

Draft

**SRILANKAN AIRLINES LIMITED AND ITS SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 March 2024**

## SriLankan Airlines Limited

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Note	Group		Company	
		2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Property, Plant and Equipment	3.	11,582.07	11,459.71	7,470.26	7,164.89
Right of Use Assets	4.	73,794.85	70,496.87	73,594.81	70,320.68
Aircraft Predelivery Payments	5.	5,774.00	6,288.68	5,774.00	6,288.68
Aircraft Maintenance Reserve	6.	33,678.67	43,116.59	33,678.67	43,116.59
Aircraft and Spare Engine Deposits	7.	6,129.29	5,713.80	6,129.29	5,713.80
Intangible Assets	8.	51.93	135.79	44.81	125.72
Investments	9.1	0.40	0.40	42.44	42.44
		<u>131,011.21</u>	<u>137,211.84</u>	<u>126,734.28</u>	<u>132,772.80</u>
<b>Current Assets</b>					
Inventories	10.	7,480.89	5,972.97	6,971.39	5,392.52
Trade and Other Receivables	11.	25,973.61	33,534.74	24,536.91	28,266.13
Aircraft Maintenance Reserve	6.	20,979.68	18,857.02	20,979.68	18,857.02
Aircraft and Spare Engine Deposits	7.	2,838.31	2,346.66	2,838.31	2,346.66
Investments	9.2	2,508.42	2,253.13	1,715.99	1,826.00
Cash and Bank Balances	12.	8,916.09	11,000.05	8,541.00	9,993.62
		<u>68,697.01</u>	<u>73,964.57</u>	<u>65,583.28</u>	<u>66,681.95</u>
<b>Total Assets</b>		<b><u>199,708.22</u></b>	<b><u>211,176.41</u></b>	<b><u>192,317.56</u></b>	<b><u>199,454.75</u></b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Stated Capital	13.	202,360.67	96,360.67	202,360.67	96,360.67
Reserves	14.	10,974.40	10,990.90	6,840.56	6,840.56
Accumulated Losses		(591,625.89)	(601,781.56)	(606,474.96)	(612,376.11)
		<u>(378,290.82)</u>	<u>(494,429.99)</u>	<u>(397,273.73)</u>	<u>(509,174.88)</u>
<b>Non-current Liabilities</b>					
Interest Bearing Liabilities	15.	112,113.58	154,201.38	111,537.70	153,472.18
Other Liabilities	16.	51,973.54	58,871.78	50,097.54	56,850.96
		<u>164,087.12</u>	<u>213,073.16</u>	<u>161,635.24</u>	<u>210,323.14</u>
<b>Current Liabilities</b>					
Sales in Advance of Carriage	17.	43,836.45	53,390.92	43,836.45	53,390.92
Other Liabilities	16.	26,523.04	31,260.33	26,523.04	31,260.33
Trade and Other Payables	18.	122,170.30	172,817.98	136,571.01	179,116.24
Income Tax Payable		308.62	528.16	141.62	175.45
Interest Bearing Liabilities	15.	221,073.51	234,535.84	220,883.93	234,363.54
		<u>413,911.92</u>	<u>492,533.23</u>	<u>427,956.05</u>	<u>498,306.48</u>
<b>Total Liabilities</b>		<b><u>577,999.04</u></b>	<b><u>705,606.39</u></b>	<b><u>589,591.29</u></b>	<b><u>708,629.63</u></b>
<b>Total Equity and Liabilities</b>		<b><u>199,708.22</u></b>	<b><u>211,176.41</u></b>	<b><u>192,317.56</u></b>	<b><u>199,454.75</u></b>


Kasun Rathnayake  
Finance controller

## STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2024

	Note	Group		Company	
		2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
<b>Revenue</b>	20.	339,614.93	369,470.04	333,637.37	365,171.77
<b>Expenditure</b>					
Aircraft Fuel Cost		(115,119.33)	(155,559.11)	(115,119.33)	(155,559.11)
Employee Cost		(32,176.21)	(26,552.99)	(29,760.02)	(24,341.47)
Airport, Enroute and Passenger Expenses		(39,372.72)	(40,761.00)	(46,899.35)	(48,474.28)
Aircraft Maintenance and Overhaul Costs		(47,708.25)	(42,199.29)	(47,708.25)	(42,199.29)
Depreciation/Amortisation		(13,709.85)	(15,153.46)	(13,441.06)	(14,685.12)
Rentals on Short Term Leases Aircraft and Spare Engines		(8,485.14)	(504.44)	(8,485.14)	(504.44)
Selling, Marketing and Advertising Expenses		(22,617.86)	(24,643.41)	(22,613.30)	(24,627.60)
Crew Expenses		(9,698.63)	(7,660.86)	(9,698.63)	(7,660.86)
Other Operating Expenses		(17,788.86)	(16,821.96)	(12,761.54)	(12,516.36)
		32,938.08	39,613.52	27,150.75	34,603.24
Other Income and Gains	21.	1,493.34	3,758.04	1,493.34	6,140.34
<b>Operating Profit / (Loss) before Exchange Loss</b>		<b>34,431.42</b>	<b>43,371.56</b>	<b>28,644.09</b>	<b>40,743.58</b>
Exchange Gain/(Loss) excluding Interest Bearing Liabilities		(622.84)	(24,748.95)	522.94	(25,560.09)
<b>Operating Profit/(Loss) after Exchange Loss</b>		<b>33,808.58</b>	<b>18,622.61</b>	<b>29,167.03</b>	<b>15,183.49</b>
<b>Net Finance cost</b>					
Finance Income	23.1	823.10	1,293.58	710.94	1,220.87
Finance Cost	23.2	(36,917.78)	(51,482.84)	(36,842.40)	(51,394.83)
Exchange Gain/(Loss) on Interest Bearing Liabilities	23.3	27,871.95	(38,379.05)	27,842.61	(38,273.72)
		<b>(8,222.73)</b>	<b>(88,568.31)</b>	<b>(8,288.85)</b>	<b>(88,447.68)</b>
Penalty Charges for the Agreement Breach of Leased Aircraft		<b>(13,625.14)</b>	-	<b>(13,625.14)</b>	-
<b>Profit /(Loss) Before Taxation</b>		<b>11,960.71</b>	<b>(69,945.70)</b>	<b>7,253.04</b>	<b>(73,264.19)</b>
Income Tax (Expense) / Reversal	24.	(481.61)	(1,360.96)	-	(357.34)
<b>Profit/(Loss) for the Year</b>		<b>11,479.10</b>	<b>(71,306.66)</b>	<b>7,253.04</b>	<b>(73,621.53)</b>

The Accounting Policies and Notes on pages 63 through form an integral part of these Financial Statements.

## STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2024

	Note	Group		Company	
		2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
<b>Loss for the Year</b>		11,479.10	(71,306.66)	7,253.04	(73,621.53)
<b>Other Comprehensive Income / (Loss)</b>					
<b>Other comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent periods:</b>					
Actuarial Gain/(Loss) on Gratuity	16.3	(1,307.80)	(1,142.09)	(1,351.89)	(1,135.92)
Deferred Tax Impact on Actuarial Gain/(Loss) on Gratuity	24.1	(13.23)	1.85	-	-
Actuarial Gain/(Loss) on Leave Encashment	16.3	(3.43)	(125.63)	-	(113.57)
Deferred Tax impact on Actuarial Gain/(Loss) on Leave	24.1	1.03	3.62	-	-
Revaluation of Property, Plant and Equipment	3.	(23.54)	5,346.90	-	2,733.06
Deferred Tax impact on Revaluation of Property, Plant and Equipment	24.1	7.06	(784.15)	-	-
<b>Total Other Comprehensive Income/(Loss) for the Year, Net of Tax</b>		<b>(1,339.91)</b>	<b>3,300.50</b>	<b>(1,351.89)</b>	<b>1,483.57</b>
<b>Total Comprehensive Income/(Loss) for the Year, Net of Tax</b>		<b>10,139.19</b>	<b>(68,006.16)</b>	<b>5,901.15</b>	<b>(72,137.96)</b>

The Accounting Policies and Notes on pages 63 through form an integral part of these Financial Statements.

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2024

<b>GROUP</b>	<b>Stated Capital LKR. Mn</b>	<b>Revaluation Reserve LKR. Mn</b>	<b>Capital Reserve LKR. Mn</b>	<b>Accumulated Losses LKR. Mn</b>	<b>Total LKR. Mn</b>
<b>Balance as at 01 April 2022</b>	<b>96,360.67</b>	<b>5,436.47</b>	<b>991.74</b>	<b>(529,212.71)</b>	<b>(426,423.83)</b>
Transfer of surplus on revaluation due to disposal during the year	-	(0.06)	-	0.06	-
Loss for the year	-	-	-	(71,306.66)	<b>(71,306.66)</b>
Other Comprehensive Income	-	4,562.75	-	(1,262.25)	<b>3,300.50</b>
Total Comprehensive Income / (Loss)	-	4,562.69	-	(72,568.85)	<b>(68,006.16)</b>
<b>Balance as at 01 April 2023</b>	<b>96,360.67</b>	<b>9,999.16</b>	<b>991.74</b>	<b>(601,781.56)</b>	<b>(494,429.99)</b>
Advance to Stated Capital (Note 13)	3,500.00				
Issue of Shares (Note 13)	102,500.00				
Transfer of surplus on revaluation due to disposal during the year	-	-	-	-	-
Loss for the year	-	-	-	11,479.10	11,479.10
Other Comprehensive Income	-	(16.48)	-	(1,323.43)	(1,339.91)
Total Comprehensive Income / (Loss)	-	(16.48)	-	10,155.67	10,139.19
<b>Balance as at 31 March 2024</b>	<b>202,360.67</b>	<b>9,982.67</b>	<b>991.74</b>	<b>(591,625.89)</b>	<b>(484,290.80)</b>
<b>COMPANY</b>					
	<b>Stated Capital LKR. Mn</b>	<b>Revaluation Reserve LKR. Mn</b>	<b>Capital Reserve LKR. Mn</b>	<b>Accumulated Losses LKR. Mn</b>	<b>Total LKR. Mn</b>
<b>Balance as at 01 April 2022</b>	<b>96,360.67</b>	<b>3,115.82</b>	<b>991.74</b>	<b>(537,505.15)</b>	<b>(437,036.92)</b>
Transfer of surplus on revaluation due to disposal during the year		(0.06)		0.06	-
Loss for the year	-	-	-	(73,621.53)	<b>(73,621.53)</b>
Other Comprehensive Income	-	2,733.06	-	(1,249.49)	<b>1,483.57</b>
Total Comprehensive Income / (Loss)	-	2,733.00	-	(74,870.96)	<b>(72,137.96)</b>
<b>Balance as at 01 April 2023</b>	<b>96,360.67</b>	<b>5,848.82</b>	<b>991.74</b>	<b>(612,376.11)</b>	<b>(509,174.88)</b>
Advance to Stated Capital (Note 13)	3,500.00				3,500.00
Issue of Shares (Note 13)	102,500.00				102,500.00
Transfer of surplus on revaluation due to disposal during the year		-		-	-
Profit/(Loss) for the year	-	-	-	7,253.04	<b>7,253.04</b>
Other Comprehensive Income	-	-	-	(1,351.89)	<b>(1,351.89)</b>
Total Comprehensive Income / (Loss)	-	-	-	5,901.15	<b>5,901.19</b>
<b>Balance as at 31 March 2024</b>	<b>202,360.67</b>	<b>5,848.82</b>	<b>991.74</b>	<b>(606,474.96)</b>	<b>(397,273.73)</b>

The Accounting Policies and Notes on pages 63 through form an integral part of these Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3. PROPERTY, PLANT AND EQUIPMENT

3.1 GROUP	Land and Buildings	Plant & Equipment	Improvements to Aircraft on Leases	Aircraft Related Equipment	Advances / Capital Work- in-Progress	Total 2024	Total 2023
	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn
<b>Cost/ Revaluation</b>							
Balance as at 01 April	6,377.51	11,385.89	1,951.78	10,714.45		30,429.63	26,488.13
Acquisitions/Modifications/ Improvements	485.22	46.04	1,083.78			1,615.30	1,309.33
Reclassifications						-	-
Disposals/Retirements	(19.80)	(1,387.63)	(277.86)			(1,685.29)	(87.99)
Revaluation during the year						-	5,346.90
Adjustment on Revaluation		(23.54)				(23.54)	(2,626.73)
<b>Balance as at 31 March</b>	<b>6,842.92</b>	<b>10,020.75</b>	<b>2,757.69</b>	<b>10,714.44</b>	-	<b>30,336.09</b>	<b>30,429.65</b>
<b>Accumulated Depreciation</b>							
Balance as at 01 April	93.99	7,938.29	1,906.54	9,031.09		18,969.91	20,237.39
Charge for the Year	310.79	482.53	21.34	413.76		1,228.42	1,440.88
Reclassifications						-	-
Disposals/Retirements		(19.80)	(1,379.63)	(44.90)		(1,444.33)	(81.63)
Adjustment on Revaluation						-	(2,626.73)
<b>Balance as at 31 March</b>	<b>404.78</b>	<b>8,401.01</b>	<b>548.25</b>	<b>9,399.95</b>	-	<b>18,754.00</b>	<b>18,969.91</b>
<b>Net Book Value as at 31 March</b>	<b>6,438.14</b>	<b>1,619.73</b>	<b>2,209.44</b>	<b>1,314.49</b>	-	<b>11,582.07</b>	<b>11,459.71</b>

