1,459,090
23.3 AMOUNT RECOGNISED IN PROFIT OR LOSS ON SLFRS 16 - LEASES		
Lease under SLFRS 16		
Amortisation of right-of-use assets	2,742,813	32,378,786
Interest expense on lease liabilities	2,968,666	6,858,340
	5,711,479	39,237,126
23.4 AMOUNT RECOGNISED IN CASH FLOW ON SLFRS 16 - LEASES		
Payment of lease liabilities	(21,571,040)	(21,835,980)

24. DEFERRED TAX LIABILITIES

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
The movement of deferred tax		
Balance at the beginning of the year	59,649,238	24,795,746
Recognised in statement of comprehensive income	9,000,237	35,225,340
Recognised in other comprehensive income	(1,310,094)	(371,848)
Balance at the end of the year	67,339,381	59,649,238

Deferred tax provision for the year

Deferred tax assets/(liabilities) are attributable to the following:

	As at 31.03.2024		As at 31.03.2023	
	Temporary difference Rs.	Tax Rs.	Temporary difference Rs.	Tax Rs.
Deferred tax assets				
Employee benefits	32,418,497	9,725,549	22,326,080	6,697,824
	32,418,497	9,725,549	22,326,080	6,697,824
Deferred tax liabilities				
Property, plant and equipment	(38,886,859)	(11,666,058)	(29,914,638)	(8,974,391)
Investment properties	(217,996,240)	(65,398,872)	(191,242,240)	(57,372,671)
	(256,883,099)	(77,064,930)	(221,156,878)	(66,347,062)
Net deferred tax liability	(224,464,602)	(67,339,381)	(198,830,798)	(59,649,238)

Movement in deferred tax balance during the year

	Balance as at 01.04.2023 Rs.	Recognised in profit or loss Rs.	Recognised in OCI Rs.	Balance as at 31.03.2024 Rs.
Employee benefits	6,697,824	1,717,631	1,310,094	9,725,549
Property, plant and equipment	(8,974,391)	(2,691,667)	-	(11,666,058)
Investment properties	(57,372,671)	(8,026,201)	-	(65,398,872)
Net deferred tax asset/ (liability)	(59,649,238)	(9,000,237)	1,310,094	(67,339,381)

Deferred tax has been determined based on the effective tax rate of 30%.

25. TRADE AND OTHER PAYABLES

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Accrued expenses	42,448,920	19,951,838
Stamp duty payable	87,816,705	38,790,600
Retention payable	485,892,285	1,092,224,702
Dividend payable	1,643,726	1,224,630
SSCL payable	10,703,496	10,046,747
Refundable deposits	700,000	3,150,000
VAT payable	5,137,891	-
	634,343,023	1,165,388,517

26. AMOUNT DUE TO RELATED PARTY

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Prime Lands (Private) Limited	5,311,172	7,867,056
	5,311,172	7,867,056

27. CUSTOMER ADVANCE COLLECTION

	Note	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Project advance	27.1	3,461,944,642	2,269,118,817
Direct customer deposits		64,768,365	97,747,963
		3,526,713,007	2,366,866,780

27.1 PROJECT ADVANCE

Balance at the beginning of the year	2,269,118,817	4,385,241,479
Add : During the year advance received	9,266,429,594	17,621,306,260
	11,535,548,411	22,006,547,739
Less : Transferred to statement of comprehensive income	(8,073,603,769)	(19,737,428,922)
Balance at the end of the year	3,461,944,642	2,269,118,817

28. INCOME TAX PAYABLE

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Balance at the beginning of the year	467,297,568	117,298,981
Less : WHT credit	(29,429,130)	(544,221)
During the year payment	(670,470,689)	(242,316,509)
	(232,602,251)	(125,561,749)
Add : Income tax expense during the year	452,433,975	592,859,317
Add : Under provision in previous year	157,372	-
Balance at the end of the year	219,989,096	467,297,568

29. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company makes various commitments and incurs contingent liabilities. No material losses are anticipated as a result of these transactions.

29.1 COMMITMENTS

The Company has entered into agreements with contractors to pay Rs. 2,113,557,799 in order to complete the projects included in inventory properties as at the reporting date. The commitment of the Company depends on the successful completion of the project as agreed in the contractors' agreement.

29.2 CONTINGENT LIABILITIES

The Company does not have significant contingencies as at the reporting date.

30. ASSETS PLEDGED

The following assets have been pledged as security for credit facilities and loans obtained by the Company from respective financial institutions concerned.

Nature of assets	Nature of liabilities	Facility amount Rs.	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Lien over Fixed Deposit amounting to LKR 698 million of Prime Lands Residencies PLC	DFCC Bank PLC- Revolving loan	200,000,000	-	200,000,000
Primary mortgage for 200 Mn over Investment property at No.61, D.S Senanayake Mawatha, Colombo 08.	DFCC Bank PLC- Term loan	200,000,000	34,439,429	58,749,641
Further mortgage over the land property of Prime Lands (Pvt) Ltd at No.75/1, D.S. Senanayake Mawatha, Colombo 08.	DFCC Bank PLC- Overdraft	451,290,000	50,002,559	252,915,865
Lien over Fixed Deposits amounting to LKR. 1,939 million of Prime Lands Residencies PLC.	Seylan Bank PLC- Overdraft	367,500,000	16,447,027	343,951,472
Lien over Fixed Deposits amounting to USD 542,583 of Prime Lands Residencies PLC.	Seylan Bank PLC- Term loan	400,000,000	600,000,000	937,497,500
	Seylan Bank PLC- Term loan	1,500,000,000		

