



LUMINEX PLC

Annual Report 2021-2022



CORPORATE INFORMATION

Company	Luminex PLC
Registered Office	No. 24, New Galle Road, Moratuwa, Sri Lanka. Tel: +94 112644511
Legal Form	A Limited Liability Company Incorporated in Sri Lanka on 12/02/1986 under the Companies Act No. 17 of 1982 and re-registered on 19/2/2009 Under the Companies Act No. 07 of 2007. The legal form of the company was changed from Private Limited company to a Limited Company under Provisions of the Companies Act No. 07 of 2007 on 06th August 2021. The ordinary shares of the Company were listed with the Colombo Stock Exchange of Sri Lanka on 23rd June 2022.
Company Secretary	R N H Holdings (Private) Limited No 107, Dewala Road, Nugegoda, Sri Lanka Tel: +94 11 4 970 104 Fax: +94 11 2 815 144 Email: mgr.sec@mhgroup.lk
Registrar to the Company	Central Depository Systems (Pvt) Ltd West Block, World Trade Centre, Echelon Square, Colombo 01.
Auditors	Nihal Hettiarachchi and Co. Chartered Accountants "R H N House", No 622B, Kotte Road, Kotte, Sri Lanka Tel: +94 11 4 975 555 / +94 11 4 975 999 Fax: +94 11 4 511 473 Email: info@nh-co.lk
Bankers	Sampath Bank PLC National Development Bank PLC Bank of Ceylon



LUMINEX we believe, the service we deliver which exceeds customer expectations along with innovative ideas, high quality standards and state-of- the-art technology is our footprint. This identity has been recognised as a one of a highest graded

(Eg:-EM 1) companies in Sri Lanka, by Construction Industry Development Authority (CIDA),
Ministry of Engineering & Construction Development.

We are specialized in the fields of Telecommunication Network Development,
Electrical Engineering (Low Tension (LT) & High Tension (HT)), Civil,
Water and Sewerage Construction.



ABOUT US



OUR VISION

To be the most preferred company in providing total engineering and construction solutions in Sri Lanka and the region.



OUR VALUES

Quality & Service Excellence

We deliver high quality products along with pioneering ideas and an exceptional service that exceeds customer expectations.

Teamwork

We value our human resources and recognize them as our esteemed assets. We constantly train and develop them whilst providing them with every opportunity to grow to their full potential.

Integrity

We are committed to honesty and fairness in all our dealings and practice the highest ethical standards in the industry.

Commitment

We promise to fulfill our obligations to the best of our ability, thereby building sustainable relationships with our clients.

Originality

We inspire each project with vision and ingenuity, thereby making each of them innovative, exclusive and outstanding

Safety

We place great emphasis on environmental and work place safety by employing industrialized and personal safety methods, applied practically to protect our work force. We do not compromise or overlook our responsibility in keeping our people safe.



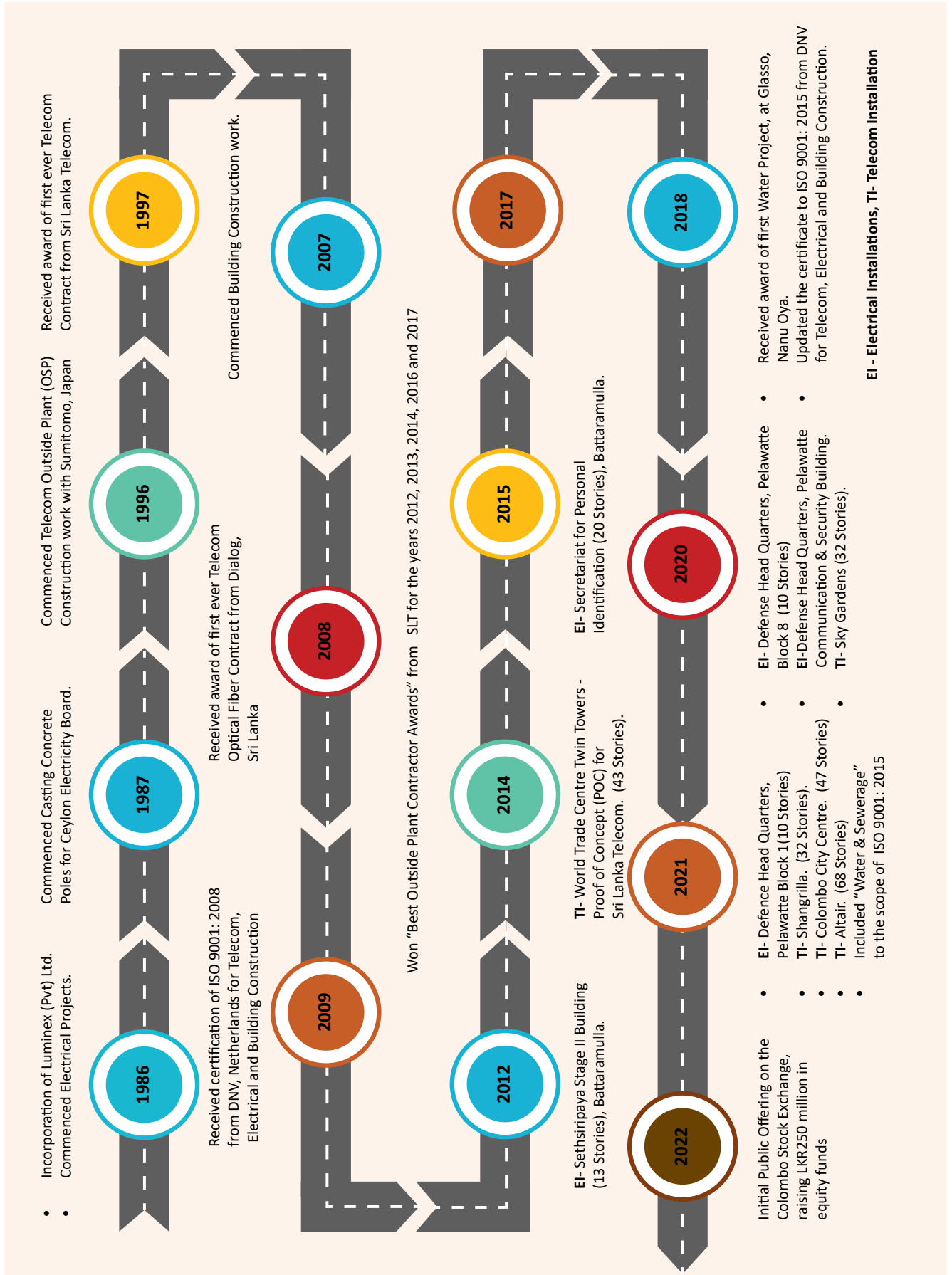
LUMINEX PLC

LUMINEX PLC is a successful engineering company specializing in the fields of Telecommunication, Electrical, Water, Sewerage and Civil Construction. Having been incorporated in 1986, the company has developed expertise in the fields of electrical and telecommunication engineering by keeping abreast with the emerging trends in the relevant fields during the last three decades. This has enabled the company to be a pioneering partner in many telecommunication and electrical construction projects in Sri Lanka, for which it has been recognized with accolades and awards. The company has built its reputation based on its ability to deliver high quality products and services, personalized customer service and innovation.

LUMINEX was incorporated as a Limited Liability Private Company on 12/02/1986 under the Companies Act No. 17 of 1982 and re-registered on 19/2/2009 under the Companies Act No. 07 of 2007. The legal form of the company was changed from Private Limited to a Limited Company under provisions of the Companies Act No. 07 of 2007 on 06/08/ 2021.

The company specializes in the fields of Extra Low, Low and Medium Voltage electrical engineering and Telecommunication outside plant Engineering and is one of the few companies in Sri Lanka to receive Construction Industry Development Authority (CIDA) grading of EM 1 in its related areas of activity. Today the organization has 548 direct employees and over 550 indirect employees via subcontractors. The Company has been certified by the Construction Training and Development Authority (CIDA) under the State Ministry of Rural Housing, Construction & Building Materials in Sri Lanka. It has also obtained the ISO 9001: 2015 Quality Management Certification awarded by DET NORSKE VERITAS (DNV). In order to support its activities, the Company possesses a complete fleet of project vehicles, modern plant & machinery, tools & equipment, office premises and storage facilities in warehouses and sub area stores.

KEY MILESTONES OF THE COMPANY



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CHAIRMAN'S REVIEW



Dr. Harsha N De Silva
Chairman

It is my pleasure to present to you the Annual Report and Audited Financials of our company, Luminex PLC for the financial year ended 31st March 2022.

The year under review was a critical year of transformation for the company from a private company to a company listed on the Colombo Stock Exchange, the process which was completed in June 2022.

In spite of the many socio economic and health related challenges during the financial year, the company was able to recorded improved financial performance achieving an annual revenue of Rs.3,121.3 Million which was a 22% growth over the previous year's LKR. 2,554 Million and total comprehensive income of LKR. 474.6 Million a significant growth of 56% over the LKR. 299.1 Million achieved in the previous year.

The year under review presented one of the most challenging environments faced by the country's economy. Although the year started on a positive note after the reigning in of the Covid19 pandemic, the ensuing negative impact, the foreign exchange crises and resulting difficulties and shortages dominated the year. These disruptions had devastating consequences and tore into the political and socio-economic fabric of the country and presented an extremely difficult operating environment. The company's management and operational teams' ability to post improved results during such a period amidst power interruptions, fuel and gas shortages, high

inflationary conditions and work disruptions is indeed commendable.

The Telecom engineering sector was the key contributor to the company's performance and is expected to continue its dominance during the current year as well, as the company has been able to obtain increased volumes with the existing service providers. However, the group continued to be focused on building a Diversified Engineering Service Portfolio with developments and new investments in several identified key strategic areas mainly in Electrical, Water and Civil Engineering. The company's overseas expansion plans are currently being finalized and is expected to materialize during the current financial year.

On the non - operational perspective, during the year we have taken substantial efforts to strengthen our corporate governance practices, while adhering to the rules and also making voluntary compliances leading to greater accountability and transparency. With this effort the company was able to align its corporate strategy with internal control measures in order to achieve ultimate corporate objectives during the years to come. Measures also have been taken to improve the internal infrastructure such as internal process, information and reporting systems and internal controls. The company continued realign to be prepared for the dynamic and challenging Business environment of the country with continuous dedication to improve the organizational efficiency and effectiveness and a keen focus on the Human Capital of the

company in recruiting, retention, training and development.

As a company now listed in the Diri Savi board of the Colombo Stock Exchange we believe these measures as well as our inherent strengths as the key rationale which will enable sustainable long term returns to our stakeholders.

We are vigilant as to the current socio economic and political crisis which is prevailing in the country. With much expectations on the IMF bailout we are hopeful and carefully optimistic for the company and the country's future. We strongly believe in the resilience of the Sri Lankan economy and its people and their ability to overcome any adversities.

On behalf of the Board of Directors of Luminex PLC, I wish to thank all our stakeholders for the support extended during the financial year.

Further I wish to thank my colleagues on the Board, the management and the staff for their guidance, support and commitment. Finally, I thank you, our loyal shareholders for your support and the confidence you have placed in us.

A handwritten signature in blue ink that reads "Harsha de Silva".

Dr. Harsha N De Silva
Chairman/Non-Executive Director
29th August 2022

JOINT STATEMENT FROM THE MANAGING DIRECTOR AND THE CHIEF EXECUTIVE OFFICER / EXECUTIVE DIRECTOR



It is with pleasure we present to you the review of company operations of Luminex PLC for the financial year 2021 / 2022.

Operating Environment

The financial year 2021/22 began with promising signs of growth prospects in the backdrop of a pandemic ridden year of distress following the outbreak of COVID-19 in 2020, and the economy plunging to the record lows. It was refreshing to see indications of normalization and progress in the operating background during the early part of the financial year. Economy and the daily activity of Business settled down to the new normal, primarily driven by the vaccination drive and stringent preventive measures taken by the health sector.

However, the aftermath of the Covid-19 pandemic overwhelmed the economy with logistic and supply chain issues, complete breakdown of the tourism industry, global price increases in commodities, Oil and Gas etc. working together to the detriment. These effects were a hard hit on the already weakened economy, which was struggling to recoup what was lost due to the effects of the pandemic.

The latter part of the second quarter showed emerging signs of an escalating economic crisis with many key sectors underperforming due to the brewing foreign exchange crisis. The Government was facing the worst economic crisis since independence with falling foreign exchange reserves posing a serious question of the country's debt sustainability. By the later part of the financial year the rupee value had depreciated substantially against the US dollar, and the inflation continued to rise sharply with high unemployment levels impacting people's disposable income. The shortages of fuel and gas as well as prolonged power cuts aggravated a worsening economic situation which lead to uncertainties and frustrations and a tremendous pressure on the public.

High inflation and high interest rates are also expected to prevail in the medium term in the operating environment while the current global geopolitical environment has brought about new challenges to the Sri Lankan economy. However, we strongly believe that resilience of the Sri Lankan economy and its people and their ability to overcome these challenges.

Performance in 2021 / 22

Amidst an extremely challenging year, firstly due to the Covid19 pandemic and later during the second half of the year due to the high rate of inflation, exchange rate volatility and socio-economic down-turn, the company recorded a healthy 22% growth in revenue compared to the previous year. The company topline of LKR 3,121.3 million was achieved against LKR 2,554.0 million in the year before. Total comprehensive income recorded a figure of LKR 474.6 million with a significant growth of 58.7% against LKR 299.1 million in the year earlier.

Mitigation of Challenges

In spite of the challenging operating environment the projects undertaken were not allowed to delay during the first 3 quarters, thanks to proactive measures that were in place by the management. However, some minor delays were experienced in project execution during the 4th quarter of the year.

All important projects had comprehensive Business Continuity Plans with effective risk mitigation strategies coupled with appropriate catch-up programs to regain in the loss of progress due to the ill effects of the pandemic.

The company launched an effective work-from-home arrangement which was implemented to cater to the much needed invoicing process, administrative and financial activities. Only the essential staff operated from our office premises.

Unlike in the past we had to arrange '2 year supplier credit facility' to win SLT's Accelerated National Fiberization Program, for a sum of LKR 2.585 billion. We faced the challenge of financing this project for nearly 6 months with our own funds incurring a considerable financial cost until we negotiate and obtain the necessary 2 year credit facility from our bankers.

In order to mitigate the challenge of continuous upward trend of material prices in Telecom sector to a greater extent, we were successful in negotiating "Exchange Rate Variation" (ERV) factor with our primary customer, into the agreed Unit Rates beyond the financial year.

Review of Business Segments

The total revenue contribution from the Telecom sector increased to LKR 2,199 million from LKR 2,082 million in the previous year, however its percentage dominance declined to 70% from 82% previous year. This was due to the strategic decisions taken by the company in the direction of diversification by enhancing the operations in the other business verticals namely Electrical, Water and Civil Engineering which has recorded a significant revenue growth of 91% in the year under review.

As in the past Sri Lanka Telecom PLC (SLT) continued to be our single largest customer contributing 53.9% of the turnover. The first phase of SLT's flagship project, Accelerated Fiber To The Home (FTTH), Fiber Network Development Project (LKR 2.2 billion) which was started in October, 2020 was successfully completed in September 2021. The second phase of the same project (LKR 2.585 billion) commenced alongside and the revenue contribution for 2021 / 22 period was recorded as LKR 727.7 million which represented about 28% of the total value of the contract.

JOINT STATEMENT FROM THE MANAGING DIRECTOR AND THE CHIEF EXECUTIVE OFFICER / EXECUTIVE DIRECTOR

Optical Fiber Network Development Projects in busy Colombo Municipal areas and suburbs for Dialog Broadband Networks (Pvt) Ltd. for LKR 446.0 million was carried out by us using state of the art micro trenching / micro cabling technology for which the 'Proof of Concept' (POC) was done by Luminex in 2016.



Photo of Micro Trenching

In the Electrical Engineering segment, two similar electrical projects to the value of LKR 322.0 million and LKR 320.0 million which included the electrification of two 10 storied buildings of the Defence Head Quarter Building Complex in Pelawatte, commenced in April 2021 with the handing over expected in December 2021. However the progress stalled due to slowing down of the receipt of payment after June 2021 at the time of around 70% completion and on schedule.

Company's water division undertook a project to construct an array of spill gates across Nilwala river in Matara about 5km upstream from the sea, to prevent sea water mixing with the water in the intake of the water project for a sum of US \$ 779,740.0 (Equivalent LKR 284.0 m). This was the first of its kind project for the company. The contact was awarded to Luminex by M/s. Kolon-Samsung JV, S.Korea, who have undertaken the project under "Matara Stage IV Water Supply Project" for the Water Board.

About 80% of the work of the water supply scheme in Kiranchi in Kilinochchi district for LKR 240.9 million was also completed during 2021 / 2022 period.



Photo of Salinity Barrier

Innovation

Inline with our passion for innovation, we use tailor made software in our projects with SLT, for design of telecom networks, performance monitoring, carrying out acceptance tests and quality and quantity measurements on completed work, invoicing etc. This has facilitated SLT engineers to perform their acceptance procedures quickly with minimum travelling which in turn fast track our payment process.

In addition we continue to improve our ERP system which is used for our day to day activities such as salary payment, customer invoicing, stock control, subcontractor and hired vehicle payments etc.

Human Capital

As one of the most preferred employers in the industry we operate, we count for very low staff turnover rate. Our 500 + strong in-house work force continue to be our strength in an extremely competitive industry. We are dedicated to continuous improvements thus continued to provide job specific training, regular refresher classes, trade and grading tests etc. to maintain the staff skills at the highest levels. The company has implemented policies and procedures to ensure continuous improvements to productivity of the workforce.

We continue to be involved with National Apprentice and Industrial Training Authority (NAITA) and Construction Industry Development Authority (CIDA) to provide much needed vocational training to the youth who have followed academic courses.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

We believe in creating long term value for all stake holders of the company and the society at large. We understand our responsibility towards society and hence remain dedicated to support the society we operate in. These initiatives have enabled the company to foster mutual trust and a lasting relationship with the community which it operates.

The Covid19 pandemic brought about grate many challenges and many communities were threatened with the loss of their livelihoods. In response the company coordinated with local Grama Niladaris and Divisional Secretaries to support 1,200 low income families who were badly effected due to loss of their livelihoods as direct impact of the pandemic. This included the distribution of dry rations carried out in the vicinity of our project offices in Moratuwa, Panadura, Kaluthara, Galle, Matara, Maharagama, Battaramulla, Negombo, Chilaw, Jaffna and Kurunegala and was the key element of the company's CSR initiatives during the year.

Future Outlooks & Prospects

With the country at a critical juncture due to the negative impact of the worst socio - economic crisis the entire construction and engineering industry sphere is undergoing an extremely difficult period with high rate of inflation, high interest rates, near impossible import and foreign exchange restrictions, exchange rate volatility, material shortages and fuel shortages are the adversities the industry is facing at present. All expectations hinge on securing the IMF bailout package early to overcome the situation.

In this backdrop, the company has decided to expedite its planned deployment of Telecommunication Engineering operation in a West Asian country where the opportunities for similar operations are abundant and lucrative. The company has taken this initiative in 2020 but stalled due to the Covid19 pandemic that engulfed the whole world. Two of our senior engineers visited the country in June 2022 to revive the relationships. A Limited Liability company is being setup with 70% Luminex ownership to carry out work similar to what we are engaged in Telecommunication sector in Sri Lanka. An initial contingent of 4 personal headed by a Senior Project Manager (Telecom) is expected to be based there shortly, in order to make initial arrangements and secure a small scale telco contract with a view to expand the footprint gradually.

A Major part (72%) of our flagship telco project, for LKR 2.585 billion, is expected to be carried out during 2022/23 period. Though the work is hampered at present due to crisis situation, LKR 620.0 million work has already been completed. As the authorities are expected to solve at least the fuel shortage before October 2022, it could be expected that the total scope of the project would be completed before March 2023, with a contribution of LKR 1,858.0 million to the company's turnover in the current financial year.