**3. PROPERTY, PLANT AND EQUIPMENT (Contd.)**

- 3.2 (a) The Fair Value of the land and buildings of the Company were determined by means of a revaluation carried out respectively by Ranjan J Samarakone (A.I.V Sri Lanka – Corporate Valuer) during the financial year ended 31 March 2023 and the Fair Value of the buildings and the flight kitchen equipment of the Subsidiary were determined by Mr. A.R.Ajith Fernando, an incorporated chartered valuer as at 31 March, 2023.

Details of Group's land, building and other plant and equipment stated at valuation are indicated below;

Asset	Method of Valuation	Effective date of valuation	Significant unobservable inputs	Revalued Amount LKR Mn.	Sensitivity of fair value to unobservable inputs	Level of Fair value Hierarchy
Land - Colombo	<b>Open Market Value</b> This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	31-Mar-23	Estimated price per perch LKR.20 Mn	715.00	Positively correlated sensitivity	Level 3
Buildings - Colombo / Katunayake	<b>Depreciated Replacement Cost</b> This method considers the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.  Further, in relation to buildings on leasehold premises, the underlying properties have been considered as "freehold basis" in assessing the related fair values. This assumption is based on Management's assessment that there will be uninterrupted continuation of the relevant leases which are of strategic importance for the continuation of the underlying operations.	31-Mar-23	Estimated price per square feet LKR. 850- LKR. 15,000 Management's assessment of uninterrupted continuation of relevant land leases	3,804.48		
<b>Subsidiary</b>						
Buildings - Katunayake	<b>Depreciated Replacement Cost</b> This method considers the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.  Further, in relation to buildings on leasehold premises, the underlying properties have been considered as "freehold basis" in assessing the related fair values. This assumption is based on Management's assessment that there will be uninterrupted continuation of the relevant leases which are of strategic importance for the continuation of the underlying operations.	31-Mar-23	Estimated price per square foot Rs 4,000 - Rs 12,000 Management's assessment of uninterrupted continuation of relevant land leases	1,762.70		
Flight Kitchen Equipment included under Plant and Equipment - Katunayake	<b>Depreciated Replacement Cost</b> This method considers the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.	31-Mar-23	Fair value was derived using the Net Replacement Cost (NRC) approach for each equipment	2,532.03		

SriLankan Airlines Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

3. PROPERTY, PLANT AND EQUIPMENT (Contd.)

3.3 COMPANY

	Land and Buildings	Plant & Equipment	Improvements to Aircraft on Leases	Aircraft Related Equipment	Advances / Capital Work-in- Progress	Total 2024	Total 2023
	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn
<b>Cost/Revaluation</b>							
Balance as at 01 April	4,614.74	8,818.04	1,951.78	10,714.45	-	26,099.01	23,304.15
Acquisitions/Modifications/ Improvements		464.77		1,083.78	0.27	1,548.82	1,248.23
Reclassifications						-	-
Disposals/Retirements		(19.80)	(1,379.63)	(277.86)		(1,677.29)	(87.99)
Revaluation during the year						-	2,733.06
Adjustment on Revaluation						-	(1,098.45)
<b>Balance as at 31 March</b>	<b>4,614.74</b>	<b>9,263.01</b>	<b>572.15</b>	<b>11,520.37</b>	<b>0.27</b>	<b>25,970.54</b>	<b>26,099.00</b>
<b>Accumulated Depreciation</b>							
Balance as at 01 April	94.01	7,902.47	1,906.54	9,031.09	-	18,934.11	19,097.87
Charge for the Year	253.31	322.09	21.34	413.76		1,010.50	1,016.32
Reclassifications						-	-
Disposals/Retirements		(19.80)	(1,379.63)	(44.90)		(1,444.33)	(81.63)
Adjustment on Revaluation						-	(1,098.45)
<b>Balance as at 31 March</b>	<b>347.32</b>	<b>8,204.76</b>	<b>548.25</b>	<b>9,399.95</b>	<b>-</b>	<b>18,500.28</b>	<b>18,934.11</b>
<b>Net Book Value as at 31 March</b>	<b>4,267.42</b>	<b>1,058.25</b>	<b>23.90</b>	<b>2,120.42</b>	<b>0.27</b>	<b>7,470.26</b>	<b>7,164.89</b>



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 3. PROPERTY, PLANT AND EQUIPMENT (Contd.)

- 3.4 a) The fair value of the Company's Land and Buildings was determined by means of a revaluation by Mr. Ranjan. J Samarakone (A.I.V.Sri Lanka – Corporate Valuer ) an independent valuer during the financial year ended 31 March 2023. The results of such revaluation were incorporated in the Financial Statements effective from 31 March 2023.

Details of Company's land and buildings stated at valuation are indicated below;

Asset	Method of Valuation	Effective date of valuation	Significant unobservable inputs	Revalued Amount LKR Mn.	Sensitivity of fair value to unobservable inputs	Level of fair value hierarchy
Land - Colombo	<p><b>Open Market Value</b> This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.</p>	31-Mar-23	Estimated price per perch LKR.20 Mn	715.00	Positively correlated sensitivity	Level 3
Buildings - Colombo / Katunayake	<p><b>Depreciated Replacement Cost</b> This method considers the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.  Further, in relation to buildings on leasehold premises, the underlying properties have been considered as “freehold basis” in assessing the related fair values. This assumption is based on Management’s assessment that there will be uninterrupted continuation of the relevant leases which are of strategic importance for the continuation of the underlying operations.</p>	31-Mar-23	Estimated price per square feet LKR. 850- LKR. 15,000 Management’s assessment of uninterrupted continuation of relevant land leases	3,804.48		

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

**5. AIRCRAFT PREDELIVERY PAYMENTS**

Pre-delivery payments (PDPs) as of 31 March 2023 consist of PDPs made for four Airbus A350-900 aircraft which were to be delivered in 2020 and 2021 amounting to LKR 6,288.68 Mn (USD 19.21 Mn).