Nature of assets	Nature of liabilities	Facility amount Rs.	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Lien over 400,000,000 Nos. of HNB Finance PLC shares owned by Prime Lands (Pvt) Ltd.	Seylan Bank PLC- Overdraft	1,972,600,000	439,806,169	1,369,458,162
Lien over USD A/C amounting to USD 1,147,482 of Prime Lands Residencies PLC	Sampath Bank PLC- Overdraft	344,000,000	107,379,952	122,610,135
Lien over Fixed Deposit amounting to LKR 61 million of Prime Lands Residencies PLC				
Corporate guarantee of Rs.100 Mn from Prime Lands (Pvt) Ltd				
Corporate guarantee from Prime Lands (Pvt) Ltd	Hatton National Bank PLC - Overdraft I	500,000,000	166,068,016	277,505,058
Lien over Fixed Deposits amounting to USD 1,147,959 of Prime Lands Residencies PLC	Hatton National Bank PLC - Overdraft II	309,850,000	20,484,804	143,727,992
Primary mortgage bond for Rs.175 Mn over the Investment property at No. 123, Castle Street, Colombo 08.	Nations Trust Bank PLC Overdraft	175,000,000	6,355,639	106,152,974
Primary mortgage bond over the inventory property at Marine Drive, Dehiwala	Nations Trust Bank PLC - Short term loan	350,000,000	-	193,750,000
Personal Guarantee from Director Mr. H.M.N.U Kumara of Prime Lands Residencies PLC	HNB Finance PLC - Term loan	25,000,000	-	6,906,501
	HNB Finance PLC - Term loan	25,000,000	-	6,906,501
Primary mortgage for 350 Mn over land property at Chandraleka Mawatha	Commercial Bank of Ceylon PLC - Term loan	350,000,000	250,000,000	-

31. RELATED PARTY DISCLOSURES

31.1 PARENT AND ULTIMATE CONTROLLING PARTY

The immediate and ultimate parent of the Company as at 31st March 2024 is Prime Lands (Private) Limited.

31.2 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key management personnel include all the members of the Board of Directors of the Company having the authority and responsibilities for planning, directing and controlling the activities of the Company.

(a) Loans to Directors

No loans were advanced to the Directors of the Company.

(b) Key Management Personnel Compensation

The remunerations of directors and other members of the key management during the year under review are as follows:

Key management personnel	Nature of the transaction	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
Directors	Short-term benefit	47,121,800	69,900,000

(c) Transactions with key Management Personnel

Related companies	Relationship	Nature of the transaction	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
Mr. B Premalal	Director	Acquisition of apartments at The Colombo Border	19,450,000	-
Mrs. H K S R Perera	Director	Acquisition of apartments at The Colombo Border	14,770,000	-
Mr. N L S Joseph	Director	Acquisition of apartment at The Colombo Border	1,000,000	-
Mrs. Dinusha Fernando	GM Legal	Acquisition of apartment at The Colombo Border	1,000,000	-

31.3 RELATED PARTY TRANSACTIONS

Related companies	Relationship	Nature of the transaction	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
Prime Lands (Private) Limited	Parent Company	Customer deposits collected by Prime Lands (Pvt) Ltd on behalf of Prime Lands Residencies PLC	21,635,923	61,679,507
		Payments made by Prime Lands Residencies PLC on behalf of Prime Lands (Pvt) Ltd	14,964,836	39,902,536
		Customer deposits accepted by Prime Lands Residencies PLC on behalf of Prime Lands (Pvt) Ltd	34,044,875	16,172,613
		Shared service fee paid to Prime Lands (Pvt) Ltd	30,000,000	30,000,000
		Rent paid to Prime Lands (Pvt) Ltd	6,150,000	6,037,500
		Net amount of fund transferred from Prime Lands (Pvt) Ltd	-	85,166,584
HNB Finance PLC	Related Company	Rent income from HNB Finance PLC	20,400,000	20,400,000
		Lease rental paid	21,571,040	-
		Lease interest paid	2,968,666	-
		Loan installment paid	14,300,239	-
Prime Lands Australia (Pty) Ltd	Related Company	Debenture interest received	76,883,944	-
NJ Consultants	Common Director	MEP Design fee paid to NJ Consultants	14,787,842	-
Pele Consulting (Private) Limited	Common Director	Secretarial fee paid	410,823	-
Regent Caterers (Pvt) Ltd	Related Company	Payments for catering services for events	7,971,832	-
Prime Constructions (Pvt) Ltd	Related Company	Construction management services for 43, By the Sea - Marine Drive & The Palace - Gampaha	106,650,000	-

31.4 RELATED PARTY BALANCES

The following related party balances are shown in the respective notes as stated below.

1. Investment in non-convertible redeemable debentures issued by Prime Lands Australia (Pty) Ltd as given in Note 14.
2. Amount due to Prime Lands (Pvt) Ltd as disclosed in Note 26.

31.5 TERMS AND CONDITIONS OF TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are carried out in the ordinary course of the business. Outstanding current account balances at the year end as disclosed in Note 26 are interest free and settled on demand. Investment in unquoted debentures at the year end as disclosed in Note 14 is at an interest rate of 6% per annum and settlement occurs at maturity of five years.

32. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

32.1 THE ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS IS SHOWN AS FOLLOWS:

Balance as at 31.03.2024	Financial assets at fair value through profit or loss Rs.	Financial assets at amortised cost Rs.	Other financial liabilities at amortised cost Rs.	Total Rs.
Financial assets				
Financial investments - unquoted debentures	-	419,055,321	-	419,055,321
Financial investments - quoted equity shares	195,000	-	-	195,000
Cash and cash equivalents	-	3,952,333,509	-	3,952,333,509
	195,000	4,371,388,830	-	4,371,583,830
Financial liabilities				
Interest bearing borrowings	-	-	884,439,429	884,439,429
Lease liabilities	-	-	8,295,581	8,295,581
Amount due to related party	-	-	5,311,172	5,311,172
Trade and other payables	-	-	634,343,023	634,343,023
Bank overdraft	-	-	806,544,166	806,544,166
	-	-	2,338,933,371	2,338,933,371

Balance as at 31.03.2023	Financial assets at fair value through profit or loss Rs.	Financial assets at amortised cost Rs.	Other financial liabilities at amortised cost Rs.	Total Rs.
Financial assets				
Financial investments - unquoted debentures	-	530,715,330	-	530,715,330
Financial investments - quoted equity shares	193,500	-	-	193,500
Cash and cash equivalents	-	3,190,655,793	-	3,190,655,793
	193,500	3,721,371,123	-	3,721,564,623
Financial liabilities				
Interest bearing borrowings	-	-	1,403,810,143	1,403,810,143
Lease liabilities	-	-	26,897,955	26,897,955
Amount due to related party	-	-	7,867,056	7,867,056
Trade and other payables	-	-	1,165,388,517	1,165,388,517
Bank overdraft	-	-	2,616,321,658	2,616,321,658
	-	-	5,220,285,329	5,220,285,329

33. FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

33.1 DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY

As at 31st March 2024, the Company held the following assets carried at fair value on the statement of financial position. The Company uses the following hierarchy for determining and disclosing the fair value of these assets by valuation technique:

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

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

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

	Level 1	Level 2	Level 3	Total
As at 31.03.2024				
Financial assets - Fair value through profit or loss	195,000	-	-	195,000
Investment property - Land and building	-	-	766,000,000	766,000,000
As at 31.03.2023				
Financial assets - Fair value through profit or loss	193,500	-	-	193,500
Investment property - Land and building	-	-	735,000,000	735,000,000

33.1.1 Reconciliation of fair value measurement of "Level 3" assets

The reconciliation from the opening balance to the closing balance for level 3 fair values are shown below:

	Land Rs.	Building Rs.	Total Rs.
Investment Properties			
Balance as at 01.04.2022	542,400,000	182,600,000	**725,000,000**
Add : Fair value gain during the year	6,100,000	3,900,000	**10,000,000**
Balance as at 31.03.2023	548,500,000	186,500,000	**735,000,000**
Add : Fair value gain during the year	23,100,000	7,900,000	**31,000,000**
Balance as at 31.03.2024	571,600,000	194,400,000	**766,000,000**

33.2 VALUATION TECHNIQUES AND SIGNIFICANT UNOBSERVABLE INPUTS

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

Asset	Valuation technique	Significant unobservable inputs
Investment properties	**Comparison and Investment approach**	
Bare land No. 123, Castle Street, Colombo 08 Land and commercial building No. 61, D. S. Senanayake Mw, Colombo 08	In determining the fair value of Investment Property, the reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location were considered. Fair value of building was determined considering the capitalisation of net income method, which is based upon assumptions including future rental income, anticipated maintenance costs and capitalisation rates.	• Anticipated maintenance cost • Discount rate • Future rental income per Sq. Ft. • Price per perch

34. EVENTS AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date, which would require adjustments or disclosures in the financial statements except as given below:

Authorization of interim dividend

The Board of Directors of the Company has authorised an interim dividend of sixty cents (Rs. 0.60) per ordinary share amounting to Rs. 562,500,000 on 29th May 2024.

35. RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

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

Risk management framework

The Board of Directors has the overall responsibilities for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's activities.

The Audit Committee oversees how management monitors compliance with their risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit Department. Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

35.1 CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principaly from the Company's investments and deposits with banks.

The Company is exposed to credit risk from its investing and financing activities, including deposits with banks and other financial assets.

Management of credit risk includes the following components.

The Company does an extensive and continuous evaluation of credit-worthiness of its customers / financial institutions by assessing external credit ratings (if available) or historical information about default rates and change the credit limits and payment terms where necessary.

35.1.1 Impairment of Financial Assets

The Company does not have trade receivables as at the reporting date and impairment is not applicable to them. Cash and cash equivalents and other financial assets are subject to the impairment requirements as per SLFRS 9.

35.1.1.1 Exposure to credit risk

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

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Financial assets at amortised cost	419,055,321	530,715,330
Financial assets - FVTPL	195,000	193,500
Cash and cash equivalents	3,952,333,509	3,190,655,793

35.1.1.2 Trade receivables

The Company does not have trade receivables as at reporting date and hence, no impairment was identified relating to them.

35.1.1.3 Cash and cash equivalents and other financial assets

The cash and cash equivalents are held with banks and financial institutions which are rated above 'BBB-(lka).

The allowance accounts in respect of cash at bank at financial institutions, and financial assets at FVTPL and other financial assets, are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible.

At that point, the amounts are considered irrecoverable and are written off against the financial assets directly.

35.2 LIQUIDITY RISK

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

Management of liquidity risk

The Company manages the liquidity risk by carrying out cash flow forecasts and identifying future cash needs. Investments are planned ensuring that money is available for settlements. Adequate banking facilities are approved and kept for use as and when necessary. Strong relationships have been built with banks to ensure that urgent borrowing needs are met at short notice.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted (principle plus interest) payments.