At the beginning of 2022 / 23 financial year there were 26 projects in progress in water and civil sectors for a total value of LKR 2,525.0 million. But with the government deciding to cut down funds for non-urgent development work, the high ranking officials of the clients unofficially informed our officials that some of the on-going projects will be either suspended or scaled down. Therefore at present the number of projects currently in progress is 19 with a total value of LKR 2,155.0 million.

In water sector, Luminex is well positioned for 3 tenders for a total value of LKR 2,184 million and a likelihood of receiving minimum of 2 projects for a total sum of LKR 1,084 m.

Appreciations

We would like to express our appreciations to our valuable clients, business partners, principals, shareholders and all other stake holders who have been with us and contributed for our success. Further we wish to convey our appreciation to our Chairman and the Board of Directors for their able guidance and to our management team, staff of all categories, subcontractors and service providers for their passion, commitment and dedication which continue to underline our success even during this unprecedentedly challenging year.



Ruwan Fernando

Managing Director



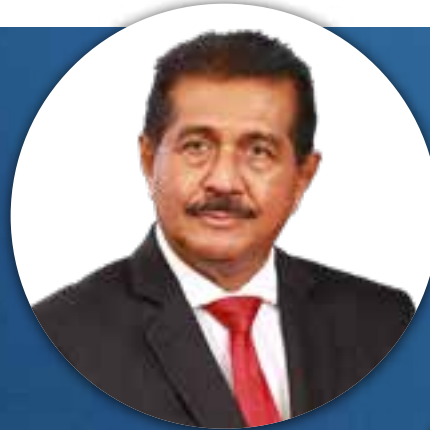
Upul Lekamge

Chief Executive Officer / Executive Director



Photo of Distribution of Dry Rations

BOARD OF DIRECTORS



Dr. Harsha N De Silva
*Chairman/ Non-Independent
Non-Executive Director*

Dr. De Silva is an Associate Member of the Chartered Institute of Management Accountants (UK) and the Chartered Institute of Bankers (UK) and a Fellow of the Institute of Certified Management Accountant of Sri Lanka. He holds a MBA from PIM, University of Sri Jaywardenepura and a PhD in Strategic Management from the IIC University of Technology.

Dr. De Silva has a wide industry experience providing leadership to companies in diverse industries and different stages of the life cycle. In his career he has served as The Chairman of Serendib Engineering Group PLC, Orient Garments PLC and Alerics Dairy Products Limited and as Managing Director of First Capital Holdings PLC, Kelsey Developments PLC, Kothmale Holdings PLC and Dunamis Capital PLC. He has also served as the Deputy Managing Director Europe of Freshtex International Textile GmbH in Germany and as a Director of Millennium Housing Developers PLC and Nation Lanka Finance PLC.

Ruwan Fernando
*Managing Director
Non-Independent - Executive Director*

Mr. Fernando is a Graduate from University of Moratuwa with BSc. Hons, degree in Electrical Engineering, had stint of 2 years at Mahaweli Development Board and 16 years at Department of Telecommunication / and Sri Lanka Telecom Corporation where he left as a Deputy General Manager.

Mr. Fernando is a Chartered Engineer at the Engineering Council, UK. He renders his services as a director for Luminex Ltd. since 1993.

Asoka Hettigoda
Independent - Non-Executive Director

He counts for over 25 years' experience in strategic management. He is the Chairman of Siddhalepa Group, which consists of Manufacture of Ayurvedic Herbal range of products, Hospitals, Ayurveda Resorts and Spas, Plantations and distribution. Currently, Siddhalepa products are marketed in 40 countries including Germany, USA, Japan, India, Switzerland, Russia, UAE etc. The

company has received many international certifications such as ISO 9001, ISO 14001, ISO 2000, HACCP, GMP, FDA and European Pharmacopeia.

He holds a bachelor's degree in Computer Science from Northwestern University in USA and a MBA from PIM, University of Sri Jaywardenepura.

He is a Council Member of University of Sri Jaywardenepura since 2015, Council Member of Post Graduate Institute of Management (PIM), and also a committee member of the National Trade Policy the committee which is in charge of drafting a national trade policy for Sri Lanka under the auspices of the Ministry of Trade and Commerce, Sri Lanka. He is the current Vice President of the Hotels Association of Sri Lanka and the German Sri Lanka Business Council. He is also a visiting Lecturer at Bandaranaike International Diplomatic Training Institute.

BOARD OF DIRECTORS



Lionel Imbulana
Independent - Non-Executive Director

Mr. Lionel is a Chartered Engineer holding a degree in Electronics and Radio Engineering (IERE) UK. He is a member of the Institute of Engineering Technology UK and holds a Master of Business Administration (MBA) from the University of Kelaniya.

He has a wide range of experience in serving Sri Lanka Telecom for more than 35 years, where he also held a Senior Management Position in charge of Regional Operations. He is equipped with the experience in participating in seminars, trainings, and discussions in more than 20 countries. Before his retirement he has served as a Chief Regional Officer in charge of Sales and Operations of Sri Lanka Telecom PLC.

Anura De Alwis
Non-Independent-Executive Director

Mr. Alwis is a director of the company since its inception in 1986. He is a reputed and well known businessman from Panadura and also a respected philanthropist of the area.

Upul Lekamge
Chief Executive Officer/ Non-Independent Executive Director

An engineering professional with 29 years of expertise in the fields of construction, manufacturing industry and infrastructure development. Obtained a first degree in Mechanical Engineering from University of Peradeniya and Post Graduate Diploma in Industrial Engineering from Open University of Sri Lanka.

A member of Institute of Engineers Sri Lanka (IESL) and a Chartered Engineer. He has worked in mechanical engineering projects, mini hydro power development projects, water supply projects, electrical and telecommunications projects locally. He has held a leading position in a UK based company in the Gulf and has worked in several High-rise building projects with supply and installation of MEP systems. Currently, he serves as the Chief Executive Officer of the organization.

Palitha Herath
Non-Independent - Executive Director

Mr. Herath has over 25 years of senior management experiences in the field of Telecommunication in both fixed and Mobile Networks. He holds a B.Sc Eng degree in Electrical and Electronics Engineering from Faculty of Engineering, University of Peradeniya and is a Chartered Engineer and a Member of the Institute of Engineers Sri Lanka. He holds a Masters in Business Administration from the Cardiff Metropolitan University UK. He has worked with a Leading Mobiles Network Operator and hold Senior Management Positions and having experiences in Planning, Designing, implementation and Operation of Telecommunication systems. Presently he serves as a director at Luminex while leading the Telecom division at Luminex.

MANAGEMENT TEAM



Upul Lekamge
Chief Executive Officer/ Non-Independent Executive Director

Refer profile under Board of Directors Profiles

Palitha Herath
General Manager -Telcom Projects Non-Independent - Executive Director

Refer profile under Board of Directors Profiles

Nimal Baranasuriya
General Manager -Civil projects

A professionally qualified Chartered Civil Engineer with a Master of Science Degree in Irrigation Engineering from the University of Southampton, UK. He retired from Government Service after 35 years of service, first at the Irrigation Department and then at the Ministry of Highways & Road Development. Nimal was the Additional Secretary (Engineering) at the Ministry of Highways & Road Development at the time of his retirement. He heads the Civil Engineering Division at Luminex at present.

Kalinga Wijesinghe
General Manager Water Projects and Building services

He holds a Bachelor of Science Degree in Civil Engineering from the University of Moratuwa in 1999 and a Postgraduate Diplomas in Business Administration specialized in Project Management from University of Moratuwa, Building Services Engineering from University of Peradeniya, Structural Engineering from University of Ruhuna and Construction Law & Dispute Resolution from University of Moratuwa. He holds a certificate of Certified Business Accountant from CA Sri Lanka.

He has 22 years' experience in Project & Contract Management in the field of Building Construction, Water & Sewerage Construction and Building Services by serving for leading construction companies in Sri Lanka and Overseas.

Chandra Fonseka
General manager HRD and Administration

Counts over 35 years of experience in senior positions in Human Resources Development and Supplies and materials management in reputed local and Multinational establishments. Associate Member - Institute of Personnel Management (UK) and Institute

of Supply and Material Management (UK). Ex-employee Ministry of Defense, Sultanate of Oman. Recipient, Oman peace Medal and 25th Anniversary Medal. Presently heads the HRD Division of Luminex.

Prasanna Walisundara
General Manager Finance & Tax

Prasanna Walisundara holds a Bachelor of Science Degree in Business Administration from the University of Sri Jayewardenepura 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 (FCA) and the Associate member of the Institute of Certified Management Accountants of Sri Lanka. He is also an associate member of the Sri Lanka Institute of Taxation. He was a Senior Manager of Ernst & Young and counts over 19 years of experience in Finance and General Management by providing services of accounting, auditing, taxation and management to various organization such as local, multinationals and listed companies from small to large scale during his tenure. Finance and accounting division of the company comes under his purview.

ANNUAL REPORT OF THE DIRECTORS ON THE AFFAIRS OF THE COMPANY

GENERAL

The Directors of Luminex PLC present their report together with the audited Financial Statements of the Company for the year ended March 31, 2022.

The details set out herein provide the pertinent information required by the Companies Act No.07 of 2007, the Colombo Stock Exchange Listing Rules and are guided by recommended best accounting practices.

The report has been approved by the Directors on 29th August 2022.

REVIEW OF THE BUSINESS

• PRINCIPAL ACTIVITY OF THE COMPANY

The principal activities of the Company is shown on page 36 in this Report.

• REVIEW OF OPERATIONS AND FINANCIAL HIGHLIGHTS

The Financial Statements which include the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the notes to the financial statements of the company for the year ended 31st March 2022 are set out on pages 32 to 64 of the Annual Report.

INDEPENDENT AUDITORS REPORT

Independent Auditors' Report on the Financial Statements is given on page 28 to 31.

• RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS FOR THE FINANCIAL STATEMENTS

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

• STATED CAPITAL AND RESERVES

The Company's stated capital as at 31st March 2022 was Rs.200,000,000/= represented by 240,000,000 ordinary shares.

The total capital and reserves for the Company stood at Rs. 1,842,579,922/- as at 31st March 2022.

• ACCOUNTING POLICIES

The details of the accounting policies adopted by the Company in preparation of the financial statements and the impact thereon, of changes in the Sri Lanka Accounting Standard made during the year are disclosed on pages 36 to 64 of the Annual Report.

• DIVIDENDS

The Board of Directors of the Company has recommended a first and final dividend of Rs 0.40 (Forty Cents) per share for the financial year ended 31st March 2022, out of profits of the company for the year ended 31st March 2022. As required by Section 56(2) of the Companies Act No.07 of 2007, the Board of Directors have certified that the company satisfies the solvency test in accordance with section 57 of the Act. The dividend will be paid by 14th October 2022 to the shareholders on the register as at end of trading on 30th September 2022.

• PROPERTY PLANT & EQUIPMENT

Capital expenditure during the year on property, plant and equipment by the Company was Rs. 80.1 Mn (2021 - Rs. 50.2 Mn). The information relating to the movement of property, plant and equipment during the year is given in Note 10 to the Financial Statement. The freehold lands and building of the Company have been reported at cost for the year under consider.

• INVESTMENT PROPERTY

The details relating to the movement in investment properties are given in Note 13 to the Financial Statements. All investment properties are held at cost.

• STATUTORY PAYMENTS

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

• POST BALANCE SHEET EVENTS

Details of events after the reporting date are reflected in note 32 Page 58 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 jointly by

the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission 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.

• CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The Contingent liabilities and capital commitment made on account of capital expenditure as at 31st March 2022 are given in Notes 31 to the Financial Statements.

• INTEREST REGISTERS

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

The Board of Directors has duly disclosed their directorships in related companies and share dealing with the company and related companies at board meetings in terms of section 200 of the Companies Act No.2007.

The related party transactions and Directors' interest in contracts and proposed contracts with the company are also disclosed in Note 30 to the Financial Statements.

• SHARE INFORMATION

Information on earnings, dividends, net assets and share trading, 20 largest shareholders as at 31st March 2022, and public holding are disclosed on page 66.

• DIRECTORS AS AT 31st MARCH 2022

The Board of Directors of Luminex PLC comprise of 07 Directors and 02 of them serves as Independent Non-Executive Directors. The qualification and experience of the Directors are given on page 10 of the Report.

The names of the Directors who held office during the year and as at 31st March 2022 under review are as follows:

- **Dr. Harsha N De Silva**
Chairman/ Non-Independent Non-Executive Director
- **Ruwan Fernando**
Managing Director/ Non-Independent Executive Director

ANNUAL REPORT OF THE DIRECTORS ON THE AFFAIRS OF THE COMPANY

• **Anura De Alwis**
Non-Independent-Executive Director

• **Asoka Hettigoda**
Independent - Non-Executive Director

• **Lionel Imbulana**
Independent - Non-Executive Director

• **Upul Lekamge**
Chief Executive Officer/ Non-Independent Executive Director

• **Palitha Herath**
Non-Independent - Executive Director

Mr G R P Fernando and Mr A.A.C De Alwis who are over 70 years of age retire in terms of section 210 of the Companies Act No.07 of 2007 and to be re-elected as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in section 210 of the Companies Act No. 07 of 2007 shall not be applicable.

Mr. Lionel Imbulana who was appointed to the Board on 08.09.2021 shall retire in terms of Article 79(i) of the Article of Association of the company and being eligible is recommended by the directors for re-election.

All the Non-Executive Directors have submitted annual declaration regarding their independence or non-independence. Brief resume of all the Directors are given on page 10 to the Annual Report.

• BOARD SUB COMMITTEE

The Board, while assuming overall responsibility and accountability for the management of the Company and in line with the Corporate Governance Code of Colombo Stock Exchange, has appointed three Board Sub-Committees; Audit Committee, Remuneration Committee and Related Party Transactions Review Committee, to ensure oversight and control over certain affairs of the Company. The Board-approved Terms of references for these Sub Committees conform to the recommendations made by various regulatory bodies such as the Institute of Chartered Accountants of Sri Lanka, the Securities and Exchange Commission of Sri Lanka and the Colombo Stock Exchange. Composition and function of each subcommittee are given on pages 24 to 26 of the corporate governance section of this Annual Report.

1. Audit Committee
2. Remuneration Committee
3. Related Party Transactions Review Committee

• AUDIT COMMITTEE

Following are the names of the Directors comprising the Audit Committee of the Company.

1. Dr. Harsha N De Silva (Chairman)
2. Asoka Hettigoda
3. Lionel Imbulana

The report of the Audit Committee on page 24 set out the manner of compliance by the Company in accordance with the requirements of the Rule 7.10.6 (c) of the Rules of the Colombo Stock Exchange on Corporate Governance.

• REMUNERATION COMMITTEE

Following are the names of the Directors comprising the Remuneration Committee of the company.

1. Lionel Imbulana (Chairman)
2. Dr. Harsha N De Silva
3. Asoka Hettigoda

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

• RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

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

1. Asoka Hettigoda (Chairman)
2. Dr. Harsha N De Silva
3. Lionel Imbulana
4. Ruwan Fernando

The committee met two times during the financial year 2021/2022. The Related party transactions review committee report is given on page 25 on this Annual Report.

• NON-RECURRENT RELATED PARTY TRANSACTIONS

There is no Non-Recurrent Related Party Transactions for the period under review.

• RECURRENT RELATED PARTY TRANSACTIONS

All the Recurrent Related Party Transactions which in aggregate value exceeds 10% of the revenue of the Company as per audited Financial Statements of 31st March 2022 are disclosed under Note 30 on page 56 to the Financial Statements, as required by Colombo Stock Exchange listing Rule 9.3.2.

• DIRECTORS' DECLARATION ON RELATED PARTY TRANSACTIONS

The Directors declare that the Company is in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st March 2022. The Directors declare that there were no related party transactions required to be disclosed under the listing rules of the CSE other than as disclosed under Note 30.3 to the financial statement.

• DIRECTORS DEALINGS WITH THE SHARES OF THE COMPANY

Director's shareholding in the company as at 1st April 2021 and 31st March 2022 are as follows:

Names of Directors	Shareholding	
	01/04/2021	31/03/2022
Dr. Harsha N De Silva	None	None
Ruwan Fernando	10,375,000	120,900,000
Anura De Alwis	4,812,500	57,750,000
Asoka Hettigoda	None	None
Lionel Imbulana	None	None
Upul Lekamge	None	None
Palitha Herath	None	None

ANNUAL REPORT OF THE DIRECTORS ON THE AFFAIRS OF THE COMPANY

• THE BOARD OF DIRECTORS DECLARE AS FOLLOWS:

1. The Company has not engaged in any activity which contravenes laws and regulations.
2. All material interests in contracts involving the Company have been disclosed or interested parties have refrained from voting on matters in which they were materially interested;
3. The Company has made all endeavors to ensure the equitable treatment of Shareholders;
4. The Directors have complied with best practices of Corporate Governance;
5. The Directors have conducted a review of internal controls covering financial, operational and compliance controls and risk management have obtained reasonable assurance of their effectiveness and successful adherence therewith;
6. The business is a going concern, with supporting assumptions or qualifications as necessary; and they have conducted a review of the internal controls, covering financial, operational and compliance controls and risk management, and have obtained reasonable assurance of their effectiveness and successful adherence therewith.

• MATERIAL FORESEEABLE RISKS

The company do not envisage material foreseeable risks that would have adverse impact on the performance of the company.

• MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS OF THE COMPANY

The Board of Luminex Plc assess all the issues with regard to employee and industrial relation which influence the performance of the Company.

• REMUNERATION OF DIRECTORS

Remuneration received by the Directors is set out in Note 30.3 to the Financial Statements on page 56.

• DIRECTORS INTEREST IN CONTRACTS

The Directors' interest in contracts and proposed contracts with the company are disclosed in Note 30.3 to the Financial Statements.

• AUDITORS' RELATIONSHIP

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

The fees paid to auditors are disclosed in Note 07 to the Financial Statements.

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

The Audit Committee has assessed and reviewed the effectiveness of the external auditors Messrs. Nihal Hettiarachchi & Co and recommended to the Board of Directors that Messrs. Nihal Hettiarachchi & Co be re-appointed as auditors for the ensuing financial year subject to the approval of the shareholders at the Annual General Meeting.

The Independent Auditors' Report on the Financial Statements of the company is given on pages 28 to 31.

• ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 27th September 2022 at 10.00 a.m. as a virtual meeting.

• ACKNOWLEDEMENT OF THE CONTRACT OF THE REPORT

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

For and on behalf of the Board



Dr. Harsha N De Silva
Chairman



Ruwan Fernando
Managing Director



Secretaries
RNH HOLDINGS (PRIVATE) LIMITED.
Colombo
29th August 2022

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENT

This statement sets out the responsibilities of the Directors in relation to the Financial Statements of the Company.

In terms of Sections 150 (1), 151, 152 and 153 (1) & (2) of the Companies Act No. 07 of 2007, the Directors of Luminex PLC are responsible for ensuring that the Company keep proper books of account of all the transactions and prepare Financial Statements that give a true and fair view of the financial position of the Company as at end of each financial year and of the financial performance of the Company for each financial year and place them before a general meeting. The Financial Statements comprise of the Statement of Financial Position as at March 31, 2022, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes thereto.

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

- a. The financial position of the Company as at Reporting date; and
- b. The financial performance of the Company for the financial year ended on the Reporting date.

The Directors are required to ensure that the Financial Statements of the Company for the year ended 31st March 2022 have been prepared and presented based on the Sri Lanka Accounting Standards (SLFRSs and LKASs), Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka (CASL) and the Securities and Exchange Commission of Sri Lanka (SEC).

In terms of Section 148 (1) of the Companies Act, the Directors are also responsible for ensuring that proper accounting records are kept to enable the determination of the financial position of the Company with reasonable accuracy and to facilitate the preparation and auditing of financial Statements in a timely manner. Accordingly, the Directors have taken reasonable steps to ensure that the Company maintain proper books of accounts and review the financial reporting system through the Board Audit Committee.