The Company has made a claim for the recovery of the above amount together with damages through the dispute resolution mechanism as set out in the agreement with the Supplier. The process of recovery is being carried out with the advice of the Hon. Attorney General of Sri Lanka and the Solicitors in the United Kingdom appointed by the Company. Timelines for the process have been agreed by the parties which spans for more than one year. Accordingly, the related balance has been classified as non-current.

There is no information available to the Company at this point of time to believe that the outcome of the recovery of PDPs could be unfavorable to the Company.

In accordance with paragraph 92 of LKAS 37, we are constrained in terms of the applicable rules and regulations of the dispute resolution mechanism to provide information where confidentiality requirements need to be maintained.

**6. AIRCRAFT MAINTENANCE RESERVE**

	Group / Company	
	2024	2023
	LKR. Mn	LKR. Mn
Balance as at 01 April	97,765.31	75,164.56
Additions	19,484.59	21,213.70
Amounts setoff upon redelivery (Note 16.2/Note 7)	(20,164.91)	(473.83)
Recoveries	(6,597.94)	(5,553.66)
Write off		
Exchange (gain) /loss	(8,565.99)	7,414.54
	81,921.07	97,765.31
Provision for impairment (Note 6.2)	(27,262.72)	(35,791.70)
<b>Net Recoverable Balance as at 31 March (Note 6.1)</b>	<b>54,658.35</b>	<b>61,973.61</b>

**6.1 Current / Non-current Classification**

	Gross	Provision for impairment	Net	Amount Recoverable within one year	Amount Recoverable after one year
	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn
<b>Balance as at 31 March 2024</b>	81,921.07	(27,262.72)	54,658.35	20,979.68	33,678.67
<b>Balance as at 31 March 2023</b>	97,765.31	(35,791.70)	61,973.61	18,857.02	43,116.59

**6.2 Movement of Provision for impairment**

	2024	2023
	LKR. Mn	LKR. Mn
Balance as at 1 April	35,791.70	27,806.67
Charged during the year	11,503.10	10,670.39
Amounts setoff upon redelivery	(20,164.91)	-
Adjustments *	3,753.84	(5,122.39)
Exchange loss	(3,621.02)	2,437.03
<b>Balance as at 31 March</b>	<b>27,262.72</b>	<b>35,791.70</b>

\*Adjustments represents transfer of provisions between Maintenance Reserve and Future Aircraft Maintenance and Overhaul cost as a result of schedule or scope changes in several overhaul events. The corresponding adjustment of the same is reflected in provision for future Aircraft Maintenance and Overhaul cost given under Note 16.

**7. AIRCRAFT SECURITY DEPOSITS**

	Group / Company	
	2024	2023
	LKR. Mn	LKR. Mn
<b>7.1 (a).Movement</b>		
Balance as at 01 April	8,060.46	6,376.95
Additions	1,501.93	914.29
Adjustments	-	(379.51)
Unwinding effect	411.19	473.79
Recoveries	(345.14)	-
Exchange gain	(660.84)	674.94
	8,967.60	8,060.46
<b>(b).Current / Non-current Classification</b>		
	2024	2023
	LKR. Mn	LKR. Mn
Receivable with in one year	2,838.31	2,346.66
Receivable after one year	6,129.29	5,713.80
	<b>8,967.60</b>	<b>8,060.46</b>

SriLankan Airlines Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

8. INTANGIBLE ASSETS

	Group				Company			
	Software LKR. Mn	Capital Work-in Progress LKR. Mn	Total 2024 LKR. Mn	Total 2023 LKR. Mn	Software LKR. Mn	Capital Work-in Progress LKR. Mn	Total 2024 LKR. Mn	Total 2023 LKR. Mn
<b>Cost</b>								
Balance as at 1 April	1,490.32	69.43	1,559.75	1,476.32	1,389.83	69.43	1,459.26	1,378.26
Acquisitions/Modifications/ Improvements	5.48		5.48	83.43	5.48		5.48	81.00
Disposals/Retirements	(265.14)		(265.14)		(265.14)		(265.14)	
Transfers/ Adjustments		(66.83)	(66.83)			(66.83)	(66.83)	
<b>Balance as at 31 March</b>	<b>1,230.66</b>	<b>2.59</b>	<b>1,233.26</b>	<b>1,559.75</b>	<b>1,130.18</b>	<b>2.59</b>	<b>1,132.77</b>	<b>1,459.26</b>
<b>Accumulated Amortisation</b>								
Balance as at 1 April	1,423.95	-	1,423.95	1,397.54	1,333.54		1,333.54	1,311.63
Charge for the Year	22.51		22.51	26.41	19.55		19.55	21.91
Disposals/Retirements	(265.14)		(265.14)		(265.14)		(265.14)	
<b>Balance as at 31 March</b>	<b>1,181.32</b>	<b>-</b>	<b>1,181.32</b>	<b>1,423.95</b>	<b>1,087.96</b>	<b>-</b>	<b>1,087.96</b>	<b>1,333.54</b>
<b>Net Book Value as at 31 March</b>	<b>49.34</b>	<b>2.59</b>	<b>51.93</b>	<b>135.79</b>	<b>42.22</b>	<b>2.59</b>	<b>44.81</b>	<b>125.72</b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 9. INVESTMENTS

9.1 Non-current Investments	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
<b>Investments in Subsidiary in Sri Lanka</b>				
- SriLankan Catering Limited (940,268,456 shares, 100% holding)	-	-	42.24	42.24
- Air Lanka (Private) Limited (40,000 Shares) *	0.40	0.40	0.20	0.20
	<b>0.40</b>	<b>0.40</b>	<b>42.44</b>	<b>42.44</b>

\* 50% of Share Capital of Air Lanka (Private) Limited is held by the Company and the remaining 50% is held by the Subsidiary Company. Air Lanka (Private) Limited is a dormant Company since inception and has not been consolidated due to materiality.

## 9.2 Current Investments

9.2 Current Investments	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
Fixed Deposits at Bank	2,508.42	2,253.13	1,715.99	1,826.00

\*This has been placed as security for Letters of Credit Issued to Lessors.