	Carrying amount Rs.	Less than 3 months Rs.	3-12 months Rs.	1-5 years Rs.	More than 05 years Rs.	Total Rs.
Balance as at 31.03.2024						
Non-derivative financial liabilities						
Trade and other payables	634,343,023	44,092,646	590,250,377	-	-	634,343,023
Bank overdraft	806,544,166	806,544,166	-	-	-	806,544,166
Loans and borrowings	884,439,429	118,285,860	354,857,581	553,668,278	-	1,026,811,720
Lease liabilities	8,295,581	2,553,077	5,777,053	1,750,908	-	10,081,038
Amounts due to related parties	5,311,172	5,311,172	-	-	-	5,311,172
	2,338,933,371	976,786,921	950,885,011	555,419,186	-	2,483,091,119

	Carrying amount Rs.	Less than 3 months Rs.	3-12 months Rs.	1-5 years Rs.	More than 05 years Rs.	Total Rs.
Balance as at 31.03.2023						
Non-derivative financial liabilities						
Trade and other payables	1,165,388,517	375,691,144	789,697,373	-	-	1,165,388,517
Bank overdraft	2,616,321,658	2,616,321,658	-	-	-	2,616,321,658
Loans and borrowings	1,403,810,143	458,387,193	480,163,652	757,323,684	-	1,695,874,529
Lease liabilities	26,897,955	5,458,995	16,112,045	10,081,038	-	31,652,078
Amounts due to related parties	7,867,056	7,867,056	-	-	-	7,867,056
	5,220,285,329	3,463,726,046	1,285,973,070	767,404,722	-	5,517,103,838

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

35.3 MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control the market risk exposures within acceptable parameters, while optimising the return. Market risk comprises three types of risks;

- Foreign exchange risk
- Interest rate risk
- Equity price risk

35.3.1 Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk on investments in unquoted debentures which are denominated in Australian Dollars (AUD) and bank balances denominated in US Dollars (USD).

The exposure to currency risk as at the reporting date is as follows:

	AUD	USD
As at 31st March 2024		
Investments in unquoted debentures	2,034,000	-
Bank balances	302	58,942
As at 31st March 2023		
Investments in unquoted debentures	2,034,000	-
Bank balances	120	2,063,769

Sri Lankan rupee appreciated during the year due to the control measures taken by the authorities and improvements in foreign currency inflows and reserves. The Company adopted prudent measures, as and when required, to manage the financial impacts arising from the liquidity constraints and currency fluctuations by matching liabilities with corresponding inflows. The Company was able to navigate the liquidity challenges through matching its obligations with foreign currency inflows as far as possible while also using the strength of its financial position to manage the situation.

Sensitivity analysis

The following table demonstrates the sensitivity of Company's profits to a reasonable possible change in the US Dollar (USD) and Australian Dollar (AUD) exchange rate with all other variables held constant. The impact on the profit before tax due to change in the fair value of monetary assets and liabilities denominated in foreign currency is as follows:

	Increase/ decrease in exchange rate	Effect on profit before tax (Rs.)
2024		
US Dollar (USD)	25%	4,499,183
	-25%	(4,499,183)
Australian Dollar(AUD)	25%	102,476,967
	-25%	(102,476,967)
2023		
US Dollar (USD)	25%	168,860,488
	-25%	(168,860,488)
Australian Dollar(AUD)	25%	111,977,207
	-25%	(111,977,207)

35.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises mainly from the borrowings and investment of excess funds in financial investments. Borrowings at variable rates expose the Company to cash flow interest rate risk. Borrowings and investments at fixed rates expose the Company to fair value interest rate risk.

The Company has cash and bank balances including deposits placed with government and reputed financial institutions. All available opportunities are considered before making investment decisions.

The Company manages its working capital appropriately to ensure that borrowing needs and investment opportunities are foreseen. Market interest rates are monitored closely to ensure that the borrowings and investments are at the best rate for the Company.

The Central Bank of Sri Lanka (CBSL) reduced the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) by 100 basis points each in October and November 2023. Consequently, the SDFR and SLFR rates reached 9.00% and 10.00%, respectively, while prime lending rates dipped below 12%. The CBSL has indicated a pause in any additional monetary policy easing in the near term, allowing market interest rates to fall further in line with easing measures.

At the end of the reporting year, the interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company was as follows;

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Fixed rate instruments		
Financial assets		
Fixed deposit	3,811,550,110	3,013,414,074
Financial assets at amortised cost	419,055,321	530,715,330
	4,230,605,431	3,544,129,404
Financial liabilities		
Lease creditors	(8,295,581)	(26,897,955)
	4,238,901,012	3,571,027,359
Variable rate instruments		
Financial assets		
Bank balance	60,599,887	85,140,648
Financial liabilities		
Loans and borrowings	(884,439,429)	(1,403,810,143)
Bank overdraft	(806,544,166)	(2,616,321,658)
	(1,690,983,595)	(4,020,131,801)
	(1,630,383,708)	(3,934,991,153)

The following table demonstrates the sensitivity to a reasonable possible change in variable interest, with all other variables held constant.

	Profit or loss		Equity	
	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
5% increase	15,068,519	(11,078,460)	15,068,519	(11,078,460)
5% decrease	(15,068,519)	11,078,460	(15,068,519)	11,078,460

35.3.3 Equity price risk

Listed equity securities are susceptible to equity price risk arising from uncertainties of future values of the investment securities. The Company manages the equity price risk through diversification of its portfolio to different business segments.

The Company's equity risk management policies adopted are as follows:

- equity investment decisions are based on fundamentals rather than on speculation
- decisions are made based on in-depth industry and macroeconomic analysis as well as on research reports on the Company's performance.

The table below shows the diversification of equity investments.

	2024 Rs.	2023 Rs.
Trading shares		
Quoted equity securities	195,000	193,500

Sensitivity analysis

Investments in equity shares are subject to the performance of the investee Company and the factors that affect the status of the stock market.