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

The Directors confirm that these Financial Statements for the year ended 31st March 2022, prepared and presented in this Annual Report are in agreement with

- a. appropriate accounting policies selected and applied in a consistent manner and material departures if any have been disclosed and explained.
- b. all applicable accounting standards that are relevant, have been followed.
- c. Judgments and estimates have been made which are reasonable and prudent.

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

The Directors have reasonable expectations, after making enquiries and following a review of the budget for the ensuing year including cash flows and borrowing facilities, that the

Company has adequate resources to continue in operational existence for the foreseeable future, and therefore, has continued to adopt the going concern basis in preparing the financial statements.

The Board of Directors also wishes to confirm that, as required by the Sections 166(1) and 167(1) of the Companies Act No. 07 of 2007, they have prepared this Annual Report in time and ensured that a copy thereof is sent to every shareholder of the Company, who have expressed desire to receive a hard copy or to the other shareholder a soft copy of the Annual Report within the stipulated period of time as required by the Rule No. 7.5 (a) and (b) on continuing listing requirements of the Listing Rules of the Colombo Stock Exchange. The Directors also wish to confirm that all shareholders in each category have been treated equitably in accordance with the original terms of issue.

Compliance Report

The Directors confirm that to the best of their knowledge, Statutory levies and financial obligations of the Company have been either paid or adequately provided for in the Financial Statements

By Order of the Board of Directors of Luminex Limited.



RNH HOLDINGS (PRIVATE) LIMITED.
Company Secretaries

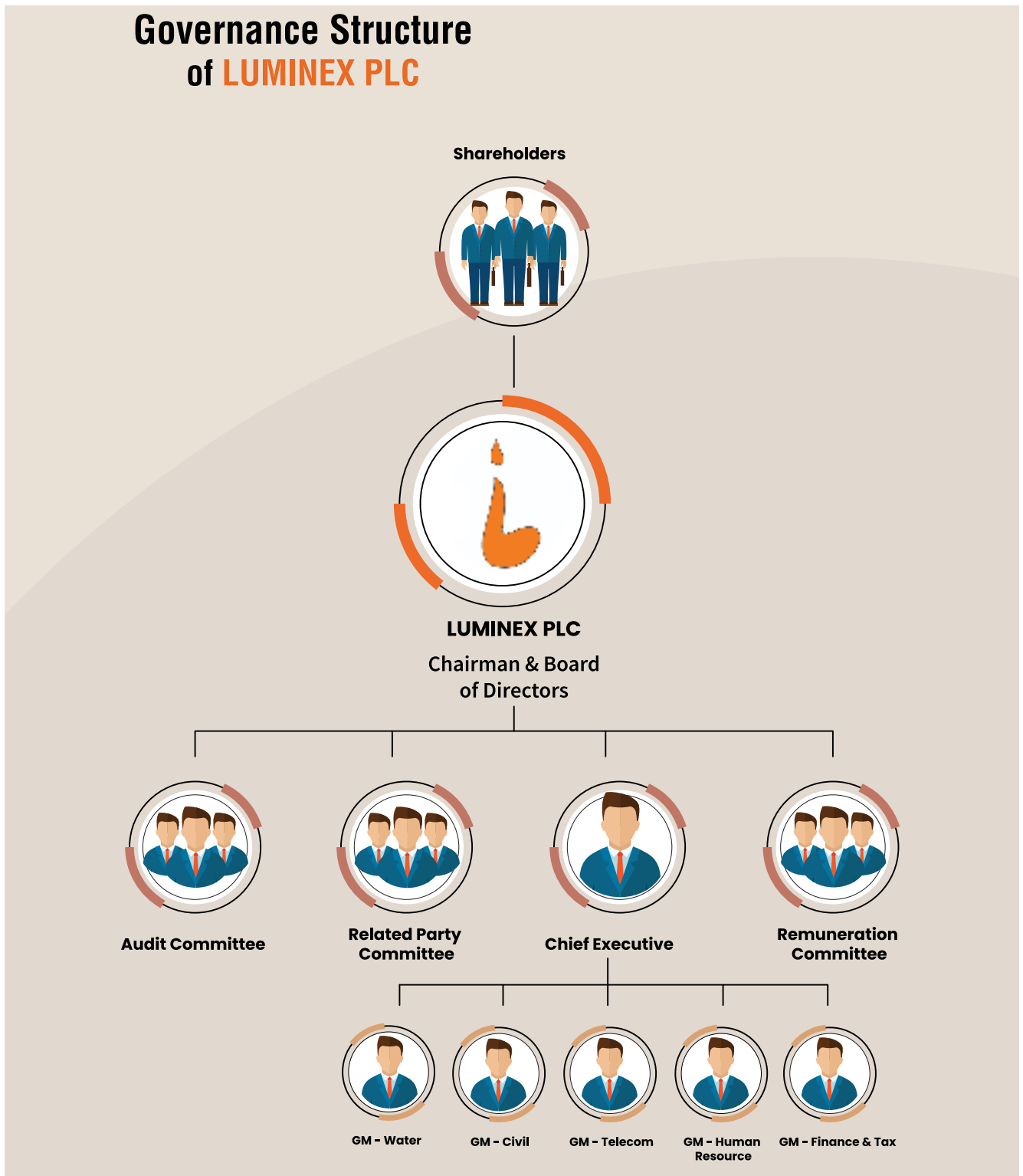
29th August 2022.
Colombo

CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

The Board of Directors is the apex governing authority and is empowered to delegate responsibilities pertaining to specific functions to various committees and the Board established 03 main committees on 16th November 2021 to support to the Board of Directors of the company. Accordingly, the main committees established during the year were, Audit Committee, Remuneration Committee and the Related Party Transaction Committee. Please refer to the Reports of the sub-committees from page 24 to page 26 of this Report for further information.

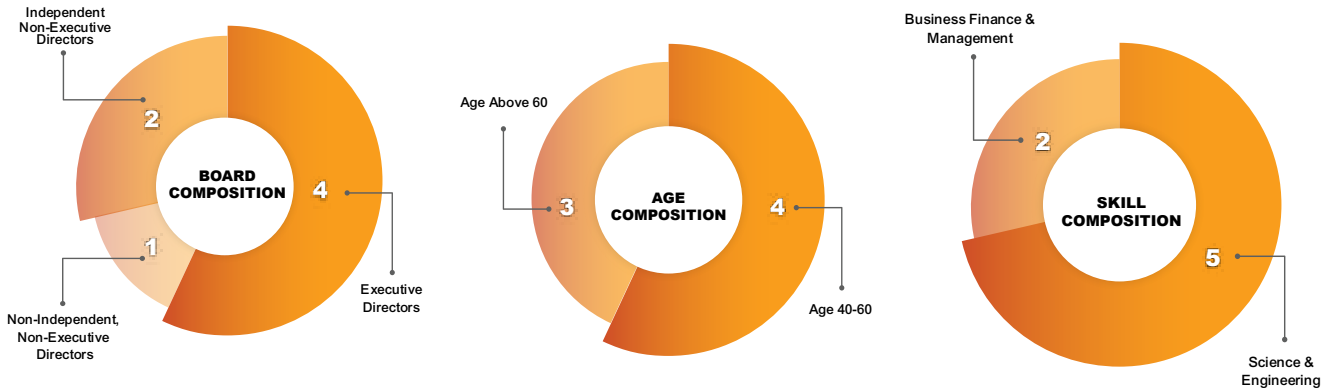
The Governance Structure is graphically illustrated below:



CORPORATE GOVERNANCE

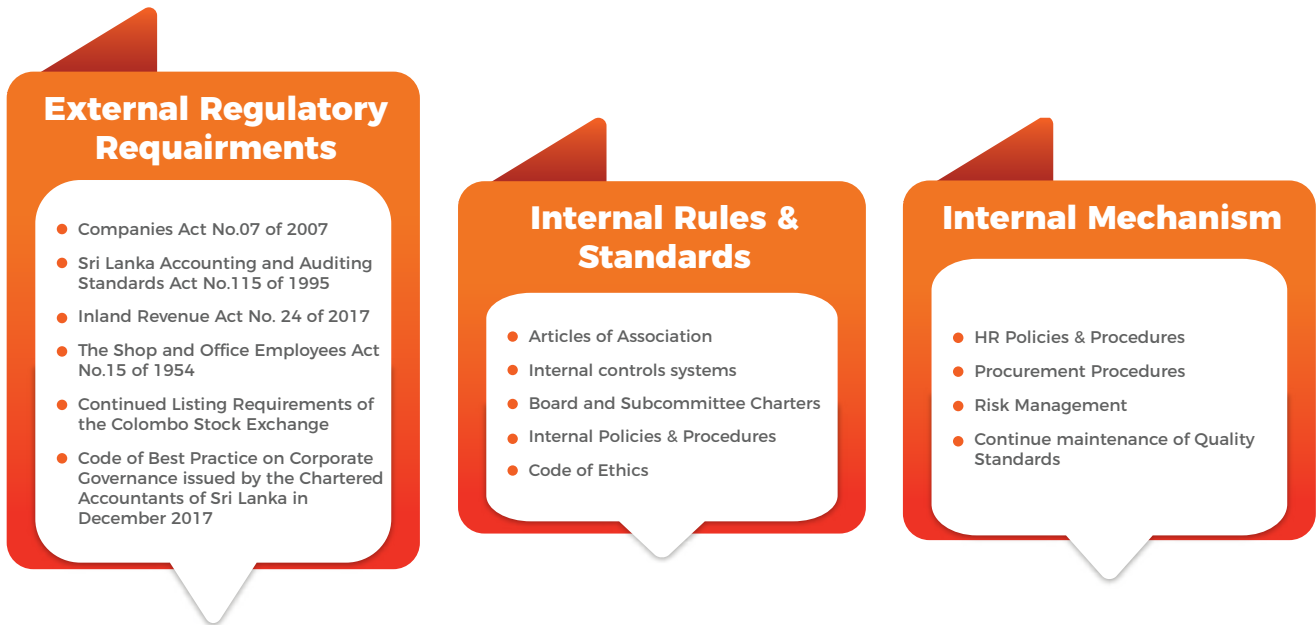
THE BOARD COMPOSITION

The composition of the Board is paramount for smooth functioning of the Board, as the board is consists with expertise with various decsiplenes, they are able to contribute their valuble experience and the expertise to best interst of the company before finalizing the strategic decisions. Specially the diversity of experience and the skills is helpful to maintain the good governance in the management process.



Company Governance Framework

Company Governance frame work comprises the external regulatory requirements, internal rules & standards and other related Interenal mechanism to function the governance structure;



The Company’s Corporate Governance Structure is detailed below which demonstrates the extent to which the Company adheres to in relation to Provisions of the Companies Act No.07 of 2007 and CSE regulations on Corporate Governance.

CORPORATE GOVERNANCE

Compliance in terms of 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 with any change thereof during the accounting period	36
168(1)(b)	Signed Financial Statements of the Company for the accounting period completed	33
168(1)(c)	Auditors' Report on Financial Statements of the the Company	28 - 31
168(1)(d)	Accounting Policies and any changes made during the accounting period	36 - 64
168(1)(e)	Particulars of the entries made in the Interests Register during the accounting period	13
168(1)(f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	57
168(1)(g)	Corporate donations made by the Company during the accounting period	09
168(1)(h)	Information on the Directorate of the Company during and at the end of the accounting period	13 - 14
168(1)(i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	44
168(1)(j)	Auditors' relationship or any interest with the Company	15
168(1)(k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board (Annual Report of the Board of Directors)	15

Company is also compliant with The Code of Best Practices on Corporate Governance jointly issued by the Securities and Exchange Commission of Sri Lanka and The Institute of Chartered Accountants of Sri Lanka (The Code) Best Practices of Corporate Governance and extent to which the company is compliant with the principles of the Code are detailed below.

THE BOARD- PRINCIPLE A. OF THE CODE

The Board of Directors comprise 07 Directors of which 03 are Non Executive Directors. 02 of them are Independent Directors. The Board represents extensive industry expertise. Board meet at least once in every quarter to discuss company's performance and evaluate its strategic direction. There were 03 Board meetings and 03 sub committee meetings held during the year under review and the attendance of the Board members are given below.

Names of Directors	Board Meetings
Dr. Harsha N De Silva	3/3
Ruwan Fernando	3/3
Anura De Alwis	3/3
Asoka Hettigoda	3/3
Lionel Imbulana	3/3
Upul Lekamge	3/3
Palitha Herath	3/3

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

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

Board meeting and sub committee meeting dates are circulated to the Board well in advance. Board Papers are circulated to the Board in advance, enabling Board members to dedicate adequate time and effort in studying the papers. Board members are free to request any additional information on matters that are being discussed at Board level.

Chairman ensures that there is a proper balance between Non Executive Directors and Executive Directors.

The Board comprises of individuals with sound financial acumen and they guide the

Board on financial matters.

There are three Non Executive Directors, of which 02 act as the Independent Directors. Independent Directors meet the criteria set out in the CSE regulations for "independence". Annual declarations are obtained from all Non Executive Directors and submitted to the Board.

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

Information relating to the Directors are given on pag 07 of this Annual Report. Directors attendance at Board and sub committee meetings are given on page 19 of this report.

DIRECTORS' REMUNERATION - PRINCIPLE B

Remuneration of Executive Director is determined in terms of company remuneration policy which is in line with industry practices, and the Remuneration Committee reviews the such policy and make recommendations to the Board.

CORPORATE GOVERNANCE

SHAREHOLDER RELATIONS- PRINCIPLE C

Annual General Meeting(AGM) is the main platform for the Shareholders to raise queries from the Board. AGM notices and Annual Report in CD form are sent to all the shareholders by giving required statutory notice of the AGM , and shareholders are encouraged to use the AGM to constructively to discuss matters. Chairmen of sub committees are available at AGM to respond any queries of shareholders.

There were no major or material transactions entered into or proposed to be entered into by the company during the period under review.

ACCOUNTABILITY AND AUDIT- PRINCIPLE D

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

on page 11 of this report.

RELATIONSHIP WITH SHAREHOLDERS - PRINCIPLE E TO F

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

Company's level of compliance to CSE regulations on corporate governance is given below.

Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure.

	Requirement	Annual Report Reference (Page)
(i)	Names of persons who were Directors of the Entity Profiles of Directors	10 - 11
(ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	36
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	66
(iv)	The public holding percentage	N/A
(v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	14
(vi)	Information pertaining to material foreseeable risk factors of the Entity Details of material issues pertaining to employees and industrial relations of the Entity During the year 2021/22, there were no material issues pertaining to employees and industrial relations of the Company	15
(vii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	46
(viii)	Number of shares representing the Entity's stated capital	66
(ix)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	66
(x)	Financial ratios and market price information	65
(xi)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year Notes to the Financial Statements -	46
(xii)	Details of funds raised through a public issue, rights issue and a private placement during the year -	66
(xiii)	Information in respect of Employee Share Ownership or Stock Option Schemes	N/A
(xiv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 c. and 7.10.6 c. of Section 7 of the Listing Rules	21 - 23
(xv)	Related Party transactions exceeding 10 per cent of the equity or 5 per cent of the total assets of the Entity as per audited financial statements, whichever is lower Notes to the Financial Statements	N/A

CORPORATE GOVERNANCE

Statement of Compliance under Section 7.10 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure

Rule No.	Applicable Requirement	Compliance Status	Details
7.10.1(a)	The Board of Directors of a Listed Entity shall include at least, two non-executive Directors; or - such number of non-executive Directors equivalent to one third of the total number of Directors whichever is higher.	Complied	Out of 07 Directors, company has 03 Non Executive Directors.
7.10.2(a)	Two or 1/3 of non-executive Directors appointed to the Board of Directors, whichever is higher shall be 'independent'.	Complied	Out of 07 Directors, company has 02 Independent Non Executive Directors
7.10.2(b)	The Board shall require each non-executive director to submit a signed and dated declaration annually of his/her independence or non Independence against the specified criteria	Complied	All Non-Executive Directors have submitted their confirmation of independence as per the criteria set by the CSE rules, which is in line with the regulatory requirements.
7.10.3(a)	The Board shall determine annually as to the independence or non-independence of each non-executive Director based on such declaration and other information available to the Board and shall set out in the annual report the names of Directors determined to be 'independent'	Complied	The Board has made such determination and the basis for determination of "Independence" is in line with the definition of the CSE Regulations in force.
7.10.3(b)	In the event a director does not qualify as 'independent' against any of the criteria set out in the regulation but if the Board, taking account all the circumstances, is of the opinion that the Director is nevertheless 'independent', the Board shall specify the criteria not met and the basis for its determination in the annual report.	Complied	All the Non Executive Directors have declared their independence or non independence. All the new Board appointments were informed to shareholders by making an announcement in Colombo Stock Exchange in compliance with Rule 7.10.3 (d).
7.10.3(c)	the Board shall publish in its annual report a brief resume of each director on its Board which includes information on the nature of his/her expertise in relevant functional areas.	Complied	Brief Resume of each Director is given on page 10 of the Annual Report.
7.10.3(d)	Upon appointment of a new Director to its Board, the Entity shall forthwith provide to the Exchange a brief resume of such director for dissemination to the public.	Complied	Whenever there is a new Director appointed to the Board, announcement is made to Colombo Stock Exchange together with his brief resume.
7.10.5(a)	The remuneration committee shall comprise; of a minimum of two independent non-executive Directors (in instances where an Entity has only two Directors on its Board); or of non-executive Directors a majority of whom shall be independent, whichever shall be higher. In a situation where both the parent company and the subsidiary are 'listed Entities', the remuneration committee of the parent company may be permitted to function as the remuneration committee of the subsidiary.	Complied	Composition of the Remuneration Committee is given on page 26 of the Annual Report under Remuneration Committee Report.
7.10.5(b)	The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and Chief Executive Officer of the Listed Entity and/or equivalent position thereof, to the Board of the Listed Entity which will make the final decision upon consideration of such recommendations.	Complied	Remuneration committee reviews the Company remuneration policy and make recommendations to the Board.
7.10.5(c)	The annual report should set out the names of Directors (or persons in the parent company's committee in the case of a group company) comprising the remuneration committee, contain a statement of the remuneration policy and set out the aggregate remuneration paid to executive and non-executive Directors.	Complied	The names of the Directors of the Remuneration Committee are set out on 26 of this report.
7.10.6(a)	The audit committee shall comprise; of a minimum of two independent non-executive Directors (in instances where a Entity has only two Directors on its Board); or of non-executive Directors a majority of whom shall be independent, whichever shall be higher. In a situation where both the parent company and the subsidiary are 'Listed Entities', the audit committee of the parent company may function as the audit committee of the subsidiary.	Complied	The Audit Committee consists of 03 Non Executive Directors, of which 02 of them are independent non executive Directors. Report of the Audit Committee is given on page 24 to the Annual Report Out of the 3 members, one of them is a member of the recognized professional accounting body.

CORPORATE GOVERNANCE

7.10.6(b)	<p>Function of the Audit committee shall include, (i) Overseeing of the preparation, presentation and adequacy of disclosures in the financial statements of a Listed Entity, in accordance with Sri Lanka Accounting Standards.</p> <p>(ii) Overseeing of the Entity's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements.</p> <p>(iii) Overseeing the processes to ensure that the Entity's internal controls and risk management, are adequate, to meet the requirements of the Sri Lanka Auditing Standards.</p> <p>(iv) Assessment of the independence and performance of the Entity's external auditors.</p> <p>(v) To make recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.</p>	Complied	The Audit Committee charter encompasses, its functions and responsibilities covering functions prescribed in rule 7.10.6(b)
7.10.6(c)	The names of the Directors comprising the audit committee should be disclosed in the annual report. The committee shall make a determination of the independence of the auditors and shall disclose the basis for such determination in the annual report. The annual report shall contain a report by the audit committee, setting out the manner of compliance by the Entity in relation to the above, during the period to which the annual report relates.	Complied	Name of the Directors on the Audit committee is given on page 24 of the Annual Report. Audit Committee report is given on page 24 of the report. Statement of Auditors independence is disclosed in page 24 of the Audit Committee report.