## 10. INVENTORIES

10. INVENTORIES	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
Engineering related stock	8,704.78	7,088.23	8,704.78	7,088.23
Ground Service Equipment related stock	686.65	585.15	686.65	585.15
Raw materials and Consumables	1,780.75	1,739.80	1,150.63	1,035.47
	11,172.18	9,413.18	10,542.06	8,708.85
Allowance for obsolete stock (Note 10.1)	(3,691.29)	(3,440.21)	(3,570.67)	(3,316.33)
	<b>7,480.89</b>	<b>5,972.97</b>	<b>6,971.39</b>	<b>5,392.52</b>

## 10.1 Allowance for Obsolete Stock

10.1 Allowance for Obsolete Stock	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
Balance as at 01 April	3,440.21	3,052.67	3,316.33	2,974.85
Provision made during the year	265.79	408.17	269.06	362.11
Written-off during the year	(14.72)	(20.63)	(14.72)	(20.63)
<b>Balance as at 31 March</b>	<b>3,691.29</b>	<b>3,440.21</b>	<b>3,570.67</b>	<b>3,316.33</b>

**11. TRADE AND OTHER RECEIVABLES****11.1 Trade and Other receivables**

Trade Receivables

Provision for Impairment of Receivables (Note 11.3)

Deposits, Advances, Prepayments and other receivables

Loans and Advances to Company Officers

	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
Trade Receivables	19,766.40	29,067.44	18,538.96	23,953.95
Provision for Impairment of Receivables (Note 11.3)	(2,255.38)	(2,443.36)	(2,140.53)	(2,274.97)
	<u>17,511.02</u>	<u>26,624.08</u>	<u>16,398.43</u>	<u>21,678.98</u>
Deposits, Advances, Prepayments and other receivables	8,394.46	6,842.79	8,070.35	6,519.28
	<u>25,905.48</u>	<u>33,466.87</u>	<u>24,468.78</u>	<u>28,198.26</u>
Loans and Advances to Company Officers	68.13	67.87	68.13	67.87
	<u>25,973.61</u>	<u>33,534.74</u>	<u>24,536.91</u>	<u>28,266.13</u>

**12. CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS****Components of Cash and Cash Equivalents**

	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
<b>12.1 Favourable Cash and Cash Equivalent Balances</b>				
Cash and Bank Balances	8,916.09	11,000.05	8,541.00	9,993.62
<b>12.2 Unfavourable Cash and Cash Equivalent Balances</b>				
Bank Overdrafts (Note 15)	(23,489.91)	(19,653.12)	(23,489.91)	(19,653.12)
<b>Total Cash and Cash Equivalents for the purpose of statement of cash flows</b>	<b>(14,573.82)</b>	<b>(8,653.07)</b>	<b>(14,948.91)</b>	<b>(9,659.50)</b>

**13. STATED CAPITAL**

	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
Ordinary shares issued and fully paid as at 31 March (Note 13.1)	198,860.67	96,360.67	198,860.67	96,360.67
Advance to Share Capital (Note 13.2)			3,500.00	
	198,860.67	96,360.67	202,360.67	96,360.67

**13.1 Ordinary shares issued and fully paid**

	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
As at the 1 April	96,360.67	96,360.67	96,360.67	96,360.67
Issued during the year	102,500.00	-	102,500.00	-
As at 31 March	<b>198,860.67</b>	<b>96,360.67</b>	<b>198,860.67</b>	<b>96,360.67</b>

**Movement in number of shares**

	Nos.	Nos.	Nos.	Nos.
As at the 1 April	963,606,655	963,606,655	963,606,655	963,606,655
Issued during the year	1,025,000,045	-	1,025,000,045	-
As at 31 March	<b>1,988,606,700</b>	<b>963,606,655</b>	<b>1,988,606,700</b>	<b>963,606,655</b>

**13.2 Advance to Share Capital**

	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
As at the 1 April	-	-	-	-
Advance received	106,000.00	-	106,000.00	-
Issue of shares	(102,500.00)	-	(102,500.00)	-
Transfer to Reserve*	-	-	-	-
As at 31 March	<b>3,500.00</b>	<b>-</b>	<b>3,500.00</b>	<b>-</b>

**14. RESERVES**

	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
Revaluation Reserve	9,982.67	9,999.16	5,848.83	5,848.82
Capital Reserve (Note 13.3)	991.73	991.74	991.73	991.74
<b>Balance as at 31 March</b>	<b>10,974.40</b>	<b>10,990.90</b>	<b>6,840.56</b>	<b>6,840.56</b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 15. INTEREST BEARING LIABILITIES

	Company			
	2024	2023	2024	2023
	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn
<b>Current Liabilities</b>				
Bonds (Note 15.1)	52,587.50	57,206.95	52,587.50	57,206.95
Long-term Loans (Note 15.1)	9,239.40		9,239.40	-
Lease Liability (Note 15.3)	43,547.34	59,831.15	43,357.76	59,658.85
Short Term Loan	92,209.36	97,844.62	92,209.36	97,844.62
Bank Overdraft (Note 12)	23,489.91	19,653.12	23,489.91	19,653.12
	<b>221,073.51</b>	<b>234,535.84</b>	<b>220,883.93</b>	<b>234,363.54</b>
<b>Non-current Liabilities</b>				
Long-term Loans (Note 15.1)	-	-	-	-
Lease Liability (Note 15.3)	112,113.58	154,201.38	111,537.70	153,472.18
	<b>112,113.58</b>	<b>154,201.38</b>	<b>111,537.70</b>	<b>153,472.18</b>

## 15.1 International Bond

(a) Current / Non-current Classification	Group		Company	
	2024	2023	2024	2023
	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn
Payable within one year included under Current Liabilities	52,587.50	57,206.95	52,587.50	57,206.95
	<b>52,587.50</b>	<b>57,206.95</b>	<b>52,587.50</b>	<b>57,206.95</b>

## (b) Foreign currencie denomination

Long - term Loans / Bonds - USD denominated	175.00	175.00	175.00	175.00
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## (c) Movement in Bonds

	Group		Company	
	2024	2023	2024	2023
	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn
Balance as at 01 April	57,206.96	51,327.01	57,206.96	51,327.01
Unrealised exchange loss/(gain)	(4,619.46)	5,879.95	(4,619.46)	5,879.95
<b>Balance as at 31 March</b>	<b>52,587.50</b>	<b>57,206.96</b>	<b>52,587.50</b>	<b>57,206.96</b>

## (d) Movement in Long Term Loan - Loan from Lessor

	Group		Company	
	2024	2023	2024	2023
	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn
Balance as at 01 April	-		-	
Additions	11,571.68		11,571.68	
Payments	(1,984.18)		(1,984.18)	
Unrealised exchange loss/(gain)	(348.10)		(348.10)	
<b>Balance as at 31 March</b>	<b>9,239.40</b>	<b>-</b>	<b>9,239.40</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 15. INTEREST BEARING LIABILITIES (CONTD...)