The following table demonstrates the sensitivity of the Company's equity to a reasonably possible change in the market prices of the listed equity securities, with all other variables held constant.

	Change in year share price of all companies in which the Company has invested	Effect on profit before tax as a result of gains/ losses on equity securities classified as at FVTPL Rs.
Investments in equity shares	+ 5%	9,750
	- 5%	(9,750)

35.4 OPERATIONAL RISK

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of the Company's overall standards for the management of operational risk in the following areas.

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- training and professional development
- ethical and business standards
- risk mitigation, including insurance when applicable

Compliance with set procedures is supported by periodic reviews undertaken by the Internal Audit Department. The results of Internal Audit Department reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and Senior Management of the Company.

35.5 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of stated capital and reserves of the Company. The Board of

Directors monitors the return on capital, which the Company defines as a result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

	As at 31.03.2024	As at 31.03.2023
Debt to equity ratio	18%	43%

36 SEGMENTAL INFORMATION

For management purposes, the Company is organised into two operating segments based on products and services offered to customers as shown below.

The following table presents income and profit and certain asset and liability information regarding the Company's operating segments;

	Apartment sale		Land Sale		Total	
	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.	For the year ended 31.03.2024 Rs.	For the year ended 31.03.2023 Rs.
Revenue	6,559,809,529	16,908,041,820	1,530,569,566	2,890,642,622	8,090,379,095	19,798,684,442
Cost of sales	(4,819,207,066)	(12,418,806,218)	(1,046,192,872)	(1,958,882,618)	(5,865,399,938)	(14,377,688,836)
Gross profit	1,740,602,463	4,489,235,602	484,376,694	931,760,004	2,224,979,157	5,420,995,606
Other income	53,720,653	47,222,811	4,675,138	6,685,229	58,395,791	53,908,040
Gain on fair valuation of investment property	31,000,000	10,000,000	-	-	31,000,000	10,000,000
Distribution expenses	(176,217,860)	(240,420,989)	(13,363,268)	(32,516,881)	(189,581,128)	(272,937,870)
Administrative expenses	(311,638,169)	(423,704,156)	(77,909,542)	(28,896,140)	(389,547,711)	(452,600,296)
Operating profit	1,337,467,088	3,882,333,268	397,779,021	877,032,212	1,735,246,109	4,759,365,480
Finance income	537,968,400	431,233,315	8,367,759	1,744,856	546,336,159	439,601,074
Finance expenses	(621,890,085)	(1,059,725,431)	(69,098,898)	(153,301,800)	(690,988,983)	(1,213,027,231)
Profit before taxation	1,253,545,403	3,253,841,152	337,047,882	725,475,268	1,590,593,285	3,985,939,323
Tax expenses	(363,779,990)	(506,155,400)	(97,811,595)	(121,929,257)	(461,591,585)	(628,084,657)
Profit for the year	889,889,438	2,747,685,752	239,269,634	603,546,011	1,129,159,072	3,357,854,666
Segmental assets	12,555,684,387	13,473,477,989	3,204,450,441	4,049,243,667	15,760,134,828	17,522,721,656
Segmental liabilities	4,746,401,814	6,890,813,781	1,438,991,538	1,245,611,214	6,185,393,352	8,136,424,995

37. COMPARATIVE INFORMATION

Comparative figures have been re-classified where necessary in line with the presentation requirements for the current year.

SUPPLEMENTARY INFORMATION



SHARE INFORMATION

A. TWENTY MAJOR SHAREHOLDERS

	Name of the shareholder	As at 31 March 2024 Shareholding	As at 31 March 2024 Percentage (%)	As at 31 March 2023 Shareholding	As at 31 March 2023 Percentage (%)
1	Prime Lands (Pvt) Ltd	749,999,970	80.00%	749,999,970	80.00%
2	Seylan Bank PLC/Phantom Investments (Private) Limited	11,351,697	1.21%	9,449,725	1.01%
3	Mr. H.P.D.W.N. Gunasekara	7,300,000	0.78%	7,300,000	0.78%
4	Ceylinco General Insurance Limited	6,700,000	0.71%	6,700,000	0.71%
5	Mr. H.K.C.P. Perera	5,000,000	0.53%	5,000,000	0.53%
6	DFCC Bank PLC/Maskeliya Tea Exports (Pvt) Ltd	3,499,176	0.37%	3,499,176	0.37%
7	Odyssey Capital Partners (Pvt) Ltd	3,381,702	0.36%	N/Q	N/Q
8	Mr. A.I. Ramachandra	3,175,000	0.34%	3,175,000	0.34%
9	Hatton National Bank PLC A/C No. 4 (HNB Retirement Pension Fund)	3,035,184	0.32%	N/Q	N/Q
10	Mr. D.N.P. Rathnayake	2,873,529	0.31%	2,322,222	0.25%
11	Mr. N.A.S. Brahmanage	2,500,000	0.27%	2,500,000	0.27%
12	Mr. B.M.D.S. Thaaruna	2,500,000	0.27%	2,500,000	0.27%
13	Mr. M.A. Jafferjee	2,000,000	0.21%	2,000,000	0.21%
14	Katunayake Garments Limited.	1,923,000	0.21%	1,923,000	0.21%
15	Mr. A.A.M.P. Amarasinghe	1,775,000	0.19%	1,245,037	0.13%
16	Mr. D G Wirasekara	1,500,000	0.16%	1,500,000	0.16%
17	Mr. D S Aruma Thanthrige	1,311,260	0.14%	N/Q	N/Q
18	Mr. R Udalagama	1,300,000	0.14%	1,300,000	0.14%
19	Mr. D.D.D. Navarathna	1,240,100	0.13%	N/Q	N/Q
20	Mr. B Premalal	1,200,015	0.13%	1,200,015	0.13%
		813,565,633	86.78%	801,614,145	85.51%
	Others	123,934,367	13.22%	135,885,855	14.49%
		937,500,000	100.00%	937,500,000	100.00%