Statement of Compliance under Section 09 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure

Rule No.	Applicable Requirement	Compliance Status	Details
9.2.1 & 9.2.2	All Related Party Transactions should be reviewed by the "Related Party Transactions Review Committee. The Committee should comprise a combination of non-executive Directors and independent non-executive Directors. The composition of the Committee may also include executive Directors, at the option of the Listed Entity. One independent non-executive director shall be appointed as Chairman of the Committee.	Complied	Composition of related party review committee is given on page 25 of the related party review committee report.
9.2.3	In a situation where both the parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may be permitted to function as the Related Party Transactions Review Committee of the subsidiary.	Complied	This is not applicable.
9.2.4	The Committee shall meet at least once a calendar quarter. The Committee shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.	Complied	Attendance of the Related party review committee is given on page 25 of the Annual Report under Related Party Review Committee Report.
9.3.1	A Listed Entity shall make an immediate announcement to the Exchange; - of any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements. OR - of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements. (ii) Listed Entity shall disclose subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the financial year.	Complied	Required disclosures have been made to CSE wherever necessary. Details of Related party transactions are disclosed on note 30 to the Annual Report.
9.3.2(a)	In the case of Non-recurrent Related Party Transactions, if aggregate value of the non-recurrent Related Party Transactions exceeds 10% of the Equity or 5% of the Total Assets, whichever is lower, of the Listed Entity as per the latest Audited Financial Statements the related information must be presented in the Annual Report:	Complied	There were no Non recurrent related party transactions, to be disclosed.

CORPORATE GOVERNANCE

9.3.2(b)	In the case of Recurrent Related Party Transactions, if the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue/income (or equivalent term in the Income Statement and in the case of group entity consolidated revenue) as per the latest Audited Financial Statements, the Listed Entity must disclose the aggregate value of recurrent Related Party Transactions entered into during the financial year in its Annual Report. The name of the Related Party and the corresponding aggregate value of the Related Party Transactions entered into with the same Related Party is given on note 30 to the Financial Statements.	Complied	Please refer note 30 To the financial statements
9.3.2(c)	Annual Report shall contain a report by the Related Party Transactions Review Committee, setting out the following: <ul style="list-style-type: none"> • Names of the Directors comprising the Committee; • A statement to the effect that the Committee has reviewed the Related Party Transactions during the financial year and has communicated the comments/observations to the Board of Directors. • The policies and procedures adopted by the Committee for reviewing the Related Party Transactions. • The number of times the Committee has met during the Financial Year 	Complied	Report of the Related party Review Committee on page 25 of the Annual Report comply with the requirement.
9.3.2(d)	A declaration by the Board of Directors in the Annual Report as an affirmative statement of the compliance with these Rules pertaining to Related Party Transactions or a negative statement in the event the Entity has not entered into any Related Party Transaction/s.	Complied	Affirmative statement is included in the Related Patry Review Report on page 25 of the Annual Report

AUDIT COMMITTEE REPORT

Composition of the Committee

The Audit Committee is a subcommittee of the Company's Board of Directors, reporting directly to the Board. The Committee, appointed on 16th November 2021 and responsible to the Board of Directors, comprises the following three Non - Independent / Independent Non - Executive Directors:

Dr. Harsha N De Silva (Chairman)
Chairman/ Non-Independent - Non-Executive Director

Asoka Hettigoda
Independent - Non-Executive Director

Lionel Imbulana
Independent - Non-Executive Director

Role of the Committee

The Committee is chaired by Dr. Harsha N De Silva who is an Accountants (UK) and the Chartered Institute of Bankers (UK) and a Fellow of the Institute of Certified Management Accountant of Sri Lanka. He holds a MBA from PIM, University of Sri Jayewardenepura and a PhD in Strategic Management from the IIC University of Technology.

Brief profiles of each member are given on pages 10 to 11 of this report. Their individual and collective financial knowledge and business acumen and the independence of the Committee, are brought to bear on their deliberations and judgments on matters that come within the Committee's purview. The composition meets the requirements of the Listing Rules of the Colombo Stock Exchange.

The Audit Committee is appointed by and reports to the Board of Directors and is empowered to examine any matter relating to the financial reporting systems of the Company and its external audits with unrestricted access to the books and records of the Company.

The Audit Committee assist the Board in the following:

- To review the financial statements in details to ensure that the financial reporting process is in compliance with the required standards.
- To review the year-end financial statements and interim financial statements and recommend for Board approval prior to submission to the shareholders and relevant authorities.
- Making recommendations to the Board with regard to the reappointment of external auditors, their remuneration and terms of engagement.
- To assess the effectiveness of the company's internal controls and risk management.

External Audit

The External Audit function of the Company is carried out by Messrs. Nihal Hettiarachchi & Co Chartered Accountants. The External Auditors Letter of Engagement including the scope of the Audit is discussed with the External Auditors and the Management prior to commencement of the Audit.

The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. Confirmation has been obtained from the External Auditors of their compliance with the independence guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

Having reviewed the effectiveness of the external audit, the Committee recommended to the Board that Messrs. Nihal Hettiarachchi & Co, Chartered Accountants, be re-appointed External Auditors of the Company for the year ending 31st March 2023, subject to approval by the Shareholders at the forthcoming Annual General Meeting.

Meetings

The Committee has been appointed on 16th November 2021 and held 3 meetings during the year under review. The proceedings of the Audit Committee Meetings were reported to the Board of Directors. The attendance of members at these meetings is as follows:

Name of the Member	Attendance
Dr. Harsha N De Silva	3/3
Asoka Hettigoda	3/3
Lionel Imbulana	3/3

The Managing Director and the Chief Executive Officer (CEO) of the Company along with the General Manager Finance & Tax, who overview of the finance function of the Company attended the Meetings by invitation while the Secretaries of the Company acted as the Secretaries to the Committee. The external auditors of the Company were invited to be present where necessary at the request of the Committee.



Dr. Harsha N De Silva
Chairman-Audit Committee
Colombo
29th August 2022

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

In accordance with the Securities and Exchange Commission of Sri Lanka's Code of Best Practice, the Board formed a Related Party Transaction Review Committee on 16th November 2021. The Related Party Transaction Review Committee (RPTRC) assist the Board in ensuring that the interests of all shareholders are considered when dealing with related parties and avoidance of conflicts of interest.

The objective of the Committee is to exercise oversight on behalf of the Board, that all Related Party Transactions ("RPTs") of Luminex PLC other than those exempted by the Code of Best Practices on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka ("Code"), are consistent with the Code and that the required disclosures are made in a timely manner as required by the Code.

The objective of the RPTRC is to review all related party transactions of the Company prior to the transaction being entered into or prior to completion of the transaction in the event the transaction commences subject to the review by the RPTRC.

The RPTRC of the Company comprises 2 Non-Executive Independent Directors. The composition is in compliance with the provisions of the Code regarding the composition of the Committee. The following Directors serve on the Committee as at 31st March 2022:

Asoka Hettigoda
Chairman - Independent
Non-Executive Director

Dr. Harsha N De Silva
Non executive Non-Independent Director

Lionel Imbulana
Independent Non-Executive Director

Ruwan Fernando
Managing Director/ Non-Independent
Executive Director

The Company Secretaries function as the Secretary to the RPTRC.

During the financial year from 1st April 2021 to 31st March 2022, there were 3 related party review committee meetings and attendance at the RPTRC is given below.

Name of the Member	Attendance
Dr. Harsha N De Silva	3/3
Asoka Hettigoda	3/3
Lionel Imbulana	3/3
Ruwan Fernando	3/3

Committee review the related party transaction entered in to by the company and has made recommendation to the Board.

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

- To review all Related Party transactions pertaining to transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged and making a decision if the transaction needs the approval of the Board of Directors prior to entering to the transaction.
- When reviewing a transaction, the RPTRC would decide whether the proposed transaction is carried out on an arm's length basis irrespective of whether it is recurrent or non-recurrent in nature.
- Reviewing and approval would be either by meeting of members or by circulation.
- Details of transactions exceeding 10% of the Company's equity or 5% of the total assets of the Company are promptly disclosed to the Colombo Stock Exchange for transparency.
- The members of the Board of Directors and their close family members are identified and information pertaining to them for the purpose of identifying parties related to them. The information is shared with the Company Secretaries in order to fulfill the regulatory requirements.

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

Related Party transactions review committee reviewed all related party transactions during the financial year and their comments and observations have been communicated to the Board.

On behalf of the Board Related Party Transaction Review Committee.



Asoka Hettigoda
Chairman
Related Party Transactions Review Committee
Colombo
29th August 2022

REMUNERATION COMMITTEE REPORT

The Committee was established on 16th November 2021 and the members of the Committee as at 31st March 2022 comprised of:

Lionel Imbulana

Chairman

Non executive Independent Director

Dr. Harsha N De Silva

Non executive Non Independent Director

Asoka Hettigoda

independent, non-executive Directors

The duties of the Committee are as follows:

Determining the compensation of the Chairman & Chief Executive officer, Executive Directors and the Members of the Company Management Committee.

Lay down guidelines and parameters for the compensation structures of all management staff within the Company taking into consideration industry norms.

Recommend the contract of employment or related contracts with executive Directors on behalf of the Company.

Determine terms of any compensation package in the event of early termination of the contract of any Executive Director.

The Committee makes every endeavour to maintain remuneration levels that are sufficient to attract and retain executive Directors and senior Management.

The Committee meets as when the need arises.

Meetings

The Committee has been appointed on 16th November 2021 and held 3 meetings during the year under review;

Name of the Member	Attendance
Lionel Imbulana	3/3
Dr. Harsha N De Silva	3/3
Asoka Hettigoda	3/3



Lionel Imbulana

Chairman-Remuneration Committee

Colombo

29th August 2022

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT



TO THE SHAREHOLDERS OF LUMINEX PLC (Formerly known as LUMINEX (PRIVATE) LTD)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Luminex PLC ("the Company") which comprise the statement of financial position as at 31 March 2022, 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 significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2022, 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 issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matter	Our Response
<p>Recognition of Revenue</p> <p>Refer Note 4 to the Audited Financial Statements.</p> <p>Risk description:</p> <p>The major components of Company's revenue comprise of revenue from Infrastructure development and civil construction contracts amounting to LKR 2.44 Bn and LKR 677 Mn respectively for the year ended 31 March 2022.</p>	<p>Our audit procedures included</p> <ul style="list-style-type: none"> Obtaining and understanding of and assessing the design, implementation and operating effectiveness of the management's key internal controls over revenue recognition. Discussing with the Company management and project managers the performance of the major contracts in progress during the year and comparing the contract revenue recognized for

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Partners :
Nihal Hettiarachchi FCA, FCMA, FCPM,
Dinuk Hettiarachchi FCA, FCMA (SL & UK), FCPA (AUS)
Tax Director :
Dinusha Ilankoon BB.Mgt Accountancy(Sp),CTA

Erandi Weerasuriya FCA, BSc (Mgt.Pub)Sp.



INDEPENDENT AUDITORS' REPORT

Key Audit Matter	Our Response
<p>These revenue components are recognized overtime by reference to the Company's progress toward completing the contracts. Management judgment is required to estimate the total contract costs, variations or claims recognized as contract revenue, and provision for liquidated damages that will affect the measure of progress and revenue and profit margins recognized from contracts.</p> <p>We identified revenue recognition of the Company as a key audit matter because of the revenue recognition is inherently subjective and requires significant management judgement and errors in the recognition of revenue could have a material impact on the Company profit for the year.</p>	<p>a sample of contracts in progress during the year with certifications from quantity surveyors appointed by the customers or payment applications from the in-house surveyor.</p> <ul style="list-style-type: none"> On a sample basis, inspecting of project contract agreements with customers to identify key terms and conditions, including contracting parties, contract period, contract sum, scope of the work and evaluating whether these key terms and conditions had been appropriately reflected in the total estimated revenue and cost to complete under the forecasts of contracts. Assessing the adequacy of the Financial Statements disclosures required by SLFRS 15 as disclosed in Note 3.13 to the financial statements.
<p>Going Concern</p> <p>Refer Note 2.1.9 to the Audited Financial Statements.</p> <p>Risk description:</p> <p>As, the Sri Lanka moved into a state of an unprecedented economic crisis in late 2021., the construction and infrastructure development sectors have undergone various challenges as disclosed in note no 2.1.9 to the audited financial statements. The Audited financial statements have been prepared on a going concern basis. The Directors have assessed the company's ability to continue as a going concern and is satisfied that the company has the resources to continue its business into the foreseeable future and they do not intend either to liquidate or to cease trading as disclosed in note no 2.1.9 to the audited financial statements.</p>	<p>Our audit procedures included</p> <ul style="list-style-type: none"> Assessing the directors' assessment of the Company's ability to continue as a going concern, including the underlying data and key assumptions used to make the assessment, and evaluating the mitigating actions suggested by Company management to overcome the unfavorable conditions and the circumstances. Analyzing and assessing the future cash flow forecast of the Company considering the projects in progress. Reviewing the recoverability of the government related trade receivables as of the reporting date and the period subsequent to the reporting date and analysing the impact of the suspended projects as of the reporting date. Inspecting the facility agreements for the Company's short term and long-term loans and assessing the implication of these on the Company's liquidity. Assessing the adequacy of the going concern disclosures in the Financial Statements including disclosures associated with the implications of COVID 19 and the current economic crisis in Sri Lanka to sustain its operations in the foreseeable future with reference to the requirements of the prevailing standards.

INDEPENDENT AUDITORS' REPORT

Other Information

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the 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 controls 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 internal controls of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to

INDEPENDENT AUDITORS' REPORT

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 in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4515.

COLOMBO,
August 29, 2022



NIHAL HETTIARACHCHI & CO.,
Chartered Accountants

STATEMENT OF COMPREHENSIVE INCOME

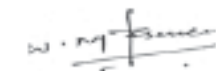
For the year ended 31st March,	Note	(Restated / Reclassified)		
		2022 Rs.	2021 Rs.	2020 Rs.
Revenue	4	3,121,311,743	2,554,040,787	1,545,368,584
Operating Expenses		(2,126,455,278)	(1,848,726,837)	(1,156,151,418)
Gross Profit		994,856,465	705,313,950	389,217,166
Other Income	5	45,470,536	50,608,289	43,892,873
Administration Expenses		(412,568,970)	(355,551,682)	(297,376,286)
Other Expenses		(2,404,589)	(187,748)	(1,058,006)
Operating Profit For The Year		625,353,442	400,182,809	134,675,747
Share Of Net (Loss) / Profit Of Joint Venture	14	-	(24,384)	22,963,736
Finance Income	6	11,993,334	25,349,749	28,404,217
Finance Costs	6	(78,873,424)	(61,033,903)	(60,423,822)
Profit Before Tax	7	558,473,352	364,474,271	125,619,878
Income Tax Expense	8	(114,226,668)	(63,385,015)	(27,187,250)
Profit For The Year		444,246,684	301,089,256	98,432,628
Other Comprehensive Income				
Remeasurement Gain Or Loss On Retirement Benefit Obligation		35,307,257	(2,260,869)	(542,134)
Deferred Tax Charge / (Reversal) On Remeasurement Gain Or Loss On Retirement Benefit Obligation		(4,943,016)	316,522	130,112
Other Comprehensive Income For The Year		30,364,241	(1,944,347)	(412,022)
Total Comprehensive Income For The Year		474,610,925	299,144,909	98,020,606
Basic earnings per share	9	2.67	56.45	24.61
Adjusted earnings per share		2.67	1.98	0.65

The significant accounting policies and notes from pages 36 to 64 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at	Note	31.03.2022 Rs.	(Restated / Reclassified)	
			31.03.2021 Rs.	01.04.2020 Rs.
ASSETS				
Non-Current Assets				
Property, plant and equipment	10	252,265,046	209,274,132	192,983,145
Capital work-in-progress	11	1,056,400	-	-
Right-of-use assets	12	139,094,535	129,104,730	126,613,238
Investment Property	13	20,455,619	21,454,013	23,350,913
Intangible assets	15	2,202,606	3,442,308	5,389,408
Interest in joint venture	14	-	-	18,086
Deferred tax assets	16	-	1,823,147	761,305
		415,074,206	365,098,330	349,116,095
Current Assets				
Inventories	17	1,386,554,638	546,847,780	835,160,547
Trade and other receivables	19	1,428,002,870	631,237,284	351,553,083
Amounts due from related parties	20	9,532,887	7,883,052	16,373,088
Other financial assets	18	183,330,409	319,368,537	261,998,643
Cash and cash equivalents	21	171,145,444	61,296,740	49,207,682
		3,178,566,248	1,566,633,393	1,514,293,043
Total Assets		3,593,640,454	1,931,731,723	1,863,409,138
Equity And Liabilities				
Equity				
Stated capital	22	200,000,000	200,000,000	40,000,000
Retained earnings		1,642,579,922	1,237,968,997	1,128,824,088
		1,842,579,922	1,437,968,997	1,168,824,088
Non-current Liabilities				
Retirement benefit obligation	23	34,431,390	60,166,236	50,184,701
Interest bearing borrowings	24	43,841,900	4,999,300	8,999,380
Lease liabilities	25	63,778,236	57,856,984	71,135,141
Interest in joint venture	14	-	6,298	-
Deferred tax liabilities	16	9,368,106	-	-
		151,419,632	123,028,818	130,319,222
Current Liabilities				
Trade and other payables	27	485,544,571	127,849,634	108,980,517
Interest bearing borrowings	24	786,161,788	129,024,838	239,866,932
Lease liabilities	25	47,604,584	41,048,910	31,627,227
Other financial liabilities	26	7,000,000	8,000,000	8,000,000
Income tax Payable	28	67,434,939	36,510,937	3,068,169
Bank overdrafts	21	205,895,018	28,299,589	172,722,983
		1,599,640,900	370,733,908	564,265,828
Total Liabilities		1,751,060,532	493,762,726	694,585,050
Total Equity and Liabilities		3,593,640,454	1,931,731,723	1,863,409,138

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.