## 15.2 Interest bearing Borrowings - Terms and Repayment Schedule

## Company

Lender	Balance as at 31 March 2024 LKR. Mn	Balance as at 31 March 2023 LKR. Mn	Repayment Term	Security
<b>(a) Bank Loans</b>				
<b>Interest linked to SOFR</b>				
Bank of Ceylon	9,766.25	10,636.79	Payment on maturity December, 2024.	Letter of Comfort from Ministry of Finance
Bank of Ceylon	12,771.25	13,909.64	Payment on maturity October, 2024.	Letter of Comfort from Ministry of Finance
Bank of Ceylon	7,512.50	8,182.14	Payment on maturity February, 2024.	Letter of Comfort from Ministry of Finance
Bank of Ceylon	1,502.50	1,636.43	Payment on maturity May, 2024.	Treasury Guarantee
Peoples Bank	9,766.25	10,636.79	Payment on maturity December, 2024.	Letter of Comfort from Ministry of Finance
Peoples Bank	12,771.25	13,909.64	Payment on maturity October, 2024.	Letter of Comfort from Ministry of Finance
Peoples Bank	7,512.50	8,182.14	Payment on maturity February, 2024.	Letter of Comfort from Ministry of Finance
Peoples Bank	1,617.46	1,761.64	Payment on maturity November, 2024.	Treasury Guarantee
<b>Interest linked to AWPLR</b>				
Bank of Ceylon	12,900.00	12,900.00	Payment on maturity June, 2024.	Letter of Comfort from Ministry of Finance
Peoples Bank	13,350.00	13,350.00	Payment on maturity June, 2024.	Letter of Comfort from Ministry of Finance
Peoples Bank	1,351.90	1,351.90	Payment on maturity November, 2024.	Treasury Guarantee
Peoples Bank	1,387.50	1,387.50	Payment on maturity May, 2024.	Treasury Guarantee
<b>(b) International Bond</b>				
<b>Fixed Interest Rate</b>				
International Bond	52,587.50	57,206.95	Payment on maturity in June 2024	Government Guarantee for USD 175 Mn.
<b>Interest linked to SOFR</b>				
Bank of Ceylon	20,859.89	18,408.22	USD 70 Mn Revolving	Mortgage over the shares of Subsidiary - SriLankan Catering Limited
			USD 30 Mn repaid by July, 2022.	Treasury Guarantee
Peoples Bank	2,638.87	1,244.90	Payment on maturity July, 2024.	Treasury Guarantee



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

**16. OTHER LIABILITIES**

	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
<b>Payable after one year</b>				
Provision for Aircraft Maintenance and Overhaul Cost (Note 16.1 (b))	36,495.18	43,799.39	36,495.18	43,799.39
Aircraft Return Cost Liability (Note 16.2.(b))	5,451.91	5,748.04	5,451.91	5,748.03
Retirement Benefit Obligation (Note 16.3.(b))	8,904.84	8,013.23	8,150.45	7,303.54
Deferred Tax Liability (Note 24.2)	1,121.61	1,311.13	-	-
	<b>51,973.54</b>	<b>58,871.78</b>	<b>50,097.54</b>	<b>56,850.96</b>
<b>Payable within one year</b>				
Provision for Aircraft Maintenance and Overhaul Cost (Note 16.1 (b))	22,606.93	27,131.51	22,606.93	27,131.51
Aircraft Return Cost Liability (Note 16.2.(b))	3,916.12	4,128.83	3,916.12	4,128.83
	<b>26,523.04</b>	<b>31,260.33</b>	<b>26,523.04</b>	<b>31,260.33</b>

**16.1 Provision for Future Aircraft Maintenance and Overhaul Cost**

	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
<b>(a) Movement</b>				
As at 1 April	70,930.90	51,052.45	70,930.90	51,052.45
Provisions during the year	7,494.05	12,403.03	7,494.05	12,403.03
Adjustments (Note 6)	(3,753.84)	5,122.39	(3,753.84)	5,122.39
Utilisation	(9,828.91)	(3,239.04)	(9,828.91)	(3,239.04)
Exchange loss	(5,740.07)	5,592.07	(5,740.07)	5,592.07
<b>As at 31 March</b>	<b>59,102.13</b>	<b>70,930.90</b>	<b>59,102.11</b>	<b>70,930.90</b>
<b>(b) Current / Non-current Classification</b>				
Payable within one year included under Other Liabilities	22,606.93	27,131.51	22,606.93	27,131.51
After one year included under Other Long Term Liabilities	36,495.20	43,799.39	36,495.18	43,799.39
	<b>59,102.13</b>	<b>70,930.90</b>	<b>59,102.11</b>	<b>70,930.90</b>

**16.2 Aircraft Return Cost**

	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
<b>(a) Movement</b>				
As at 1 April	9,876.86	8,860.30	9,876.86	8,860.30
Unwinding effect of Return cost	421.73	603.84	421.73	603.84
Settlements	(12.47)	(88.78)	(12.47)	(88.78)
Amounts setoff upon redelivery (Note 7)	-	(473.83)	-	(473.83)
Adjustments	221.20	-	221.20	-
Exchange loss	(1,139.30)	975.33	(1,139.30)	975.33
<b>As at 31 March</b>	<b>9,368.02</b>	<b>9,876.87</b>	<b>9,368.02</b>	<b>9,876.86</b>
<b>(b) Current / Non-current Classification</b>				
Payable within one year included under Other Liabilities	3,916.12	4,128.83	3,916.12	4,128.83
After one year included under Other Long Term Liabilities	5,451.91	5,748.04	5,451.91	5,748.03
	<b>9,368.02</b>	<b>9,876.87</b>	<b>9,368.02</b>	<b>9,876.86</b>

**16.3 Retirement Benefit Obligation**

	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
<b>(a). Gratuity</b>				
Balance as at 01 April	7,664.59	6,349.94	7,000.34	5,748.07
Current service cost	443.34	501.43	402.78	460.84
Interest cost	1,090.38	774.30	970.82	684.02
Actuarial loss / (gain)	1,307.80	1,142.09	1,351.89	1,135.92
Payments during the year	(1,938.97)	(1,103.17)	(1,859.27)	(1,028.51)
<b>Balance as at 31 March</b>	<b>8,567.14</b>	<b>7,664.59</b>	<b>7,866.56</b>	<b>7,000.34</b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

**17. SALES IN ADVANCE OF CARRIAGE**

Sales in advance of carriage generally represents the value of unutilized tickets and related balances which have not expired.