N/Q- Not qualify for top 20 shareholders as at 31 March 2023

B. PUBLIC AND NON PUBLIC SHAREHOLDINGS

	As at 31 March 2024 No. of shares	As at 31 March 2024 No. of shareholders	As at 31 March 2024 Percentage %	As at 31 March 2023 No. of shares	As at 31 March 2023 No. of shareholders	As at 31 March 2023 Percentage %
Issued number of ordinary shares and No. of shareholders	937,500,000	5,968	100.00	937,500,000	5,876	100.00
Less:- Shares held by non public	751,300,000	4	80.14	751,300,000	4	80.14
Shares held by the public and No. of shareholders	186,200,000	5,964	19.86	186,200,000	5,872	19.86
Float adjusted market capitalisation (Under option 5) LKR	1,564,080,000			1,489,600,000		

C. DISTRIBUTION OF SHAREHOLDERS

	As at 31 March 2024			As at 31 March 2023		
	No. of shareholders	No. of shares	Percentage %	No. of shareholders	No. of shares	Percentage %
1 - 1,000	2,105	798,426	0.09	1,986	822,083	0.09
1,001 - 10,000	2,250	10,560,069	1.13	2,292	10,998,201	1.17
10,001 - 100,000	1,336	45,326,608	4.83	1,341	45,983,591	4.90
100,001 - 1000,000	253	62,581,350	6.68	233	62,473,386	6.66
Over 1000,000	24	818,233,547	87.28	24	817,222,739	87.17
Total	5,968	937,500,000	100.00	5,876	937,500,000	100.00

D. CATEGORIES OF SHAREHOLDERS

	As at 31 March 2024			As at 31 March 2023		
Categories of Shareholdings	No. of shareholders	No. of shares	Percentage %	No. of shareholders	No. of shares	Percentage %
Local individuals	5,747	133,171,989	13.68	5,635	128,212,883	13.68
Local institutions	211	800,288,852	85.89	231	805,247,958	85.89
Foreign individuals	9	539,159	0.06	9	539,159	0.06
Foreign institutions	1	3,500,000	0.37	1	3,500,000	0.37
	5,968	937,500,000	100.00	5,876	937,500,000	100.00

E. PERFORMANCE AT THE CSE

Market Price per share	As at 31 March 2024	As at 31 March 2023
Highest	8.70	9.20
Lowest	6.30	4.50
Last Traded Price	8.40	8.00

F. SHAREHOLDINGS OF DIRECTOR

	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Percentage %	No. of shares	Percentage %
Mr. B Premalal	1,200,015	0.13%	15	0.00%
Ms. H K S R Perera	15	0.00%	15	0.00%
Mr. N M Weerakkody	Nil	0.00%	Nil	0.00%
Mr. H M N U Kumara	Nil	0.00%	Nil	0.00%
Ms. S S A P Brahmanage	Nil	0.00%	Nil	0.00%
Mr. Anura Pathirage	Nil	0.00%	** n/a	n/a
Mr. M Perera	Nil	0.00%	Nil	0.00%
Mr. D Kalapuge	Nil	0.00%	Nil	0.00%
Mr. S Bandara	Nil	0.00%	Nil	0.00%
Mr. D Sooriyaarachchi	Nil	0.00%	Nil	0.00%
Mr. N L S Joseph	100,000	0.01%	100,000	0.01%

** Appointed to the Board with effect from January 1, 2024

FIVE YEAR SUMMARY

INCOME STATEMENT

	Year Ended 31 March 2024 Rs.	Year Ended 31 March 2023 Rs.	Year Ended 31 March 2022 Rs.	Year Ended 31 March 2021 Rs.	Year Ended 31 March 2020 Rs.
Revenue	8,090,379,095	19,798,684,442	9,510,383,251	7,732,398,134	5,716,288,413
Gross Profit	2,224,979,157	5,420,995,606	2,422,102,250	1,893,518,991	1,072,944,265
Operating Profit	1,735,246,109	4,759,365,480	1,936,561,052	1,585,039,550	794,248,876
Profit before Tax	1,590,593,285	3,979,316,420	1,847,921,605	1,277,417,267	181,783,508
Tax Expenses	(461,591,585)	(628,084,657)	(165,548,364)	(288,161,691)	(50,987,616)
Profit for the year	1,129,001,700	3,351,231,763	1,682,373,241	989,255,576	130,795,892

STATEMENT OF FINANCIAL POSITION

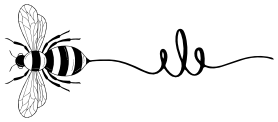
	31 March 2024 Rs.	31 March 2023 Rs.	31 March 2022 Rs.	31 March 2021 Rs.	31 March 2020 Rs.
Current Assets	14,550,152,197	16,620,245,974	17,723,347,307	11,897,535,916	12,547,469,579
Current Liabilities	5,598,913,156	7,411,117,022	10,387,644,546	7,154,063,213	9,468,063,776
Net-current Assets	8,951,239,041	9,209,128,952	7,335,702,761	4,743,472,703	3,079,405,803
Non-current Assets	1,209,982,631	902,475,682	1,143,134,968	1,102,380,550	1,035,290,806
Non-current Liabilities	586,480,196	725,307,973	1,786,655,184	2,412,900,605	1,671,979,023
Net Assets	9,574,741,476	9,386,296,661	6,692,182,545	3,432,952,648	2,442,717,586
Key indicators					
Basic earning per share (Rs.)	1.20	3.57	1.86	1.32	0.17
Net assets per share (Rs.)	10.21	10.01	7.14	4.58	3.26
Return on equity (%)	12%	36%	25%	29%	5%
Return on assets (%)	7%	19%	9%	8%	1%
Debt/equity ratio (%)	9%	15%	51%	124%	133%
Divided per share-(Rs.)	0.60	1.00	0.70	0.40	NIL
Dividend payout (%)	50%	28%	39%	38%	NIL
Dividend Cover (Times)	2.01	3.57	2.66	3.30	NIL
Market Value Per Share (Rs.)	8.40	8.00	6.90	N/A	N/A