Prasanna Walisundara
General Manager - Finance & Tax

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Signed for and on behalf of The Board by,



Ruwan Fernando
Director
29th August 2022



Upul Lekamge
Director / CEO

The significant accounting policies and notes from pages 36 to 64 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st April, 2020	40,000,000	1,124,817,999	1,164,817,999
Impact on adoption of SLFRS /LKAS (Note 35)	-	4,006,089	4,006,089
Adjusted balance as at 01 st April, 2020	40,000,000	1,128,824,088	1,168,824,088
Balance as at 01st April, 2020	40,000,000	1,128,824,088	1,168,824,088
Profit for the year (Reclassified) (Note 35)	-	301,089,256	301,089,256
Other comprehensive income (Reclassified) (Note 35)	-	(1,944,347)	(1,944,347)
Total comprehensive income for the year net of tax	-	299,144,909	299,144,909
Dividends	-	(30,000,000)	(30,000,000)
Issue of shares	160,000,000	(160,000,000)	-
Adjusted balance as at 31st March, 2021	200,000,000	1,237,968,997	1,437,968,997
Balance as at 01st April, 2021	200,000,000	1,237,968,997	1,437,968,997
Profit for the year	-	444,246,684	444,246,684
Other comprehensive income	-	30,364,241	30,364,241
Total comprehensive income for the year net of tax	-	474,610,925	474,610,925
Dividends	-	(70,000,000)	(70,000,000)
Balance as at 31st March, 2022	200,000,000	1,642,579,922	1,842,579,922

The significant accounting policies and notes from pages 36 to 64 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31st March		2022 Rs.	(Restated / Reclassified)	
			2021 Rs.	2020 Rs.
Cash flows from / (used in) operating activities				
	Profit for the year	558,473,352	364,474,271	125,619,878
Adjustments for non - cash income and expenses :				
	Amortization of intangible assets	15 1,357,872	1,947,100	1,315,255
	Depreciation of investment property	13 998,394	1,896,873	1,896,873
	Amortization of right-of-use assets	12 62,265,238	47,757,508	30,990,988
	Depreciation of property, plant and equipment	10 37,184,731	33,937,098	29,512,501
	Receivable written off	320,939	-	-
	Provision for impairment on trade debtors	19 1,927,800	-	-
	Interest income	06 (11,619,030)	(25,349,749)	(28,404,217)
	Changes in fair value of investment in unit trust	05 (171,550)	(1,002,418)	-
	Profit on disposal of assets	-	(5,070,000)	(8,147,796)
	Profit on sale and lease back transaction	05 (4,594,438)	(4,481,805)	(3,214,583)
	Provision for gratuity	23 12,007,692	9,134,980	8,243,117
	Share of joint venture Loss / (Profit)	14 -	24,384	(22,988,938)
	Loan interest	07 27,841,215	21,829,429	20,748,640
	Lease interest	07 15,204,850	15,865,379	12,539,407
	Operating cash flows before change in working capital	701,197,065	460,963,050	168,111,125
Changes in working capital				
	(Increase) / Decrease in trade and other receivables	(799,014,325)	(279,116,027)	104,509,975
	(Increase) / Decrease in amounts due from related parties	(1,649,835)	8,490,036	1,264,198
	(Increase) / Decrease in inventories	(839,706,858)	288,312,767	(185,397,196)
	Increase / (Decrease) in trade and other payables	355,922,708	21,605,922	(10,510,471)
	Cash flows from / (used in) operating activities	(583,251,245)	500,255,748	77,977,631
	Income tax paid	28 (77,054,429)	(30,687,567)	(21,724,395)
	Interest paid	(27,841,215)	(21,829,429)	(20,748,640)
	Gratuity paid	23 (2,435,281)	(1,414,314)	(1,543,001)
	Net cash flows from / (used in) generated from operating activities	(690,582,170)	446,324,438	33,961,595
Cash flows from / (used in) investing activities				
	Interest received	17,798,677	22,511,789	23,519,594
	(Investment) / Withdrawal of other financial assets	130,030,031	(54,097,690)	(36,707,449)
	Purchase of property, plant and equipment	10 (80,175,645)	(50,228,059)	(100,496,537)
	Purchase of intangible assets	15 (118,170)	-	(6,085,415)
	Investment in capital work-in-progress	11 (1,056,400)	-	-
	Purchase of lease right	(14,298,570)	(30,660,792)	(16,413,000)
	Net investment in joint venture	14 (6,298)	-	-
	Sales proceeds from disposal of assets	7,200,000	5,070,000	20,522,796
	Net cash flow from / (used in) investing activities	59,373,625	(107,404,752)	(115,660,011)
Cash flows from / (used in) financing activities				
	Dividend paid	(70,000,000)	(30,000,000)	(24,000,000)
	Proceeds received from borrowings	1,025,688,410	256,407,386	377,393,010
	Repayment of capital portion of borrowings	(330,708,860)	(357,043,685)	(313,029,116)
	Repayment of lease rentals	25 (61,517,730)	(51,770,935)	(35,274,832)
	Net cash flow from / (used in) financing activities	563,461,820	(182,407,234)	5,089,062
	Net Increase / (Decrease) in cash and cash equivalents	(67,746,725)	156,512,452	(76,609,354)
	Cash and cash equivalents at the beginning of the year	32,997,151	(123,515,301)	(46,905,947)
	Increase / (Decrease)	(67,746,725)	156,512,452	(76,609,354)
	Cash and cash equivalents at the end of the year	(34,749,574)	32,997,151	(123,515,301)

The significant accounting policies and notes from pages 36 to 64 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

01. CORPORATE INFORMATION

1.1 Reporting Entity

Luminex PLC (Formerly known as Luminex (Pvt) Ltd) is a Company incorporated and domiciled in Sri Lanka. The address of the Company's Registered Office and the principal place of business is No. 24, New Galle Road, Moratuwa, Sri Lanka. The Company, Luminex (Pvt) Ltd, had changed its name to 'Luminex PLC' in accordance with the provisions of the section 8 of the Companies Act, No.7 of 2007 on 15th July 2022. Further, ordinary shares of the Company are listed at the Colombo Stock Exchange on the 23rd June, 2022.

1.2 Principal activities and nature of operations

The Company is engaged in the business of,

- electrical, electronics, telecommunication, civil and mechanical engineering contractors, consultants and technical advisers.
- manufacture, assemble, maintain, repair, service and sell both wholesale and retail, electrical, electronic and telecommunication equipment and telecommunication outside plant constructions.
- import, export distribute, sell both wholesale and retail, hire, rent, lease electrical, electronic and telecommunication equipment and telecommunication outside plant constructions both within Sri Lanka and outside Sri Lanka.

02. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General

2.1.1 Basis of preparation

Statement of compliance

The statement of financial positions, statement of comprehensive income, statements of changes in equity and cash flows, together with the notes, (the "Financial Statements") thereto have been prepared in accordance with the Sri Lanka Accounting Standards (LKASs and SLFRSs) laid down by the Institute of Chartered Accountants of Sri Lanka, and the requirements of the Companies Act No 7 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

Approval of Financial Statements by Directors

The Financial Statements were authorized

for issue by the Board of Directors on 29th August 2022.

2.1.2 Directors' responsibility for the financial statements

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

2.1.3. Comparative information

For all period up to and including the year ended 31.03.2021, the Company prepared its financial statements in accordance with Sri Lanka Standard for Small and Medium Sizes Entities (SLFRS for SMEs). These auditor financial statements for the year ended 31.03.2022 are the first of financial statements prepared by the Company in accordance with SLFRs/LKAS (effective for the period beginning on or after 01st April 2021).

The Company has consistently applied the accounting policies used in preparation of its opening SLFRs statements of financial position at 01.04.2020 through all periods presented, as if these policies had always been in effect.

Note 35 discloses the impact of the transition to SLFRs/LKAS on the Company's reported financial position including the nature and effect of significant change in accounting policies from those used in Company's financial statements 31.03.2021 prepared under SLFRs for SMEs.

2.1.4 Basis of measurement

The financial statements of the Company have been prepared on the historical cost basis, unless otherwise stated in the relevant section to these financial statements.

2.1.5 Materiality and Aggregation

Each material class of similar item is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 01 on 'Presentation of Financial Statements' and amendments to the LKAS 1 on 'Disclosure Initiative' which was effective from January 01, 2016.

Notes to the financial statements are 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.

2.1.6 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 recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Income and expenses are not offset in the income statement, unless required or permitted by Sri Lanka Accounting Standard and as specially disclosed in the Significant Accounting Policies of the Company.

2.1.7 Summary of significant accounting judgements, estimates and assumptions

The preparation of the Company's Financial Statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company's Accounting policies, Management has made various judgements. Those which Management has assessed to have the most significant effect on the amounts recognized in the Financial Statements have been discussed in the individual Notes of the related Financial Statement line items. The Company based its assumptions and estimates on parameters available when these Financial Statements were prepared.

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

2.1.8. Impact of prevailing macroeconomic conditions

The prevailing macroeconomic conditions and their implications have increased the uncertainty of estimates made in the preparation of the Financial Statements. The estimation uncertainty is associated with:

- the extent and duration of the disruption to businesses arising from the prevailing

NOTES TO THE FINANCIAL STATEMENTS

macroeconomic conditions and the related actions of stakeholders such as government, businesses, and customers.

- the extent and duration of the prevailing macroeconomic conditions due to impact on GDP, capital markets, credit risk of customers, impact of unemployment and possible decline in consumer discretionary spending.
- the effectiveness of Government and Central Bank measures that have been put in place in response to the prevailing circumstances.

The significant accounting estimates impacted by these forecasts and associated uncertainties are related to impairment of financial assets and recoverable amount assessments of non-financial assets, recoverable value of property, plant and equipment and investment properties and net realizable value of inventory.

The impact of prevailing macroeconomic conditions on accounting estimates is discussed under the relevant notes to these Financial Statements.

2.1.9 Going concern

The Company has prepared the Financial Statements for the year ended 31st March 2022 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 2022, based on available information, the management has assessed the prevailing 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 has been considered as of the reporting date and specific disclosures have been made.

The Directors are satisfied that the Company has adequate resources to continue operations into the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

As at March 2022, inflation rate was 17.30% (Core Inflation), 21.50% (Headline Inflation) as per National Consumer Price Index (NCPI). However, it has been escalated up to 49.30% (Core Inflation), 58.90 (Headline Inflation) at June 2022. Exchange rates also observed a notable fluctuation after the balance sheet date and has not adjusted in the current year

financial statements since the conditions that gave rise to the gain/(loss) did not exist as of 31st March, 2022. The Monetary Board of the Central Bank of Sri Lanka (CBSL) has decided to increase the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR). The depletion of foreign reserves has put restrictions on imports and affected supplies. The Company has taken the following measures to ensure it continues its operations as a going concern.

The Directors have made an assessment of the Company, that the Company has adequate resources to continue in operational existence and ability to continue as a going concern for the foreseeable future. The assessment includes the existing and anticipated effects of COVID-19 Pandemic on the significant assumptions that are sensitive or susceptible to change or are inconsistent with historical trends. As the economic effects of COVID-19 continue to evolve, Management considered a range of scenarios to determine the potential impact on underlying performance and future funding requirements. In addition, the assessment has been made on the limitations imposed on imports and mitigations plan thereto. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

The management of the entity continues to monitor the potential impact to the continuity of the business. Accordingly, macroeconomic variables are evaluated while making assumptions and judgments when preparing financial statements.

2.1.10 Functional and presentation currencies

The financial statements are prepared and presented in Sri Lankan Rupees (Rs.)

03. SIGNIFICANT ACCOUNTING POLICIES

3.1 Foreign currency transaction and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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 amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and the payments made during the year, and the amortized 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 is recognized in the Statement of Comprehensive Income.

3.2 Financial Instruments

3.2.1 Recognition and initial measurement

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

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

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

3.2.2 Financial Assets

3.2.2.1 Classification

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designed as at FVTPL:

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

This assessment is referred to as the SPPI

NOTES TO THE FINANCIAL STATEMENTS

test and it is performed at an instrument level. The Company's financial assets classified under amortized cost includes trade and other receivable and cash and cash equivalents.

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

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) 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 the investment's fair value in OCI. This election is made on an investment-by-investment basis.

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

3.2.2.2 Business model assessment

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

The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing 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 how those risks are managed;
- how managers of the business

are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.
- Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3.2.2.3 Impairment

For trade 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. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

In certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

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

3.2.2.5 Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. However financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures to recovery of amounts due.

3.2.3 Financial Liabilities

3.2.3.1 Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL

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

3.3 Fair value Measurement

SLFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A Fair value measurement requires an entity to determine all the following:

1. The particular asset or liability that is the subject of the measurement.
2. For a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use).
3. The principal (or most advantageous) market for the asset or liability
4. The valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorized.

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same, to estimate the price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

When a price for an identical asset or liability is not observable, an entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including

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assumptions about risk. As a result, an entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

When an asset is acquired or a liability is assumed in an exchange transaction for that asset or liability, the transaction price is the price paid to acquire the asset or received to assume the liability (an entry price). In contrast, the fair value of the asset or liability is the price that would be received to sell the asset or paid to transfer the liability (an exit price).

When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

3.3.1 Determining Fair Values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumption and other risks affecting the specific instrument.

- Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

3.4 Taxation

a) Current taxes

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No.24 of 2017 and amendments thereto.

b) Deferred taxation

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

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

c) Turnover based taxes

Turnover based taxes include Value Added Tax (V.A.T.), which is payable to the Department of Inland Revenue in respect of business activities and the Company pay such taxes in accordance with the respective statutes.

3.5 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 accounting year.

3.5.1 Recognition and Measurement

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

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

Purchased software that is integral to the functionality of the related equipment is capitalized 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 recognized within other income in profit or loss.

3.5.2 Subsequent Costs

Subsequent expenditure is capitalized 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.

3.5.3 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 recognized 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 Equipment	05 Years
Buildings	20 Years
Plant, machinery and equipment	05 Years
Furniture and fittings	10 Years
Motor vehicles	04 Years
Formation expenses of telex bureau	05 Years

No depreciation is provided on freehold land.

The depreciation charges are determined separately for each significant part of an item of property, plant and equipment and begin to depreciate when it is available for use and cease on disposal of such assets.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

3.5.4 De-recognition

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

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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 de-recognised.

3.6 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.

Right-of-use assets and Lease liabilities

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the 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 interest rates from debt financing arrangements at the inception of the lease period.

The lease liability is measured at amortized 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 applies the short-term lease recognition exemption to its short-term (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3.7 Intangible assets

3.7.1 Software

Software acquired by the Company is measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalized 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 5 years.

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

3.8 Investment property

Location of investment property	As at 31.03.2022	As at 31.03.2021
Three storey Building at No 465, Galle Road, Panadura	20,072,296	20,072,296
Three storey Building at No 646, Galle Road, Rawatawatta, Moratuwa	17,865,717	17,865,717

3.8.1 Recognition

Investment properties are measured initially

at cost, including transaction costs. The carrying value of investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met, and excludes the cost of day-to-day servicing of investment property.

Subsequent to initial recognition, all investment properties are carried at cost less any accumulated depreciation thereon.

3.8.2 Depreciation

The provision for depreciation is calculated by using a straight-line method on the cost of investment property, in order to write off such amounts over the estimated useful lives by equal installments.

The useful life of investment property is as follows;

Class of investment property	Useful life	Depreciation method
Buildings	20 Years	Straight-line method

3.8.3 Derecognition

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Relevant income and expenditure relating to investment properties

	For the year ended 31st March 2022 (Rs.)	For the year ended 31st March 2021 (Rs.)
Rent Income	10,072,697	7,700,000
	10,072,697	7,700,000
Expenditure incurred (Rates)	221,360	221,360
	221,360	221,360

3.9 Inventories

Inventories are measured at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items. The cost of inventories are based on a weighted average costs. The cost of inventories is comprised of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their

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present location and condition, excluding borrowing cost. Borrowing cost.

for inventories that are qualifying assets are capitalized as part of cost. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Inventory movement is reviewed at the end of reporting period by an expert to assess the recoverability of inventory and the items that are identified as irrecoverable are written off during the year.

Work-in-progress

Remaining work-in-progress are stated at cost.

3.10 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit or Loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

3.11 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation and a reliable estimate can be made of the amount of the obligation.

3.11.1 Defined benefit plans – Gratuity

Defined Benefit Plan is a post-employment benefit plan other than defined contribution plan. The liability recognized 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 Company uses an internally developed method which uses projected unit credit method to calculate the liability of retirement benefits obligation as at the reporting date in accordance with Sri Lanka Accounting Standard (LKAS 19). 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 to the terms of the related liability.

This liability is not externally funded and the item is grouped under non-current liabilities in the statement of financial position. However, under the payment of gratuity Act No. 12 of 1983 the liability to an employee arises only on completion of five years of continued service.

3.11.2 Defined Contribution Plan

Defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay any further amounts. Obligations for contributions to Employees Provident Fund and Employees Trust Fund covering all employees are recognized as an expense in the statement of comprehensive income, as incurred.

3.11.3 Employees' Provident Fund

The Company and employees contribute 12% and 8% respectively on the salary of each employee to the Employees' Provident Fund.

3.11.4 Employees' Trust Fund

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund. The total amount recognized as an expense to the Company for contribution to ETF and EPF is disclosed in the Note 7 to the financial statements.

3.11.5 Short-Term Benefits

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

3.12 Related Party Disclosures

3.12.1 Transactions with Related Parties

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard No. 24. The Pricing applicable to such transactions is based on the assessment of the risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated Customers.

3.12.2 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard No. 24 "Related Party Disclosures", Key management personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including executive and non-executive Directors), and their immediate family members have been classified as Key Management Personnel of the Company.

STATEMENT OF COMPREHENSIVE INCOME

3.13 Revenue and income

SLFRS 15 – Revenue from contracts with customers

Revenue represents the amounts derived from the construction contracts, sale of goods and provision of services, which fall within the Company's' ordinary activities net

of trade discounts and turnover-related taxes. Revenue from contracts with customers is recognised when 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. Timing of transferring the goods and services to the customer is determined based on judgements taking into the consideration of the nature of the goods and services that offers to the customers.

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:

Construction contracts

Revenue from construction-related contracts is recognised upon satisfaction of a performance obligation agreed in the contract. At contract inception, the Company determines whether it satisfies the performance obligation over time or at a point in time. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer. 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.

The progress is assessed based on surveys of work performed. When the outcome of construction contract can not be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. By considering loss making contracts, a provision is immediately made in profit or loss for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price when the forecast costs are greater than the forecast revenue.

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 is 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 executed performance obligations under the contract. The Customer deposits disclosed under Note 27 is considered as contract liabilities.

Other income

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

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.

Interest income

Interest income is recognized as it accrues. Interest income is included under finance income in the statement of comprehensive income.

Rendering of services

Revenue from rendering of services is recognised in the Statement of Profit or Loss when each performance obligations are satisfied by transferring promised service to the customer.

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 element of the Company's performance, and hence, such presentation method is adopted.

3.14.1 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 capitalized 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.

3.14.2 Tax expenses

Income tax expense comprises the current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI.

Income tax provisions for the year ended 31st March 2022 have been made as per the provision of the Inland Revenue Act No. 24 of 2017 and the amendments thereto.

3.14.3 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 reflect 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.

3.15 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.

3.16 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 07-Statement of Cash Flows. Cash and cash equivalents include notes and coins on hand, balances with banks, money at call and short notice with less than three months maturity from the date of acquisition.

Investments with short maturities, i.e. three months or less from the date of acquisition are also treated as cash equivalents.

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

3.17 Events occurring after the Reporting Period

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

3.18 Segment Reporting

An operating segment is a component within the Company that engage in business activities for which it may earn distinguish revenue and expenses for such segment.

The operating results arising from Construction activities as a whole is reviewed regularly by the Company's Chief Operating Decision Maker to make decisions about resource to be allocated and to assess its performance. The Company has only one segment hence no separate disclosure is given for operating segment.

3.19 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.

3.20 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 recognized in the statement of financial position but are disclosed unless its occurrence is remote.

Details of the commitments and contingencies are given in note 31 to the financial statements.