**18. TRADE AND OTHER PAYABLES**

	Group		Company	
	2024	2023	2024	2023
	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn
Trade and Other Payables	122,170.30	172,817.98	136,571.01	179,116.24

**19. FINANCIAL INSTRUMENTS****19.1 Classification of Financial Instruments**

Financial assets and liabilities in the table below are split into categories in accordance with SLFRS 9 - Financial Instruments

	2024	2023
	LKR. Mn	LKR. Mn
<b>Group</b>		
<b>Financial Instruments measured at amortised cost</b>		
<b>Financial Assets</b>		
Trade and Other Receivables, excluding Advances and Prepayments	17,511.02	26,624.08
Aircraft Maintenance Reserve	54,658.35	61,973.61
Aircraft and Spare Engine Deposits	8,967.60	8,060.46
Investments	2,508.42	2,253.13
Cash and Bank Balances	8,916.09	11,000.05
	<b>92,561.48</b>	<b>109,911.33</b>
<b>Financial Liabilities</b>		
Interest Bearing Loans and Borrowings	168,286.77	174,704.69
Lease Liability	208,332.56	214,032.53
Provision for Aircraft Maintenance and Overhaul Cost	59,102.11	70,930.90
Return Cost Provision	9,368.02	9,876.86
Trade and Other Payables	114,004.79	164,549.80
	<b>559,094.25</b>	<b>634,094.78</b>
<b>Company</b>		
<b>Financial Instruments measured at amortised cost</b>		
<b>Financial Assets</b>		
Trade and Other Receivables, excluding Advances and Prepayments	20,220.61	25,182.55
Aircraft Maintenance Reserve	54,658.35	61,973.61
Aircraft and Spare Engine Deposits	8,967.60	8,060.46
Investments	1,715.99	1,826.00
Cash and Bank balances	8,541.00	9,993.62
	<b>94,103.55</b>	<b>107,036.24</b>
<b>Financial Liabilities</b>		
Interest Bearing Loans and Borrowings	168,286.77	174,704.69
Lease Liability	154,895.46	213,131.03
Provision for Aircraft Maintenance and Overhaul Cost	59,102.11	70,930.90
Return Cost Provision	9,368.02	9,876.86
Trade and Other Payables	128,405.50	170,848.07
	<b>520,057.86</b>	<b>639,491.55</b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 20. REVENUE AND SEGMENT INFORMATION

	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
<b>20.1 Revenue</b>				
Scheduled services - Passenger	275,930.39	293,328.87	275,930.39	293,328.87
- Cargo	30,956.67	50,774.13	31,225.19	51,059.58
- Excess Baggage	2,364.34	3,066.99	2,364.34	3,066.99
- Mail	420.42	501.16	420.42	501.16
	<u>309,671.82</u>	<u>347,671.15</u>	<u>309,940.34</u>	<u>347,956.60</u>
Air Terminal and Other Services	21,570.17	15,462.67	21,768.23	15,708.51
Duty Free	1,824.12	1,428.08	1,824.12	1,428.08
Non-Scheduled Services	104.68	78.58	104.68	78.58
Flight Catering	6,444.14	4,829.56	-	-
<b>Total</b>	<b><u>339,614.93</u></b>	<b><u>369,470.04</u></b>	<b><u>333,637.37</u></b>	<b><u>365,171.77</u></b>

## 20.2 Segment Information

## (a) Primary Reporting by Geographical Segment - Revenue by Origin of Sale - (Group)

	Sri Lanka	Asia (excluding Sri Lanka)	Europe & Africa	Middle East	North & South America	Australia/ Pacific	Total 2024
Revenue 2024	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn
Scheduled services - Passenger	57,431.66	89,440.38	47,464.56	34,609.79	11,922.39	35,061.61	275,930.39
- Cargo	9,095.76	14,788.85	3,353.67	2,275.16	13.65	1,429.58	30,956.67
- Excess Baggage	328.74	878.67	78.53	854.61	113.35	110.44	2,364.34
- Mail	110.93	298.47	-	-	-	11.02	420.42
	<u>66,967.09</u>	<u>105,406.37</u>	<u>50,896.76</u>	<u>37,739.56</u>	<u>12,049.39</u>	<u>36,612.65</u>	<u>309,671.82</u>
Air Terminal and Other Services	21,149.44	-	-	-	-	-	21,149.44
Duty Free	-	1,021.51	91.21	437.79	-	273.62	1,824.12
Non-Scheduled Services	104.68	-	-	-	-	-	104.68
Flight Catering	6,444.14	-	-	-	-	-	6,444.14
<b>Segment Revenue</b>	<b><u>94,665.35</u></b>	<b><u>106,427.88</u></b>	<b><u>50,987.97</u></b>	<b><u>38,177.35</u></b>	<b><u>12,049.39</u></b>	<b><u>36,886.27</u></b>	<b><u>339,194.20</u></b>

	Sri Lanka	Asia (excluding Sri Lanka)	Europe & Africa	Middle East	North & South America	Australia/ Pacific	Total 2023
Revenue 2023	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn
Scheduled services - Passenger	68,292.31	91,068.03	41,313.33	48,060.35	11,647.96	32,946.89	293,328.87
- Cargo	17,380.93	21,091.56	6,709.86	2,992.69	8.46	2,590.63	50,774.13
- Excess Baggage	432.78	1,075.78	142.09	1,095.41	148.10	172.83	3,066.99
- Mail	293.31	188.83	2.92	-	-	16.10	501.16
	<u>86,399.33</u>	<u>113,424.20</u>	<u>48,168.20</u>	<u>52,148.45</u>	<u>11,804.52</u>	<u>35,726.45</u>	<u>347,671.15</u>
Air Terminal and Other Services	15,462.66	-	-	-	-	-	15,462.66
Duty Free	-	714.04	142.81	528.39	-	42.84	1,428.08
Non-Scheduled Services	78.58	-	-	-	-	-	78.58
Flight Catering	4,829.56	-	-	-	-	-	4,829.56
<b>Segment Revenue</b>	<b><u>106,770.13</u></b>	<b><u>114,138.24</u></b>	<b><u>48,311.01</u></b>	<b><u>52,676.84</u></b>	<b><u>11,804.52</u></b>	<b><u>35,769.29</u></b>	<b><u>369,470.03</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