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CORPORATE INFORMATION

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NAME OF THE COMPANY

Prime Lands Residencies PLC

LEGAL FORM

Limited Liability Company incorporated in Sri Lanka in May 2005 under the Companies Act No. 17 of 1982 Re-registered in September 2008 under the Companies Act No. 07 of 2007 Converted to a Public Limited Company in February 2021 Ordinary Shares listed on the Colombo Stock Exchange in June 2021

COMPANY REGISTRATION NO

PQ00234680

DIRECTORS

Ms. H K Sandamini R Perera
Chairperson/Executive Director

Mr. Premalal Brahmanage
Executive Director

Mr. N M Weerakkody
Managing Director/Executive Director

Mr. H M N U Kumara
Executive Director/Director Corporate Affairs

Ms. S S A P Brahmanage
Executive Director

Mr. Pathirage Anura W Perera
Executive Director/Director Finance

Mr. D Sooriyaarachchi
Independent Non-Executive Director

Mr. Sanjaya Bandara
Independent Non-Executive Director

Mr. D H Kalapuge
Independent Non-Executive Director

Mr. M Perera
Independent Non-Executive Director

Mr. N L S Joseph
Independent Non-Executive Director

SENIOR INDEPENDENT DIRECTOR

Mr. D Sooriyaarachchi

BOARD AUDIT COMMITTEE

Mr. Sanjaya Bandara
(Chairman of the Committee)

Mr. D Sooriyaarachchi

Mr. M Perera

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. Sanjaya Bandara
(Chairman of the Committee)

Mr. D Sooriyaarachchi

Mr. M Perera

REMUNERATION & HR COMMITTEE

Mr. D Sooriyaarachchi
(Chairman of the Committee)

Mr. Sanjaya Bandara

Mr. D H Kalapue

NOMINATION & GOVERNANCE COMMITTEE

Mr. M Perera
(Chairman of the Committee)

Mr. Sanjaya Bandara

Mr. D Sooriyaarachchi

REGISTERED OFFICE OF THE COMPANY

No. 75, D S Senanayake Mawatha,
Colombo 08.
Telephone - +94 11 2699822
Website - www.primeresidencies.lk
Email - investorrelations@primeresidencies.lk

COMPANY SECRETARY

SSP Corporate Services (Pvt) Ltd
101, Inner Flower Road,
Colombo – 03

REGISTRAR OF THE COMPANY

SSP Corporate Services (Pvt) Ltd
101, Inner Flower Road,
Colombo – 03

AUDITORS

BDO Partners (Chartered Accountants)
65/2, 'Charter House' Sir Chittampalam A Gardiner Mawatha,
Colombo – 02

BANKERS OF THE COMPANY

Hatton National Bank
Seylan Bank
Sampath Bank
Commercial Bank of Ceylon
Nations Trust Bank
National Development Bank
DFCC Bank Peoples Bank Union Bank

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting (AGM) of the shareholders of Prime Lands Residencies PLC will be held as a virtual meeting on 28th June 2024 at 10.00 a.m. to conduct the following business:

Agenda

1. REGULAR BUSINESS

1.1. Notice of meeting

1.2. To receive and consider the Report of the Directors and the Statements of Accounts for the year ended 31st March 2024 together with the Report of the Auditors thereon.

1.3. To resolve that the interim Dividend of Rs. 0.60 declared on 29th May 2024 and paid to Shareholders from the profit of the financial year 2023/24 is deemed to be the final dividend for the said financial year.

1.4. To re-appoint Mr. Pathirage Anura Wijesiri Perera, as a Director in terms of Article 29(1)(b) of the Articles of Association of the Company.

1.5. To re-appoint Messrs. BDO Partners, Chartered Accountants, as the Auditors of the Company for the ensuing year and authorise the Directors to determine their remuneration.

1.6. To authorise the Board of Directors to determine contributions to charities and other donations for the year 2024/25.

2. SPECIAL BUSINESS

To consider and if deemed appropriate, to pass the following resolution as a Special Resolution to amend the Articles of Association of the Company, in order to comply with the current Listing Rules of the Colombo Stock Exchange:

"**IT IS HEREBY RESOLVED AS A SPECIAL RESOLUTION THAT** the existing Article 30 be deleted in its entirety and substituted with the following Article as Article 30:

30. ALTERNATE DIRECTOR

(1) In exceptional circumstances, any director may by notice in writing left at the Registered Office approve the appointment of a person who meets the criteria set out in (2) below, to be an Alternate Director of the Company to act in his/her place, and the following provisions of this Article shall apply to any person so appointed.

(a) A person appointed to be an Alternate Director shall not, in respect of such appointment, ipso facto only be entitled to any privileges or entitlements of this appointment or other than upon, his/her giving an address for such notice to be served upon him/her be entitled to receive notices of all meetings of the directors and of the Company to attend and vote as director at any such Board Meeting or subcommittee meeting at which the director appointing him/her is not personally present and generally to perform all the functions of the director who appointed him/her in the absence of such director subject to restrictions placed by the directors and/or his/her appointer. Attendance of the Alternate Director at any such meeting shall be counted for purpose of the quorum being present.