3.21. New accounting standards, amendments and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but 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;

Accounting Standard	Description	Effective Date
LKAS 37 - Provisions, Contingent Liabilities and Contingent Assets	Amendment specifies the costs that an entity needs to include when assessing whether a contract is onerous or loss-making	1st January 2022
LKAS 16 - Property, Plant and Equipment	Amendment prohibits entities from deducting any proceeds from selling items produced, while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management, from the cost of an item of property, plant and equipment	1st January 2022
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12)	The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases.	1st January 2022
Annual improvements to SLFRS Standards 2018 - 2020	Classification of liabilities as current or non-current	1st January 2022
Amendments to LKAS 1	Annual improvements to SLFRS Standards	1st January 2023
Amendments to LKAS 1 and SLFRS Practice Statement 2	Disclosure of accounting policies	1st January 2023
Amendments to LKAS 8	Definition of accounting estimates	1st January 2023

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March		2022 Rs.	(Restated) 2021 Rs.
4. REVENUE			
	Civil construction revenue	676,789,041	378,936,920
	Infrastructure development revenue	2,444,522,702	2,175,103,867
		3,121,311,743	2,554,040,787
5. OTHER INCOME			
	Commission income	-	2,362,819
	Changes in fair value of investment in unit trust	171,550	1,002,418
	N.B.T. penalty over provision written back	-	1,323,420
	Other sales income	1,878,942	28,667,827
	Profit from disposal of property, plant and equipment	-	5,070,000
	Profit on sale and lease back transaction	4,594,438	4,481,805
	Rent income	10,072,697	7,700,000
	Exchange gain	28,752,909	-
		45,470,536	50,608,289
6. NET FINANCE INCOME			
	Finance income (Note - 6.1)	11,993,334	25,349,749
	Finance cost (Note - 6.2)	(78,873,424)	(61,033,903)
		(66,880,090)	(35,684,154)
6.1. Finance Income			
	Interest income	11,619,030	25,349,749
	Deferred payment interest	374,304	-
		11,933,334	25,349,749
6.2. Finance cost			
	Bank guarantee commission	22,005,295	11,750,423
	Bank charges	4,929,616	1,201,124
	Bank commission	48,579	199,976
	Other loan interest	-	3,450,141
	Interest on bank overdrafts	8,843,869	10,187,572
	Interest on leases	15,204,850	15,865,379
	Interest on loans	27,841,215	18,379,288
		78,873,424	61,033,903
7. PROFIT BEFORE TAX			
	Is stated after charging all expenses including the following:		
	Amortization of intangible assets	1,357,872	1,947,100
	Depreciation of investment property	998,394	1,896,873
	Depreciation of property plant and equipment	37,184,731	33,937,098
	Amortization of right of use assets	62,265,238	47,757,508
	Auditor's remuneration	523,100	289,000
	Directors remuneration	5,655,000	3,180,000
	Loan interest	27,841,215	21,829,429
	Lease interest	15,204,850	15,865,379
	Personnel cost include :		
	- Annual bonus	10,243,141	7,863,321
	- Defined benefit plan costs - Gratuity	12,007,692	11,438,098
	- Defined contribution plan cost - E.P.F. & E.T.F.	27,519,494	24,102,219
	- Other staff costs	68,854,929	63,660,103
	- Salaries and wages	488,214,749	400,404,755

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March	2022	(Restated)
	Rs.	2021 Rs.
8. INCOME TAX EXPENSE		
Adjustment made in respect of previous year	19,576,963	2,566,806
Current income taxes (Note - 8.1)	88,401,468	61,563,529
Deferred tax charge / (reversal)(Note - 16)	6,248,237	(745,320)
	114,226,668	63,385,015
Under the provision of the inland revenue act No. 24 of 2017 and amendments thereto, the company is liable for income tax at the rate of 14% on total business income and 24% on total other income.		
8.1. Reconciliation between accounting profit and taxable profit		
Accounting profit before income tax expense	558,473,352	358,373,024
Aggregate disallowable expenses	173,167,080	116,680,302
Aggregate allowable expenses	(127,512,797)	(49,675,255)
Exempt income / other sources of income	(23,742,219)	(22,511,789)
Adjusted business profit	580,385,416	402,866,282
Investment income	29,750,316	21,509,371
Total statutory income	610,135,732	424,375,653
Less : Tax loss allowed for the year	-	-
Taxable profit	610,135,732	424,375,653
Statutory tax rate - on business profit		
Statutory tax rate	14%	14%
Capital gain tax	10%	10%
Other income	24%	24%
Current income tax expense		
On business income	81,261,392	56,401,280
On investment income	7,140,076	5,162,249
Current income tax expense	88,401,468	61,563,529

9. EARNINGS PER SHARE

- 9.1. Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the year. The weighted average number of ordinary shares in issue during the previous year are adjusted for events that have changed the number of ordinary shares in issue without a corresponding change in the resources.
- 9.2. The following data has been used in the computation of the basic earnings per share for the year.

For the year ended 31st March	2022 Rs.	(Restated / Reclassified)	
		2021 Rs.	2020 Rs.
Amount used as the numerator			
Net profit attributable to ordinary shareholders of the Company	444,246,684	301,089,256	98,432,628
Amount used as the denominator			
Weighted average number of ordinary shares in issue	166,666,667	152,000,000	150,666,667
Basic earnings per share	2.67	56.45	24.61
Adjusted earnings per share	2.67	1.98	0.65

The calculation of the earnings per share is based on the profit for the year ended 31st March 2022 attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the period ended 31st March 2022 as given above, as per the requirements of the Sri Lanka Accounting Standard (LKAS 33) - "Earnings per Share" the comparative period 31st March 2021 and 31st March 2020 are also adjusted accordingly.

The share split in the ratio of 12:1 has been taken place on the 22nd July, 2021

NOTES TO THE FINANCIAL STATEMENTS

10. PROPERTY, PLANT AND EQUIPMENT

	As at 01st April, 2021	Additions / Adjustments	(Disposals) / Adjustments Transfers	As at 31st March, 2022
	Rs.	Rs.	Rs.	Rs.
Cost				
Freehold assets				
Land	112,684,193	-	-	112,684,193
Buildings	17,762,174	4,028,273	-	21,790,447
Plant, machinery and equipment	234,680,410	46,712,875	-	281,393,285
Furniture and fittings	11,379,188	790,987	-	12,170,175
Computers	17,649,929	4,192,860	-	21,842,789
Motor vehicles	203,577,682	24,450,650	-	228,028,332
Formation expenses of telex bureau	224,775	-	-	224,775
	597,958,351	80,175,645	-	678,133,996
Accumulated depreciation				
Freehold assets				
Buildings	6,114,123	1,750,697	-	7,864,820
Plant, machinery and equipment	176,475,671	23,532,576	-	200,008,247
Furniture and fittings	6,640,310	756,446	-	7,396,756
Computers	10,092,747	2,724,003	-	12,816,750
Motor vehicles	189,136,594	8,421,009	-	197,557,603
Formation expenses of telex bureau	224,774	-	-	224,774
	388,684,219	37,184,731	-	425,868,950
Carrying value	209,274,132			252,265,046

The company property, plant and equipment with a cost of Rs.678,133,996/- (2021 - Rs.597,958,351) have been fully-depreciated and continue to be in use by the Company.

There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year 2021/22 (2020/21 - Nil).

Property, plant and equipment pledged as security

Property pledged as securities against loans and borrowings are described in Note 24 and 33.

The Company reviewed the carrying values of property, plant and equipment as at the reporting date especially the potential impact the current economic crisis and the COVID - 19.

COVID - 19 pandemic coned have on the company's assets and determined that no impairment is necessary after evaluating their business continuity plans and is satisfies the stees taken to safe guard the assets.

There were no restrictions existed on the title of the assets of the Company as at the reporting date.

There are no temporarily idle assets as at the reporting date

	2022 Rs.	2021 Rs.
11. CAPITAL WORK-IN-PROGRESS		
Balance at the beginning of the year	-	-
Add : Expense incurred during the year	1,056,400	-
	1,056,400	-
Less : Capitalized during the year	-	-
Balance at the end of the year	1,056,400	-
12. RIGHT -OF-USE -ASSETS		
Cost		
Balance as at the beginning of the year	225,109,200	178,045,200
Add : Additions made during the year	73,088,376	48,504,000
Transferred /disposal /adjustments during the year	(4,000,000)	(1,440,000)
Balance as at the end of the year	294,197,576	225,109,200

NOTES TO THE FINANCIAL STATEMENTS

	2022 Rs.	2021 Rs.
12. RIGHT -OF-USE -ASSETS (Cont.)		
Less :		
Amortization		
Balance as at the beginning of the year	96,004,470	51,431,962
Add : Amortization for the year	62,265,238	47,757,508
Transferred /disposal /adjustments during the year	(3,166,667)	(3,185,000)
Balance as at the end of the year	155,103,041	96,004,470
Carrying amount at the end of the year	139,094,535	129,104,730

13. INVESTMENT PROPERTY

	Cost as at 01.04.2021 Rs.	Additions Rs.	Transfers / Disposal Rs.	Balance as at 31.03.2022 Rs.
Cost Property				
Panadura Building No 465, Galle Road, Panadura (Three storey Building)	20,072,296	-	-	20,072,296
Rawathawaththa Building No 646, Galle Road, Rawatawatta, Moratuwa (Three storey Building)	17,865,717	-	-	17,865,717
	37,938,013	-	-	37,938,013
	Accumulated depreciation 01.04.2021 Rs.	Additions Rs.	Transfers / Disposal Rs.	Balance as at 31.03.2022 Rs.
Depreciation Property				
Panadura Building No 465, Galle Road, Panadura (Three storey Building)	10,454,321	585,442	-	11,039,763
Rawathawaththa Building No 646, Galle Road, Rawatawatta, Moratuwa (Three storey Building)	6,029,679	412,951	-	6,442,630
	16,484,000	998,394	-	17,482,394
Net book values	21,454,013			20,455,619

13.1. Relevant income and expenditure relating to investment properties

Rental income earned for the year ended 31.03.2021	7,700,000
Rental income earned for the year ended 31.03.2022	10,072,697

	2022 Rs.	2021 Rs.
14. INTEREST IN JOINT VENTURES		
Interest in joint ventures at the beginning of the year	(6,298)	18,086
Reimbursement of expenses	37,500	-
Other transactions	(31,202)	-
- Share of net profit / (loss) on joint ventures		
Profit / (Loss) on JNC Luminex	-	(24,384)
Interest in joint ventures at the end of the year	-	(6,298)

The Company has interest in following joint ventures which are equity accounted.

NOTES TO THE FINANCIAL STATEMENTS

14. INTEREST IN JOINT VENTURES (Cont.)

Name of Arrangement	Principal activity	Ownership Interest
JNC Luminex joint venture	Construction of GLASSAUGH - A Water Supply scheme in Nuwara Eliya district and Kiranchi Vallaipudu (Kilinochchi District)	96%

	2022 Rs.	2021 Rs.
15. INTANGIBLE ASSETS		
Cost		
Balance as at the beginning of the year	7,788,400	7,788,400
Add : Additions made during the year	118,170	-
Balance as at the end of the year	7,906,570	7,788,400
Less :		
Amortization		
Balance as at the beginning of the year	4,346,092	2,398,992
Add : Amortization for the year	1,357,872	1,947,100
Balance as at the end of the year	5,703,964	4,346,092
Carrying amount at the end of the year	2,202,606	3,442,308

Software in intangible assets mainly consists of Accounting package (SAGE), Project Management System (PMS) & Inventory Management System (IMS) acquired by the Company.

Intangible assets with a cost of Rs.7,906,570/- (2021 – Rs.7,788,400/-) have been fully amortised and continue to be in use by the Company respectively.

There were no intangible assets pledge by the Company as security for facilities obtained from the Banks (2021 – Nil).

	2022 Rs.	2021 Rs.
16. DEFERRED TAX ASSET / (LIABILITY)		
Balance as at the beginning of the year	1,823,147	761,305
(Reversal) / Provision for the year		
- Recognized in other comprehensive income	(4,943,016)	316,522
- Recognized in profit or loss statement	(6,248,237)	745,320
Balance at the end of the year	(9,368,106)	1,823,147

Deferred tax assets / (liabilities) arising from :

	2022		2021	
	Temporary Difference Rs.	Tax effect on Temporary Difference Rs.	Temporary Difference Rs.	Tax effect on Temporary Difference Rs.
Deferred tax provision;				
Deferred tax liabilities				
On property, plant and equipment	(101,346,433)	(14,188,501)	(47,143,761)	(6,600,127)
Deferred tax assets				
On retirement benefit obligation	34,431,390	4,820,395	60,166,236	8,423,273
	(66,915,043)	(9,368,106)	13,022,475	1,823,147
Effective tax rate		14%		14%

NOTES TO THE FINANCIAL STATEMENTS

	2022 Rs.	2021 Rs.
17. INVENTORIES		
Raw material	329,195,976	179,377,676
Work in progress	1,057,358,662	367,470,104
	1,386,554,638	546,847,780
18. OTHER FINANCIAL ASSETS		
Investments in fixed deposits (Note - 18.1)	181,659,281	280,056,047
Staff loans & advances	497,160	940,172
Investment in unit trust	1,173,968	36,002,418
Other investment	-	2,369,900
	183,330,409	319,368,537
18.1. Investments in fixed deposits		
Sampath Bank PLC.	176,467,371	268,858,757
Pan Asia Banking Corporation PLC.	4,093,264	3,918,997
Fixed deposit interest receivable	1,098,646	7,278,293
	181,659,281	280,056,047
19. TRADE AND OTHER RECEIVABLES		
Gross trade debtors	1,277,301,977	422,108,071
Less : Provision for impairment on trade debtors	(1,927,800)	-
Net trade debtors	1,275,374,177	422,108,071
Directors' current account (Note - 19.1)	-	3,587,899
Advance paid	-	1,382,272
Other receivables		
Advance for purchases	75,733,778	123,477,047
Insurance prepayment	1,412,026	-
Department of telecommunication	-	25,000
Fuel deposit	1,570,000	1,245,000
House and rent deposit	3,932,000	3,053,000
Refundable deposits	321,941	30,411,941
Rent receivable	2,743,371	2,836,174
Retention by customers (Note - 19.2)	66,915,577	43,110,880
	152,628,693	204,159,042
	1,428,002,870	631,237,284
19.1. Directors' current account		
Mr. A. Alwis	-	776,657
Mr. Ramanayake	-	295,939
Mr. R. Fernando	-	2,515,303
	-	3,587,899
19.2. Retention by customers		
DBN Contract Retention	60,849,657	38,984,547
Civil Contract Retentions, Camso Loadstar (Ja-Ela)	1,939,587	-
MEP (JF-Bus Stand) Retention	4,126,333	4,126,333
	66,915,577	43,110,880

NOTES TO THE FINANCIAL STATEMENTS

	2022 Rs.	2021 Rs.
20. AMOUNTS DUE FROM RELATED PARTIES		
Luminex Power Project (Pvt) Ltd.	-	4,987,952
Luminex Bookshops (Pvt) Ltd.	1,132,887	145,100
Luminex Mini Hydro (Pvt) Ltd.	-	50,000
Power Flow (Pvt) Ltd.	-	2,700,000
Navara Capital Limited	8,400,000	-
	9,532,887	7,883,052
21. CASH AND CASH EQUIVALENTS		
Favourable balance		
Current accounts		
Sampath Bank PLC.	514,659	50,000
Pan Asia Banking Corporation PLC.	1,974,125	1,980,625
Bank of Ceylon	3,794,601	1,470,203
Savings accounts		
Sampath Bank PLC.	26,664,182	23,556,314
DFCC Bank	280,039	-
National Development Bank	131,421,261	7,260,859
Petty cash	6,496,577	26,978,739
	171,145,444	61,296,740
Unfavourable balances		
Bank overdrafts		
Sampath Bank PLC.	162,277,986	23,583,321
National Development Bank	43,617,032	4,716,268
	205,895,018	28,299,589
Cash and cash equivalents for the purpose of statement of cash flows.	(34,749,574)	32,997,151
22. STATED CAPITAL		
20,000,000 Ordinary shares as at 31.03.2021		
240,000,000 Ordinary shares as at 31.03.2022	200,000,000	200,000,000

Note :

a) The share split in the ratio of 12.1 has been taken place on the 22nd July, 2021.

b) The Company declared and paid dividend of Rs. 3.50/- Per share for the year ended 31st March, 2021 as follows.

Class of Shares	Dividend per share Rs.	No of shares	Amount Rs.
Ordinary Shares	3.50	20,000,000	70,000,000

	2022 Rs.	2021 Rs.
23. RETIREMENT BENEFIT OBLIGATION		
Balance at the beginning of the year	60,166,236	50,184,701
Add : Gratuity charge for the year	3,318,586	7,212,497
Interest charge for the year	8,689,106	1,922,483
Deficit / (Surplus) charge for the year	(35,307,257)	2,260,869
Less : Payments made during the year	(2,435,281)	(1,414,314)
Balance at the end of the year	34,431,390	60,166,236

NOTES TO THE FINANCIAL STATEMENTS

The gratuity liability as at 31st March, 2022 amounting to RS. 34,431,390/- was based on formula method. The principal assumptions made are given below.

	2022 Rs.	2021 Rs.
Expected salary increment	4.00%	4.00%
Discounting / Interest	15.69%	4.00%
Staff turnover factor (As a%)	12.00%	2.00%

The company will continue in business as going concern. The above provision has not been externally funded.

	2022 RS	2021 Rs	2020 RS
24. INTEREST BEARING BORROWINGS			
Amounts payable between one year and five years			
Long term loan payables (Note - 24.2)	43,841,900	4,999,300	8,999,380
	43,841,900	4,999,300	8,999,380
Amounts payable within one year			
Short term loan payables (Note - 24.1)	777,145,708	124,358,078	209,200,932
Long term loan payables (Note - 24.2)	9,016,080	4,666,760	6,666,000
Director's loan payable (Note - 24.3)	-	-	24,000,000
	786,161,788	129,024,838	239,866,932

	2022 Rs.	2021 Rs.
24.1. Short term loans		
Balance at the beginning of the year	124,358,078	209,200,932
Add : Obtained during the year	975,688,410	235,407,386
Less : Repayments made during the year	(322,900,780)	(320,250,240)
Balance at the end of the year	777,145,708	124,358,078
24.2. Long term loans		
Balance at the beginning of the year	9,666,060	15,665,380
Add : Obtained during the year	50,000,000	-
Less : Repayments made during the year	(6,808,080)	(5,999,320)
Balance at the end of the year	52,857,980	9,666,060
Payable within one year	9,016,080	4,666,760
Payable between one year and five years	43,841,900	4,999,300
	52,857,980	9,666,060
24.3. Director's loan payable		
Balance at the beginning of the year	-	24,000,000
Add : Obtained during the year	-	13,000,000
Less : Repayments made during the year	-	(37,000,000)
Balance at the end of the year	-	-

NOTES TO THE FINANCIAL STATEMENTS

24 INTEREST BEARING BORROWINGS (CONTINUED)

Analysis of Loans and Borrowings (Continued)

Loan No	Lending institution	Nature of the facility	Interest rate	Security	Maturity	Loan value (Rs.)	Amount outstanding as at 31.03.2022 (Rs.)	Amount outstanding as at 31.03.2021 (Rs.)
398070000025	Sampath Bank	Long term	AWPLR +2.5% p.a.	Property at No 15/3, St. Joseph Street, Moratuwa.	01st November 2031	16,000,000	15,464,000	-
398070000019	Sampath Bank	Long term	AWPLR +2.5% p.a.	Property at No 18, New Galle Road, Moratuwa.	10th July 2031	34,000,000	31,728,000	-
300170000065	Sampath Bank	Long term	AWPLR +2.5% p.a.	Property at No 646 & 646A, Galle Road, Moratuwa.	20th May 2023	40,000,000	5,665,980	9,666,060