## 20. REVENUE AND SEGMENT INFORMATION (CONTD.)

## (b) Secondary Reporting by Business Segment

	Business Segment				Business Segment			
	Airline	Flight Catering	Inter-segment eliminations	Group	Airline	Flight Catering	Inter-segment eliminations	Group
	2024 LKR. Mn	2024 LKR. Mn	2024 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn	2023 LKR. Mn	2023 LKR. Mn	2023 LKR. Mn
<b>Revenue</b>								
Sales to external customers	333,637.37	13,970.77	(7,993.21)	<b>339,614.93</b>	365,171.77	12,542.85	(8,244.58)	<b>369,470.04</b>
<b>Results</b>								
Profit / (Loss) After Tax	7,253.04	4,226.07	(0.01)	<b>11,479.10</b>	(73,621.53)	4,697.21	(2,382.34)	<b>(71,306.66)</b>
<b>Other Segment Information</b>								
Assets	192,317.56	23,003.89	(15,613.23)	<b>199,708.22</b>	199,454.76	19,536.99	(7,815.34)	<b>211,176.41</b>
Liabilities	589,591.29	3,978.83	(15,571.08)	<b>577,999.04</b>	708,629.64	4,750.01	(8,652.38)	<b>704,727.27</b>
Acquisition of Property, Plant and Equipment	1,548.82	66.48	-	<b>1,615.30</b>	1,248.23	61.10	-	<b>1,309.33</b>
Acquisition of Intangible Assets	5.48	-	-	<b>5.48</b>	81.00	2.43	-	<b>83.43</b>
Depreciation and Amortisation	13,441.06	268.79	-	<b>13,709.85</b>	14,685.12	468.34	-	<b>15,153.46</b>
Finance Cost	36,842.40	75.38	-	<b>36,917.78</b>	51,394.83	88.01	-	<b>51,482.84</b>
Exchange loss on Interest Bearing Liabilities	(27,842.61)	(29.34)	-	<b>(27,871.95)</b>	38,273.72	105.33	-	<b>38,379.05</b>
Finance Income	710.94	112.16	-	<b>823.10</b>	1,220.87	72.71	-	<b>1,293.58</b>
Tax Expense / (Reversal)	-	481.61	-	<b>481.61</b>	357.34	1,003.62	-	<b>1,360.96</b>
Operating Expenses excluding exchange loss	306,486.62	8,183.43	(7,993.20)	<b>306,676.85</b>	330,568.53	7,532.53	(8,244.54)	<b>329,856.52</b>
Inventory written off	14.72	-	-	<b>14.72</b>	20.63	-	-	<b>20.63</b>

## 21. OTHER INCOME AND GAINS

	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
Profit on Disposal of Property, Plant and Equipment	0.15	5.05	0.15	5.05
Miscellaneous Income	1,493.19	3,752.99	1,493.19	3,752.99
Dividends from SriLankan Catering Ltd.	-	-	-	2,382.30
	<u>1,493.34</u>	<u>3,758.04</u>	<u>1,493.34</u>	<u>6,140.34</u>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

22. OPERATING LOSS stated after charging:	Group		Company	
	2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
Aircraft Insurance	1,677.54	1,225.45	1,677.54	1,225.45
Franchise Fees	1,161.18	892.99	1,161.18	892.99
Allowance for Slow Moving Inventory	265.79	408.17	269.06	362.11
Auditors' Remuneration				
- Other Services	-	-	-	-
- Audit	13.71	8.58	12.56	7.43
Provision for Impairment of Receivables	(187.97)	205.94	(134.44)	190.13
<b>23. NET FINANCE COST</b>				
	Group		Company	
	2024	2023	2024	2023
	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn
<b>23.1 Finance Income</b>				
Interest Income Other	823.10	1,293.58	710.94	1,220.87
	<b>823.10</b>	<b>1,293.58</b>	<b>710.94</b>	<b>1,220.87</b>
	Group	Group	Company	Company
	2024	2023	2024	2023
	LKR. Mn	LKR. Mn	LKR. Mn	LKR. Mn
<b>23.2 Finance Cost</b>				
Interest on International Bond	19,389.90	32,330.48	19,389.90	32,330.48
Interest on Loans from Lessor	705.94	-	705.94	-
Interest Cost Bank Overdrafts and Overdue Supplier Balances	6,227.51	5,679.35	6,227.51	5,679.35
Finance Charges on Lease Liabilities	10,172.70	12,869.17	10,097.32	12,781.16
Unwinding effect of Return cost	421.73	603.84	421.73	603.84
	<b>36,917.78</b>	<b>51,482.84</b>	<b>36,842.40</b>	<b>51,394.83</b>
<b>23.3 Exchange Loss on Interest Bearing Liabilities</b>				
Exchange loss on Loans / International Bond	12,181.35	12,882.68	12,181.35	12,882.68
Exchange gain/(loss) Lease Liabilities	15,690.60	25,496.37	15,661.26	25,391.04
	<b>27,871.95</b>	<b>38,379.05</b>	<b>27,842.61</b>	<b>38,273.72</b>
<b>Net Finance Cost</b>	<b>63,966.63</b>	<b>88,568.31</b>	<b>63,974.07</b>	<b>88,447.68</b>

SriLankan Airlines Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

28. RELATED PARTY DISCLOSURES (Contd.)

28.3 Company

Significant Transactions including the following collectively have been carried out with subsidiary and entities controlled by the Government of Sri Lanka (GOSL) in the ordinary course of business.

Name of the Company	Relationship	Nature of Transactions	Transaction Amount		Receivable/ (Payable) Balance	
			2024 LKR. Mn	2023 LKR. Mn	2024 LKR. Mn	2023 LKR. Mn
SriLankan Catering Limited	Subsidiary	Freight Services	305.04	277.19		
		Flight Catering and Other Services	(10,788.47)	(13,138.86)	(14,360.25)	(9,843.31)
		Dividend	-	2,382.30		
Ceylon Petroleum Corporation	Government owned	Fuel	(62,582.99)	(59,200.78)		
		Finance Cost on Overdue Payments	(1,019.95)	(11,739.36)	-	(101,414.20)
Airport and Aviation Services Ltd.	Government owned	Landing, Aero Bridge, Lounge, Rent, Franchise fees & Garbage Incineration charges	(5,336.61)	(5,527.85)	(1,693.99)	(2,237.53)
Civil Aviation Authority	Government controlled	Licences, permits and Levies	(23,219.81)	(25,186.50)	(12,822.88)	(5,444.54)
Mihin Lanka (Pvt) Ltd	Government owned	Warehouse Rent	0.58	0.58	1,013.40	1,055.53
Sri Lanka Insurance Corporation	Government owned	Insurance Services	(1,677.54)	(1,363.83)	-	-
Bank of Ceylon	Government owned	Loan	-	-	(44,452.50)	(47,265.00)
		Short term Deposits	-	-	2,951.75	2,073.56
		Interest	(8,424.95)	(9,594.47)	-	-
		Bank Overdraft			(20,851)	(18,408.22)
Peoples Bank	Government owned	Loan	-	-	(47,757)	(50,579.60)
		Short term Deposits	-	-	0.87	3.49
		Interest	(8,162.88)	(9,418.42)	-	-
		Bank Overdraft	-	-	(2,639)	(1,244.90)