(b) An Alternate Director may be appointed for a specified period or until the happening of a specified event, provided such appointment does not exceed a period of one (01) year from the date of the appointment, and he/she shall cease to be an Alternate Director on the occurrence of any one or more of the following events, that is to say: -

(i). If the appointment of the Alternate Director is revoked by notice in writing left at the office of the Company by the director appointing him/her; or

(ii). If the directors resolve that the appointment of the Alternate Director be terminated, provided that such termination shall not take effect until the expiration of thirty days after the date of such resolution of the directors; or

(iii). If the appointment is in respect of a specified period or on the happening of a specified event, then at the end of the specified period or at the happening of such specified event.

(iv). Is disqualified from being a director pursuant to Section 202 of the Act; or

(v). The appointee resigns or dies.

(2) Appointment of an Alternate Director shall be subject to the following:

(a) A Non-Executive Director shall not appoint an executive of the Company as his/her alternate.

(b) An Alternate Director appointed by an Independent Director should meet the criteria of independence specified by the Listing Rules and the Company shall satisfy the requirements relating to the minimum number of Independent Directors specified in the said Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.

(3) The Company shall make an immediate Market Announcement regarding the appointment of the Alternate Director incorporating the requirements specified by the Listing Rules for such Announcement. "

By order of the Board of Directors of
Prime Lands Residencies PLC

S S P Corporate Services (Private) Limited



Company Secretaries
Date: 4th June 2024

Notes:

1. A shareholder entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his/her behalf.
2. A proxy so appointed need not be a member of the Company.
3. A form of proxy accompanies this notice.

To attend the virtual Annual General Meeting 2024, please complete the following steps:

1. Registration: Complete and submit the attached form titled "Registration of Shareholder Details -Online Participation at the AGM 2024" (Annexure I).
2. Review Guidelines: Familiarize yourself with the "Guidelines and Registration Process for the AGM via the Online Meeting Platform" available on the;
   a. Company website: https://www.primeresidencies.lk/investor-relation or
   b. Colombo Stock Exchange: https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=PLR.N0000

FORM OF PROXY

I/We ..... of

.....

being a member/members of Prime Lands Residencies PLC hereby appoint: .....

of ..... (holder of NIC No. ..... or failing him/her

Ms. H. K. S. R. Perera	of Colombo failing her
Mr. B. Premalal	of Colombo failing him
Mr. N. M. Weerakkody	of Colombo failing him
Ms. S. S. A. P. Brahmanage	of Colombo failing her
Mr. H. M. N. U. Kumara	of Colombo failing him
Mr. P. A. W. Perera	of Colombo failing him
Mr. M. Perera	of Colombo failing him
Mr. D. H. Kalapuge	of Colombo failing him
Mr. S. M. S. S. Bandara	of Colombo failing him
Mr. D. Sooriyaarachchi	of Colombo failing him
Mr. N.L.S. Joseph	of Colombo

as my/our proxy to represent me/us to vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held on 28th June 2024 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Agenda Item	For	Against
1.2. To receive and consider the Report of the Directors and the Statements of Accounts for the year ended 31st March 2024 together with the Report of the Auditors thereon.		
1.3. To resolve that the interim Dividend of Rs. 0.60 declared on 29th May 2024 and paid to Shareholders from the profit of the financial year 2023/24 is deemed to be the final dividend for the said financial year.		
1.4. To reappoint Mr. Pathirage Anura Wijesiri Perera, as a Director in terms of Article 29(1)(b) of the Articles of Association of the Company.		
1.5. To re-appoint Messrs. BDO Partners, Chartered Accountants, as the Auditors of the Company for the ensuing year and authorise the Directors to determine their remuneration.		
1.6. To authorise the Board of Directors to determine contributions to charities and other donations for the year 2024/25.		
Amendment of Articles of Association of the Company 2. To adopt the Special Resolution as set out in the Notice of the Meeting.		

Signed on this ..... day of ..... Two Thousand and Twenty-Four.

.....
Signature of the Shareholder

Note: Instructions as to the completion of the form of proxy are noted on the reverse hereof.

Form of Proxy

INSTRUCTIONS FOR COMPLETION OF THE FORM OF PROXY

1. Kindly perfect the Form of Proxy by legibly filling your full name and address, signing in the space provided, and filling in the date of signature. Please indicate with a 'X' how the Proxy should vote on each Resolution. If no indication is given, the Proxy in his/her discretion will vote as he/she thinks fit.

2. If the Proxy Form is signed by an Attorney, the original Power of Attorney together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy, if such Power of Attorney has not already been registered with the Company.

3. In the case of a company or corporation/statutory body, the Proxy must be filled and attested in the legally prescribed manner, either under its common seal or signed by the Attorney or by an Officer(s) on behalf of the company or corporation/statutory body in accordance with its Articles of Association or the Constitution or the Statute (as applicable).

4. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 75, D.S. Senanayake Mawatha, Colombo 08, or by post or scanned and emailed to agm@primeresidencies.lk not less than 48 hours before the time appointed for holding the Meeting.

5. A shareholder appointing a Proxy (other than a Director of the Company) to attend the meeting should indicate the Proxy holder's details clearly and, additionally in the enclosed REGISTRATION FORM (Annexure I)

6. In the case of Margin Trading Accounts (Slash Accounts), the Form of Proxy should be signed by the respective authorized Fund Manager/Banker with whom the account is maintained.

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Annual Reports

BUILDING
FUTURES

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