Temporary loans

Lender & Loan Account	Rate of interest (p.a.)	Repayment & loan expiry	Security	Amount outstanding as at 31.03.2022 (Rs.)
Sampath Bank -39806000076	AWPLR+2.5%	Monthly ending 20.08.2022	Property at No 646 & 646A, Galle Road, Moratuwa balance as at the reporting date Rs. 6,442,630/-	502,563
Sampath Bank -398065000016	AWPLR+2.5%	Monthly ending 20.12.2022		1,079,900
Sampath Bank -398075000385	AWPLR+2.5%	Monthly ending 04.01.2022	Inventory value located at Stores balance as at the reporting date Rs. 329,195,976/-	5,127,924
Sampath Bank -398075000424	AWPLR+2.5%	Monthly ending 26.04.2022		1,116,500
Sampath Bank -398075000455	AWPLR+2.5%	Monthly ending 02.06.2022		423,806
Sampath Bank -398075000463	AWPLR+2.5%	Monthly ending 12.05.2022		612,045
Sampath Bank -398075000478	AWPLR+2.5%	Monthly ending 19.05.2022		4,420,876
Sampath Bank -398075000491	AWPLR+2.5%	Monthly ending 28/02/2022		1,116,500
Sampath Bank -398075000518	AWPLR+2.5%	Monthly ending 12.06.2022		436,598
Sampath Bank -398075000529	AWPLR+2.5%	Monthly ending 18.04.2022		1,655,500
Sampath Bank -398075000530	AWPLR+2.5%	Monthly ending 18.06.2022		832,050
Sampath Bank -398075000556	AWPLR+2.5%	Monthly ending 18.06.2022		672,098
Sampath Bank -398075000565	AWPLR+2.5%	Monthly ending 18.06.2022		856,863
Sampath Bank -398075000571	AWPLR+2.5%	Monthly ending 13.10.2022		1,674,750
Sampath Bank -398075000577	AWPLR+2.5%	Monthly ending 17.10.2022		293,074
Sampath Bank -398075000578	AWPLR+2.5%	Monthly ending 17.08.2022		6,189,226
Sampath Bank -398075000581	AWPLR+2.5%	Monthly ending 21.10.2022		657,720
Sampath Bank -398075000589	AWPLR+2.5%	Monthly ending 27.10.2022		10,201,620
Sampath Bank -398075000610	AWPLR+2.5%	Monthly ending 12.09.2022		2,149,770
Sampath Bank -398075000615	AWPLR+2.5%	Monthly ending 18.09.2022		1,099,854
Sampath Bank -398075000624	AWPLR+2.5%	Monthly ending 28.11.2022		2,969,854
Sampath Bank -398075000644	AWPLR+2.5%	Monthly ending 12.10.2022		2,344,650
Sampath Bank -398075000645	AWPLR+2.5%	Monthly ending 12.12.2022	933,800	
Sampath Bank -398075000660	AWPLR+2.5%	Monthly ending 22.12.2022	822,150	
Sampath Bank -398075000663	AWPLR+2.5%	Monthly ending 23.10.2022	10,711,701	
Sampath Bank -398075000682	AWPLR+2.5%	Monthly ending 07.01.2023	5,146,920	
Sampath Bank -398075000732	AWPLR+2.5%	Monthly ending 22.04.2023	61,764,264	

Lender & Loan Account	Rate of interest (p.a.)	Repayment & loan expiry	Security	Amount outstanding as at 31.03.2022 (Rs.)
Sampath Bank -398075000737	AWPLR+2.5%	Monthly ending 27.10.2022	Inventory value located at Stores balance as at the reporting date Rs. 329,195,976/-	2,483,808
Sampath Bank -398075000740	AWPLR+2.5%	Monthly ending 26.08.2022		632,988
Sampath Bank -398075000805	AWPLR+2.5%	Monthly ending 27.10.2022		2,344,650
Sampath Bank -398075000806	AWPLR+2.5%	Monthly ending 15.11.2022		2,603,750
Sampath Bank -398075000810	AWPLR+2.5%	Monthly ending 15.10.2022		1,305,222
Sampath Bank -398075000851	AWPLR+2.5%	Monthly ending 16.11.2022		4,235,000
Sampath Bank -398080000229	AWPLR+2.5%	Monthly ending 22.11.2022		5,968,049
Sampath Bank -398080000323	AWPLR+2.5%	Monthly ending 12.03.2023		9,277,808
Sampath Bank -398080000331	AWPLR+2.5%	Monthly ending 22/03/2023		2,791,090
Sampath Bank -398080000333	AWPLR+2.5%	Monthly ending 20.07.2022		20,246,169
Sampath Bank -398080000342	AWPLR+2.5%	Monthly ending 30.06.2022		15,008,574
Sampath Bank -398080000346	11%	Monthly ending 30.06.2022	Nil	58,376,874
Sampath Bank -398080000395	AWPLR+1.5%	Monthly ending 07.01.2023	Over the account balance of bearing AC. No.003110010035 balance as at the reporting date Rs. 414,629/-	99,664,871
Sampath Bank -398080000396	AWPLR+1.5%	Monthly ending 07.01.2023		99,744,098
Sampath Bank -398080000397	AWPLR+1.5%	Monthly ending 07.01.2023		100,585,775
Sampath Bank -398080000414	AWPLR+1.5%	Monthly ending 25.01.2023		99,421,436
NDB- LD2115481525	21%	Monthly ending 30.05.2022	Savings account No.106110497507 balance as at the reporting date Rs. 5,021,444/-, Savings account No.106110510821 balance as at the reporting date Rs. 31,344,261/- and Personnel guarantees from Mr.G.R.P.Fernando and Mr.A.A.C.D.Alwis for Rs.700,000,000/-.	1,302,583
NDB- LD2116060887	21%	Monthly ending 09.05.2022		2,669,066
NDB- LD2118393496	21%	Monthly ending 5/30/2022		2,609,854
NDB- LD2118627556	21%	Monthly ending 30.05.2022		1,578,080
NDB- LD2118697900	21%	Monthly ending 30.05.2022		265,650
NDB- LD2121720930	21%	Monthly ending 06.07.2022		7,789,976
NDB- LD2123202071	24.15%	Monthly ending 19.08.2022		5,114,835
NDB- LD2123733330	24.15%	Monthly ending 24.08.2022		14,362,283
NDB- LD2128073022	24.15%	Monthly ending 05.08.2022		3,294,640
NDB- LD2130275487	26.25%	Monthly ending 29.08.2022		2,624,197
NDB- LD2132643973	24.15%	Monthly ending 24.08.2022		2,003,864
NDB- LD2133039751	24.15%	Monthly ending 24.08.2022		16,686,346
NDB- LD2133549524	24.15%	Monthly ending 06.07.2022		5,934,484
NDB- LD2135853454	24.15%	Monthly ending 24.08.2022		6,037,375
NDB- LD2136370511	24.15%	Monthly ending 19.08.2022		13,627,861
NDB- LD2205953641	24.15%	Monthly ending 24.08.2022		38,652,546
NDB- LD2205995207	24.15%	Monthly ending 24.08.2022		2,089,330

NOTES TO THE FINANCIAL STATEMENTS

	2022 RS	2021 Rs	2020 RS
25. LEASE LIABILITIES			
Balance at the beginning of the year	98,905,894	102,762,368	72,801,793
Add : Leases acquired during the year	58,789,807	32,049,082	52,696,000
Add : Interest expense for the year	15,204,850	15,865,379	12,539,407
Less : Repayments made during the year	(61,517,731)	(51,770,935)	(35,274,832)
Net liability at the end of the year	111,382,820	98,905,894	102,762,368
Payable within one year	47,604,584	41,048,910	31,627,227
Payable between one year and five years	63,778,236	57,856,984	71,135,141
	111,382,820	98,905,894	102,762,368

	2022 Rs.	2021 Rs.
26. OTHER FINANCIAL LIABILITIES		
Temporary loans (Note - 26.1)	7,000,000	8,000,000
	7,000,000	8,000,000
26.1 Inter company loan		
Luminex Bookshops (Pvt) Ltd.		
Balance at the beginning of the year	8,000,000	8,000,000
Add : Obtained during the year	-	8,000,000
Less : Repayments made during the year	(1,000,000)	(8,000,000)
Balance at the end of the year	7,000,000	8,000,000

The Company has obtained non - interest bearing loan from Luminex Bookshops (Pvt) Ltd has been classified as on demand payable.

	2022 Rs.	2021 Rs.
27. TRADE AND OTHER PAYABLES		
Trade payables	199,119,527	37,485,749
Advance received	213,704,845	19,200
Retention	10,335,073	8,612,767
Other payables		
Dividend	-	11,000,000
E.P.F. & E.T.F payables	4,295,929	3,900,179
Salaries	45,074,043	41,304,015
Unclaimed salary	14,262	14,229
Unearned profit from sale and leaseback transaction	5,433,611	9,781,945
V.A.T.	6,990,331	15,444,550
Stamp duty payable	53,850	-
	61,862,026	81,444,918
Accruals		
Auditors' remuneration	523,100	287,000
	485,544,571	127,849,634

NOTES TO THE FINANCIAL STATEMENTS

	2022 Rs.	2021 Rs.
28. INCOME TAX PAYABLE		
Balance at the beginning of the year	36,510,937	3,068,169
Add : Provision for the year		
Income tax	88,401,468	61,563,529
Adjustment made in respect of previous years	19,576,963	2,566,806
	144,489,368	67,198,504
Less : Payments made during the year		
Income tax	77,054,429	30,687,567
	77,054,429	30,687,567
Balance at the end of the year	67,434,939	36,510,937

29. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

29.1 Short term investments

The carrying amount of investment in bank deposits approximates fair value due to the relatively short maturity of the financial instrument.

29.2 Cash and cash equivalents

The carrying amount of short term investment approximates fair value due to the relating short maturity of the financial instruments.

29.3 Interest bearing borrowings

All bank borrowings have variable interest rates determined under the contract, which reflects the current market interest rate. Hence, the carrying amount of such financial instruments approximates its fair value.

29.4 Import loans

The fair value of these financial instruments with remaining maturity of less than one year approximates their carrying amounts due to the relatively short maturity of the financial instruments.

29.5 Bank overdraft

The carrying amount of bank overdraft approximates fair value due to the relatively short maturity of the financial instrument.

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities, including their levels in the fair value hierarchy of the Company.

Financial assets and liabilities by categories in accordance with SLFRS 9

Balance as at 31.03.2022	NOTE	Carrying Amounts (Rs.'000)				Fair Values			
		AC Rs.	FVTOCI Rs.	FVTPL Rs.	Total Rs.	Level01 Rs.	Level02 Rs.	Level03 Rs.	Total Rs.
Financial Assets Not Measured at Fair Value									
Short Term Investment/Fixed Deposits	18	183,330,409	-	-	183,330,409	-	-	-	-
Trade & Other Receivables	19	1,428,002,870	-	-	1,428,002,870	-	-	-	-
Cash and cash equivalents	21	171,145,444	-	-	171,145,444	-	-	-	-
		1,782,478,723	-	-	1,782,478,723	-	-	-	-
Financial Liabilities Not Measured at Fair Value									
Interest bearing borrowings	24	830,003,688	-	-	830,003,688	-	-	-	-
Lease liabilities	25	111,382,820	-	-	111,382,820	-	-	-	-
Other financial liabilities	26	7,000,000	-	-	7,000,000	-	-	-	-
Bank overdrafts	21	205,895,018	-	-	205,895,018	-	-	-	-
		1,154,281,526	-	-	1,154,281,526	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Balance as at 31.03.2021	NOTE	Carrying Amounts (Rs.'000)				Fair Values			
		AC Rs.	FVTOCI Rs.	FVTPL Rs.	Total Rs.	Level01 Rs.	Level02 Rs.	Level03 Rs.	Total Rs.
Financial Assets Not Measured at Fair Value									
Short Term Investment/Fixed Deposits	18	319,368,537	-	-	319,368,537	-	-	-	-
Trade & Other Receivables	19	631,237,284	-	-	631,237,284	-	-	-	-
Cash and cash equivalents	21	61,296,740	-	-	61,296,740	-	-	-	-
		1,011,902,561	-	-	1,011,902,561	-	-	-	-
Financial Liabilities Not Measured at Fair Value									
Interest bearing borrowings	24	134,024,138	-	-	134,024,138	-	-	-	-
Lease liabilities	25	98,905,894	-	-	98,905,894	-	-	-	-
Other financial liabilities	26	8,000,000	-	-	8,000,000	-	-	-	-
Bank overdrafts	21	28,299,589	-	-	28,299,589	-	-	-	-
		269,229,621	-	-	269,229,621	-	-	-	-

AC-Amortised Cost

FVTOCI - Fair Value through Other Comprehensive Income

FVTPL - Fair Value through Profit or Loss

30. RELATED PARTY TRANSACTIONS

The Company carried out transactions in the ordinary course of its business with parties who are defined in Sri Lanka Financial Reporting Standards LKAS 24 (Related Party Transactions). The details of which are given below.

30.1 Transactions with related parties

	Relationship	2022 Rs.	2021 Rs.
Amounts due from related parties			
Luminex Power Project (Pvt) Ltd.	Affiliate	-	4,987,952
Luminex Mini Hydro (Pvt) Ltd.	Affiliate	-	50,000
Powe Flow (Pvt) Ltd.	Affiliate	-	2,700,000
Navara Capital Limited	Common Directorship / Shareholder	8,400,000	-
Amounts due to related parties			
Luminex Bookshop (Pvt) Ltd.	Affiliate	5,867,113	7,854,900
Transactions with affiliates			
Amounts paid on behalf of affiliate companies		2,314,354	14,237,707
Rent income to be received		10,797,300	-
Settlements or funds transfers		(18,861,819)	(22,755,243)

NOTES TO THE FINANCIAL STATEMENTS

30. RELATED PARTY TRANSACTIONS (Cont.)

30.2 Nature of relationship

Directorship in related Companies

Name of the Director	Luminex Bookshops (Pvt) Ltd.	Luminex Power Project (Pvt) Ltd.	Navara Capital Limited
Ruwan Fernando	X	X	-
H. N. De Silva	-	-	X
Anura De Alwis	X	X	-
Asoka Hettigoda	-	-	-
Lionel Imbulana	-	-	-
Upul Lekamge	-	-	-
Palitha Herath	-	-	-

Directors' shareholding in related Companies

Name of the Director	Luminex Grocers (Pvt) Ltd.	Luminex Power Project (Pvt) Ltd.	Navara Capital Limited
Ruwan Fernando	50%	50%	-
H. N. De Silva	-	-	-
Anura De Alwis	25%	25%	-
Asoka Hettigoda	-	-	-
Lionel Imbulana	-	-	-
Upul Lekamge	-	-	-
Palitha Herath	-	-	-

30.3 Transactions with key management personnel

According to the LKAS 24 "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly Board of Directors (including Executive and Non-Executive Directors) have been classified as Key Management Personnel of the Company.

Close Family Members (CFM) of the KMP are those family members who may be expected to influence, or be influenced by, that KMPs in their dealing with the entity. They may include :

- (a) The KMP's domestic partner and children;
- (b) Children of the KMP's domestic partner ; and
- (c) Dependents of the KMP or the KMP's domestic partner

CFM are related parties to the entity. There were no material transactions with CFM during the year.

A. Directors' loans

Loans have not granted by the directors during the year.

B. Compensation of Key Management Personnel of the company

	2022 Rs.	2021 Rs.
Short term employee benefits	5,655,000	3,180,000
Interest on directors loan	-	3,450,141
Total compensation paid to Key Management Personnel	5,655,000	6,630,141

31 Capital Commitments and Contingencies

31.1 Details of Bank Guarantees

Bank guarantees issued by the banks on behalf of the company are as follows.

Bank	Amount (Rs.)
Nation Development Bank PLC.	410,702,359
Sampath Bank PLC.	715,137,772
	1,125,840,131

NOTES TO THE FINANCIAL STATEMENTS

31 Capital Commitments and Contingencies (Cont.)

31.1 Details of Bank Guarantees (Cont.)

Lending institution	Security
National Development Bank	Securities which have been disclosed under Note 24 and savings account No. 10659000622 balance as at the reporting date USD 321,994/-.
Sampath Bank PLC	Personnel guarantees from the Directors of the company for Rs,975,000,000/- and savings account No.1031 1374 0755 balance as at the reporting date Rs. 26,399,555/-.

31.2. CAPITAL EXPENDITURE/OPERATIONAL COMMITMENTS

The company does not have any significant capital or operations commitments as at the reporting date.

31.3. CONTINGENT LIABILITIES

There were no material contingent liabilities outstanding as at the reporting date which require adjustments to or disclosure in the financial statements.

32. EVENTS OCCURRING AFTER THE REPORTING DATE

There were no material events other than disclosed below occurring the reporting date, that require adjustments to or disclosure in the financial statements.

The Company has collected Rs.250,000,000/- to its bank account on 17th June 2022, as funds raised from the initial public offer.

The Company is in the process of utilizing such funds as per the section number 3.5 of its' prospectus.

The board of directors of the Company has declared a final dividend of 0.40(Forty Cents) per share for the financial year ended 31st March 2022. As required by section 56 (2) of the Companies Act No. 07 of 2007, the board of directors has confirmed that the Company satisfies the solvency test in accordance with Section 57 of the Companies Act No. 07 of 2007, and has obtained a certificate from auditors, prior to declaring a final dividend which is to be paid on or before 14th October 2022.

In accordance with LKAS 10, Events after the reporting period, the final dividend has not been recognized as a liability in the financial statements as at 31st March 2022.

33. ASSETS PLEDGED AS SECURITIES

The loans of the Company have been secured against the mortgage of the under mentioned assets of the Company and other securities offered as per details given below.

Assets pledges as securities under long term loans and short-term loans are disclosed in Noter 24.

Bank Overdrafts

Lending institution	Security
Sampath Bank PLC	Fixed deposits totaling to Rs. 176,467,371/- as at the reporting date.
National Development Bank	Securities which have been disclosed under Note 24

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Introduction and Overview

The Company has 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.

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont.)

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 analyses 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.

34.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally 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.

Impairment of Financial Assets

The Company does not have trade receivables as at 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.

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 31.03.2022 Rs.	As at 31.03.2021 Rs.
Financial assets at amortized cost	181,659,281	280,056,047
Cash & Cash Equivalents	171,145,444	61,296,740

Trade & Other Receivables

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

However, management also considers the default risk of the industry in which customers operate, as this factor may have an influence on credit risk. Each new customer is analysed individually for creditworthiness before the Company's Standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available and in some cases bank references.

The Company has obtained customer Advances before executing the assignment and from major customers by reviewing their past performance and credit worthiness. In addition, receivable balances are monitored on an ongoing basis with the result that Company's exposure to bad debts is not significant. Further if there is a risk to recover the outstanding balance from the respective customers making the provision appropriately.

The overall credit rating of the two telecommunication companies mainly dealt with is above AA-(Ika).

However, the company has made an arrangement with its Banker to discount the Promissory notes issued by the main customer Sri Lanka Telecom and therefore the exposure to risk for collection has been reduced.

Carrying Amount	As at 31.03.2022 Rs.	As at 31.03.2021 Rs.
Trade Receivable	1,275,374,177	422,108,071
Other Receivables	152,628,693	209,129,213
Total Trade & Other Receivables	1,428,002,870	631,237,284

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont.)

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 and 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.

34.2 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 another financial asset.

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 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 summaries 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 5 Years Rs.
Balance as at 31.03.2022					
Non - derivative financial liabilities					
Trade and other payables	485,544,571	485,544,571	-	-	-
Bank overdraft	205,895,018	205,895,018	-	-	-
Loans and borrowings	830,003,688	438,932,728	347,228,260	21,730,700	22,112,000
Lease	111,382,820	13,646,246	33,958,338	63,778,236	-
	1,632,826,097	1,144,018,563	381,186,598	85,508,936	22,112,000
Balance as at 31.03.2021					
Non-derivative financial liabilities					
Trade and other payables	127,849,634	127,849,634	-	-	-
Bank overdraft	28,299,589	28,299,589	-	-	-
Loans and borrowings	134,024,139	92,237,339	34,538,357	7,248,443	-
Lease liabilities	98,905,896	10,152,591	30,895,725	57,856,985	-
	389,079,258	258,539,153	65,434,082	65,105,428	-

34.3 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 optimizing the return. Market risk comprises three types of risks;

- Foreign exchange risk
- Interest rate risk
- Equity price risk

34.3.1 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 balances denominated in US Dollars (USD).

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont.)

The exposure to currency risk as at the reporting date is as follows:

	USD
As at 31st March 2022	
Bank Balances	321,996
As at 31st March 2021	
Bank Balances	-

Sri Lankan Rupee has been depreciated significantly due to changes of exchange rate policy to free float status by the Central Bank of Sri Lanka (CBSL).

Sensitivity analysis

The following table demonstrates the sensitivity of Company's profits to a reasonable possible change in the US Dollar (USD) 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.
2022		
US Dollar (USD)	25%	23,656,060
	-25%	(23,656,060)
2021		
US Dollar (USD)	25%	-
	25%	-

34.3.2 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 exposure to the risk of change in market interest rates relates primarily to the Company's short term and long-term debt obligations with floating interest rates.

The company manage its working capital requirement through short term borrowings and excess money investing in financial institutions ensuring the best gains to the company.

The Central Bank of Sri Lanka (CBSL) applied a tightening monetary policy by mid of March in the financial year and therefore the interest rates movement trend was upward. This decision leads to increase the company borrowing cost and the gain out of the investment made in the financial instruments.

	As at 31.03.2022 Rs.	As at 31.03.2021 Rs.
Fixed rate instruments		
Financial Assets		
Financial assets at amortized cost	183,330,409	319,368,537
Financial Liabilities		
Lease creditors	(111,382,820)	(98,905,894)
	71,947,589	220,462,643
Variable rate instruments		
Financial Assets		
Bank balances	171,145,444	61,296,740
Financial Liabilities		
Loans & borrowings	(830,003,688)	(134,024,138)
Bank overdraft	(205,895,018)	(28,299,589)
	(1,035,898,706)	(162,323,727)
	(864,753,262)	(101,026,987)

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont.)

34.3.2 Interest rate risk (Cont.)

The following table demonstrates the sensitivity to a reasonable possible change in variable interest;

	Profit or loss		Equity	
	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021
5% Increase	(3,940,847)	(3,662,034)	(3,940,847)	(3,662,034)
5% Decrease	3,940,847	3,662,034	3,940,847	3,662,034

34.3.3 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.

34.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group'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 management within the Company. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Risk mitigation, including insurance when this is effective.
- Requirements for the reporting of operational losses and proposed remedial action.
- Training and professional development.
- Ethical and business standards.
- Diversification of Business activities.

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 31.03.2022 Rs.	As at 31.03.2021 Rs.
Debt to equity ratio	62%	19%

NOTES TO THE FINANCIAL STATEMENTS

35. FIRST-TIME ADOPTION OF SLFRS / LKAS

Reconciliation of Equity as at 01st April 2020 (Date of transition to SLFRS/LKAS) and 31st March 2021

	As at 31st March 2021			As at 1st April 2020		
	SLFRS for SMEs	Re-Measurements / Re-Classifications	SLFRS/LKAS	SLFRS for SMEs	Re-Measurements / Re-Classifications	SLFRS/LKAS
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS						
Non-Current assets						
Property, plant and equipment (Note- a/d)	359,832,875	(150,558,743)	209,274,132	342,947,296	(149,964,151)	192,983,145
Right - of - use asset (Note a)	-	129,104,730	129,104,730	-	126,613,238	126,613,238
Investment properties (Note b)	-	21,454,013	21,454,013	-	23,350,913	23,350,913
Interest in Joint Venture	-	-	-	18,086	-	18,086
Intangible Assets	3,442,308	-	3,442,308	5,389,408	-	5,389,408
Deferred tax assets	1,823,147	-	1,823,147	761,305	-	761,305
Total Non Current Assets	365,098,330	-	365,098,330	349,116,095	-	349,116,095
Current assets						
Inventories	546,847,780	-	546,847,780	835,160,547	-	835,160,547
Other financial assets (Note b)	312,090,244	7,846,467	319,936,711	257,992,554	4,006,089	261,998,643
Trade and other receivables (Note 4)	638,552,162	(7,883,052)	630,669,110	367,926,171	(16,373,088)	351,553,083
Amounts due from related parties	-	7,883,052	7,883,052	-	16,373,088	16,373,088
Cash and cash Equivalents	61,296,740	-	61,296,740	49,207,682	-	49,207,682
	1,558,786,926	7,846,467	1,566,633,393	1,510,286,954	4,006,089	1,514,293,043
Total assets	1,923,885,256	7,846,467	1,931,731,723	1,859,403,049	4,006,089	1,863,409,138
EQUITY AND LIABILITIES						
Equity						
Stated Capital	200,000,000	-	200,000,000	40,000,000	-	40,000,000
Retained Earnings	1,230,122,530	7,846,467	1,237,968,997	1,124,817,999	4,006,089	1,128,824,088
	1,430,122,530	7,846,467	1,437,968,997	1,164,817,999	4,006,089	1,168,824,088
Non - current liabilities						
Retirement benefit obligation	60,166,236	-	60,166,236	50,184,701	-	50,184,701
Interest bearing borrowings	62,856,284	(57,856,984)	4,999,300	80,134,521	(71,135,141)	8,999,380
Lease liabilities	-	57,856,984	57,856,984	-	71,135,141	71,135,141
Interest in Join Venture	6,298	-	6,298	-	-	-
	123,028,818	-	123,028,818	130,319,222	-	130,319,222
Current liabilities						
Trade and other payables	127,849,634	-	127,849,634	108,980,517	-	108,980,517
Interest bearing borrowings	170,073,748	(41,048,910)	129,024,838	271,494,159	(31,627,227)	239,866,932
Lease liabilities	-	41,048,910	41,048,910	-	31,627,227	31,627,227
Other financial Liabilities	8,000,000	-	8,000,000	8,000,000	-	8,000,000
Income tax payable	36,510,937	-	36,510,937	3,068,169	-	3,068,169
Bank Overdrafts	28,299,589	-	28,299,589	172,722,983	-	172,722,983
	370,733,908	-	370,733,908	564,265,828	-	564,265,828
Total liabilities	493,762,726	-	493,762,726	694,585,050	-	694,585,050
Total equity and liabilities	1,923,885,256	7,846,467	1,931,731,723	1,859,403,049	4,006,089	1,863,409,138

NOTES TO THE FINANCIAL STATEMENTS

35. FIRST-TIME ADOPTION OF SLFRS / LKAS (Cont.)

	As at 31st March 2021			As at 1st April 2020		
	SLFRS for SMEs	Re-Measurements / Re-Classifications	SLFRS/LKAS	SLFRS for SMEs	Re-Measurements / Re-Classifications	SLFRS/LKAS
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	2,554,040,787	-	2,554,040,787	1,545,368,584	-	1,545,368,584
Operating Expenses	(1,848,726,837)	-	(1,848,726,837)	(1,156,151,418)	-	(1,156,151,418)
Gross Profit	705,313,950		705,313,950	389,217,166		389,217,166
Other Income (Note 6)	72,117,660	3,840,378	75,958,038	68,291,001	4,006,089	72,297,090
Share of net (Loss)/ Profit of Join Venture	(24,384)	-	(24,384)	22,963,736	-	22,963,736
Administration Expenses (Note 9)	(357,812,551)	2,260,869	(355,551,682)	(297,918,420)	542,134	(297,376,286)
Other Operating Expenses	(187,748)	-	(187,748)	(1,058,006)	-	(1,058,006)
Operating Profit for the period	419,406,927	6,101,247	425,508,174	181,495,477	4,548,223	186,043,700
Finance Cost	(61,033,903)	-	(61,033,903)	(60,423,822)	-	(60,423,822)
Profit Before Taxation	358,373,024	6,101,247	364,474,271	121,071,655	4,548,223	125,619,878
Income Tax Expenses	(63,068,493)	(316,522)	(63,385,015)	(27,057,138)	(130,112)	(27,187,250)
Profit for the year	295,304,531	5,784,725	301,089,256	94,014,517	4,418,111	98,432,628
Other comprehensive income						
Item that will not be re-classified to Profit or loss	-	(1,944,347)	(1,944,347)	-	(412,022)	(412,022)
Total Other Comprehensive income	-	(1,944,347)	(1,944,347)	-	(412,022)	(412,022)
Total Comprehensive income for the year	295,304,531	3,840,378	299,144,909	94,014,517	4,006,089	98,020,606

Notes :

- Lease assets have been reclassified under property plant and equipment has been reclassified under right-of-use assets.
- The Company restated interest income earned from interest income being measured at amortized cost using effective interest method.
- The Company restated income from rental income being measured at amortized cost using effective interest method.
- The Company reclassified its investment property previously being recognized under PPE in accordance with section 17.15 -Property plant and equipment of SLFRS for SMEs.
- First time adoption exceptions have been adopted in respect of Investment property reclassification.
- Advances related to purchases that included in the advance paid has been reclassified under advance for purchases (2020/21).
- Gratuity provision / reversal arose from changes in assumptions been included in the administration and establishment expenses has been reclassified under other comprehensive income.
- Receivables to related parties that included in the trade and other receivables has been reclassified under amounts due from related parties.

PAST FIVE YEAR SUMMARY

LUMINEX PLC Year Ended 31st March	2022 Rs.	2021 Rs.	2020 Rs.	2019 Rs.	2018 Rs.
TRADING RESULTS					
Revenue	3,121,311,743	2,554,040,787	1,545,368,584	1,446,443,182	1,404,436,703
Profit/(Loss) before Taxation	558,473,352	364,474,271	125,619,878	91,192,410	122,831,727
Income Tax Reversal / (Expense)	(114,226,668)	(63,385,015)	(27,187,250)	(29,602,093)	(40,691,245)
Profit / (Loss) after Taxation	444,246,684	301,089,256	98,432,628	61,590,317	82,140,482
STATEMENT OF FINANCIAL POSITION					
Assets					
Property, Plant & Equipment	252,265,046	209,274,132	192,983,145	248,117,121	168,466,812
Capital work-in-Progress	1,056,400	-	-	-	-
Right-of-use assets	139,094,535	129,104,730	126,613,238	-	-
Investment Property	20,455,619	21,454,013	23,350,913	-	-
Investment in Joint venture	-	-	18,086	-	-
Intangible Assets	2,202,606	3,442,308	5,389,408	619,248	858,225
Deferred Tax Assets	-	1,823,147	761,305	-	-
	415,074,206	365,098,330	349,116,095	248,736,369	169,325,037
Current Assets	3,178,566,248	1,566,633,393	1,514,293,043	1,386,374,565	1,200,240,439
Total Assets	3,593,640,454	1,931,731,723	1,863,409,138	1,635,110,934	1,369,565,476
EQUITY AND LIABILITIES					
Equity					
Stated Capital	200,000,000	200,000,000	40,000,000	40,000,000	40,000,000
Revenue Reserves	1,642,579,922	1,237,968,997	1,128,824,088	1,054,803,382	980,713,065
Total Equity attributable to Equity holder of the Parent	1,842,579,922	1,437,968,997	1,168,824,088	1,094,803,382	1,020,713,065
Liabilities					
Current Liabilities	1,599,640,900	370,733,908	564,265,828	397,945,735	265,514,177
Non Current Liabilities	151,419,632	123,028,818	130,319,222	142,361,817	83,348,234
Total Equity and Liabilities	3,593,640,454	1,931,731,723	1,863,409,138	1,635,110,934	1,369,575,476
RATIOS AND STATISTICS					
Return on Capital Employed (Times)	0.28	0.19	0.05	0.04	0.10
Return on Shareholders' Funds (%)	24.11	20.94	8.42	5.63	8.05
Current Ratio (Times)	1.99	4.23	2.68	3.48	4.52
Quick Assets Ratio (Times)	1.12	2.73	1.20	1.85	2.53
Debt / Equity Ratio (%)	95.03	34.34	59.43	49.35	34.18
Equity to Total Assets (%)	51.27	74.44	62.73	66.96	74.53
Dividend Pay out ratio (Times)	0.15	0.24	0.06	0.39	0.90
Net Assets Per Share (Rs.)	7.68	71.90	292.21	273.70	255.18
Dividend per share	0.40	3.50	1.50	6.00	18.54
Number of Shares	240,000,000	20,000,000	4,000,000	4,000,000	4,000,000

SHAREHOLDERS' INFORMATION

Major Shareholders as at 31st March					
	Name of Shareholder	2022		2021	
		No. of share	%	No. of share	%
1.	Mr. G.R.P Fernando	120,900,000	50.38%	10,375,000	51.88%
2.	Mr. A.A.C De Silva	57,750,000	24.06%	4,812,500	24.06%
3.	Ms. D.H.S Ramanayake	57,750,000	24.06%	2,406,250	12.03%
4.	Ms. D.B.J Ramanayake	-	0.00%	2,406,250	12.03%
5.	Navara Capital Limited	1,800,000	0.75%	-	0.00%
6.	Mandarin Capital Limited	1,800,000	0.75%	-	0.00%
	Total	240,000,000	100.00%	240,000,000	100.00%

The Company had not issued any nonvoting shares as at 31st March 2022.

STATED CAPITAL

The total Stated Capital as at 31st March 2022 was Rs.200,000,000/- comprising of 240,000,000 Ordinary Shares.

The total Stated Capital after the IPO is Rs 450,000,000/-

STOCK EXCHANGE LISTING-

The Company's Ordinary Shares of Luminex PLC have been listed on the Diri Savi Board of Colombo Stock Exchange with effect from 23rd June 2022.

The Stock Exchange Code for Luminex PLC shares is "LUMX.N0000".

The Total number of Ordinary Shares after the listing is 271,250,000 number of shares.

DIVIDEND

A Final Dividend of Rs./40 (Forty cents) per share has been proposed for payment by 14th October 2022. (2021 -Rs.3.50) subject to shareholders approval.

Shareholder Information	31/03/2022	31/03/2021
Total Number of shareholders	05	04
Total Number of Share	240,000,000	20,000,000

DISTRIBUTION OF SHAREHOLDERS

There were 05 registered Shareholders as at 31st March 2022, distributed as follows:

No of Shares held	as at 31st March 2022			as at 31st March 2021		
	No of Shareholders	Total Holding	Holding %	No of Shareholders	Total Holding	Holding %
1-1,000	-	-	-	-	-	-
1,001-10,000	-	-	-	-	-	-
10,001-100,000	-	-	-	-	-	-
100,001-1,000,000	-	-	-	-	-	-
1,000,001-& Above	5	240,000,000	100	4	20,000,000	100
	5	240,000,000	100	4	20,000,000	100

NOTICE OF MEETING

Notice is hereby given that the Sixteenth Annual General Meeting of Luminex PLC will be held on Tuesday, 27th September 2022 at 10.00 a.m. as a Virtual Meeting. Taking in to Account the Current Situation in the Country, guidelines of the Colombo Stock Exchange and the health and safety guidelines issued by the authorities with a view of protecting public health against the spread of the COVID 19 Virus, the Board of Directors has proposed to hold the said Annual General Meeting (AGM) through and "online virtual" platform by using "audio" or "visual" tools.

The said Annual General Meeting will be held for the following purposes :

1. To Read the notice convening the meeting.
2. To receive, consider and adopt the Annual Report of the Directors on the affairs of the Company together with Audited Financial Statements for the financial year ended 31st March 2022 and the Report of the Auditors thereon.
3. To declare first and final dividend of Rs 0/40 (Forty Cents) per share for the year ended 31st March 2022, as recommended by the Directors.
4. To re-elect Mr. G R P Fernando who retires at the Annual General Meeting as a Director, in terms of Section 210 of the Companies Act No. 07 of 2007. The notice having been given pursuant to Sections 210 and 211 of the Companies Act No. 07 of 2007 of the intention to propose the following resolution as an ordinary resolution :
"Resolved that Mr. G R P Fernando who has reached the age of 71 years be and hereby re-elected as a Director of the Company and it is specifically declared that the age limit specified in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. G R P Fernando"
5. To re-elect Mr. A.A.C De Alwis who retires at the Annual General Meeting as a Director, in terms of Section 210 of the Companies Act No. 07 of 2007. The notice having been given pursuant to Sections 210 and 211 of the Companies Act No. 07 of 2007 of the intention to propose the following resolution as an ordinary resolution :
"Resolved that Mr. A.A.C De Alwis who has reached the age of 72 years be and hereby re-elected as a Director of the Company and it is specifically declared that the age limit specified in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. A.A.C De Alwis"
6. To re-elect Mr. I.B. Lionel who retires by rotation in terms of Article 79(i) of the Articles of Association.
7. To re-appoint Messrs. Nihal Hettiarachchi & Co., Chartered Accountants as Auditors of the Company as set out in Section 154(1) of the Companies Act No. 07 of 2007 and to authorize the Directors to fix their remuneration.
8. To authorize the Directors to determine donations for the year 2022/2023 not exceeding Rs.3,000,000/-.

By Order of the Board of
LUMINEX PLC



R N H Holdings (Private) Ltd
 Company Secretaries
 Colombo, this 29th Day of August 2022

Note:

1. A shareholder who is unable to attend the meeting is entitled to appoint a proxy to attend and vote in his/her place and a proxy need not be a shareholder of the Company.
2. A Form of Proxy accompanies this Notice.
3. Shareholders are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the form of proxy.
4. The complete form of proxy should be deposited at Luminex PLC, No: 24, New Galle Road, Moratuwa, not less than 36 hours before the time appointed for the holding of the Meeting.
5. A vote can be taken on a show of hands or by a poll. If a poll is demanded, each share is entitled to one vote. Votes can be cast in person, by proxy or corporate representatives. In the event an individual Member and his/her Proxy holder are both present at the Meeting, only the Member's vote is counted. If the Proxy holder's appointor has indicated the manner of voting, only the appointor's indication of the manner to vote will be used.
6. Instructions as to attending the virtual Meeting are attached.
7. Notice of Meeting, Circular to the Shareholders, Proxy form, Guidelines and Registration process for the Annual General Meeting (AGM) via online meeting platform, are available on the Corporate website of the Company <https://www.luminexpl.com/Finance> and the website of the Colombo Stock Exchange (CSE) <https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=LUMX.N0000>.
8. Shareholders may also access the Annual Report and Financial Statements on their mobile phones by scanning the following QR code.



FORM OF PROXY

I/We.....
 (NIC NO.....)
of
 being a member/members of LUMINEX PLC, hereby appoint :.....
of.....
(or failing him)

Dr. Harsha N De Silva	of Colombo or failing him
Mr. G R P Fernando	of Colombo or failing him
Mr. A.A.C De Alwis	of Colombo or failing him
Mr. Asoka Hettigoda	of Colombo or failing him
Mr. I B Lionel	of Colombo or failing him
Mr. Upul Ranjith Lekamge	of Colombo or failing him
Mr. H M D Palitha Herath	of Colombo

as my/our Proxy to represent and speak and vote for me/us* and on my/our behalf at the Annual General Meeting of the Company to be held on 27th September 2022 and at any adjournment thereof and at every poll which may be taken in consequence thereon.

I/We, the undersigned, hereby direct my/our proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter "X" in the appropriate cage:

		For	Against
1	To receive and consider the Audited Financial Statements for the year ended 31st March 2022 together with the Annual Report of the Board of Directors and of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2	To declare a final dividend of Rs. 0/40 (Forty Cents) per share	<input type="checkbox"/>	<input type="checkbox"/>
3	To re-elect Mr. G R P Fernando who retires by rotation in terms of Section 210 of the Companies Act No.07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
4	To re-elect Mr A.A.C De Alwis who retires by rotation in terms Of Section 210 of the Companies Act No.07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
5	To re-elect Mr I.B. Lionel as a director who retires in terms of Article 79(i) of the Articles of Association	<input type="checkbox"/>	<input type="checkbox"/>
6	To re-appoint Messrs, Nihal Hettiarachchi & Company the retiring Auditors and authorize the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
7	To authorize the Directors to determine donations not exceeding Rs.3,000,000/=	<input type="checkbox"/>	<input type="checkbox"/>

Signed thisday of.....Two Thousand and Twenty-Two.

*Please delete the inappropriate words.

.....
 Signature



INSTRUCTIONS AS TO COMPLETION

- i. Please perfect the Form of Proxy by filling in legibly your full name and address, signing in the space provided and filling in the date of signature.
 - ii. The complete form of proxy should be deposited at Luminex PLC, No: 24, New Galle Road, Moratuwa, not less than 36 hours before the time appointed for the holding of the Meeting.
 - iii. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed form of proxy for registration, if such Power of Attorney has not already been registered with the Company.
 - iv. If the appointor is a company or corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the company or corporation in accordance with its Articles of Association or Constitution.
-



Luminex PLC

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