



# C M Holdings PLC

Annual Report 2020/2021





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## Chairman's Review

On behalf of the Board of Directors it gives me great pleasure to welcome you to the Company's 109th Annual General Meeting and present you the Annual Report and Audited Financial Statements of the Company for the year ended 31st March 2021.

The automobile industry witnessed yet another challenging year as the curtailment of importation of commercial vehicles and motor vehicles for personal use came within the restrictions imposed on non-essential goods. Consequently, the new registrations of motor vehicles dropped to 44.8% YoY during this fiscal year. The culmination of the above drastically impacted the performance of the Company's main brand, Mazda, performing below expectations. However, the performance of our workshops and vehicle assembly lines somewhat made up for the shortfall as we simultaneously actioned plans to harness the potential of our after sales businesses including spare parts, the success of which is evident in the year end results of the vehicle after services business.

The pandemic further eroded the economic recovery prospects during 2020 which was already confronted with 2019 Easter attacks. Consequently, the deepest recession since independence was recorded as the GDP growth of the country plunged to a negative 3.6% in 2020 compared to the positive 2.3% recorded in the previous year with unemployment rate rising above 5% following business closures reflecting subdued consumer and investor sentiments. In addition to the above, high levels of government borrowings further worsened the economic landscape of the country.

We entered this year, too, with a poor turnover along with accumulated stocks, which did not augur well for a productive year. Thus, the Group recorded a revenue of Rs. 356 Million for the year under review, a drop of 56% over the previous year's achievement of Rs. 814 Million. This is mainly attributable to the loss of revenue generated from vehicle and spare part sales resulting from the disposal of group's subsidiary, Kia Motors (Lanka) Limited in August 2019 coupled with the negative externalities grappled due to the pandemic. However, the disposal of Kia Motors (Lanka) Limited enabled us to mitigate our risk exposure in the automobile segment and thereby reduce the potential losses of the Company in the short term. I am pleased to note that the Group recorded an operating profit of Rs. 416 Million for the year under review compared to an operating loss of Rs. 95 Million in the prior year mainly due to the gains resulted from fair value

adjustment on financial assets by Rs.366 Million coupled with the stringent cost reduction model adopted to streamline our operational expense base against the previous year. Consequent to the above, the Group concluded the year with a pre - tax profit of Rs. 399 Million compared to pre -tax loss of Rs. 223 Million reported in the previous year.

Further on the positive side, driven by the low interest rate environment the benchmark All Share Price Index (ASPI) ended the year at 7,121.28 (31.03.2020 – 4,571.63), increasing by 56% in comparison with the previous year. Consequent to the above, a positive movement of the Group's investment portfolio was reflected during the year under review.

I am pleased to announce that your Board had declared an interim dividend of LKR 5.00 per share, which was paid in March this year.

We envisage that the demand for motor vehicles will slowly and surely rise once the pandemic abates and people decide to go in for newer and technologically advanced models. Further, we are hopeful for some relaxation in the importation of commercial vehicles which, if not brought into the country, could hinder economic activity.

In conclusion, I wish to extend my sincere appreciation to my colleagues on the Board for contributing their business expertise and industry knowledge during these challenging times. I am humbled by the loyalty of our treasured employees, customers, many business partners and our valued shareholders for their trust and confidence placed in our business as we forge ahead in our endeavors.

**A Rajaratnam**  
Chairman

27th September 2021

## Board of Directors

### **A. Rajaratnam**

#### **Chairman**

FCA

Mr. A. Rajaratnam joined the Board in 1998 and was appointed Chairman in the year 2004. He also serves as the Chairman of The Colombo Fort Land & Building PLC (CFLB) in addition to holding other Directorships within the CFLB Group.

### **S.D.R. Arudpragasam**

#### **Deputy Chairman**

FCMA (UK)

Mr. S.D.R. Arudpragasam joined the Board in 1999 and was appointed Deputy Chairman in November, 2012. He serves as Chairman of several subsidiaries of The Colombo Fort Land and Building PLC (CFLB) including Chairman, Lankem Ceylon PLC and Chairman/Managing Director of E.B. Creasy & Company PLC. He holds the position of Deputy Chairman on the Board of The Colombo Fort Land and Building PLC, in addition to holding other Directorships within the CFLB Group.

### **Dr. J.M. Swaminathan**

#### **Director**

Attorney-at-Law, LLB (Ceylon), LL.M., M. Phil. (Colombo) and LL.D. (Honoris Causa)

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

### **A.M. de S. Jayaratne**

#### **Director**

B.Sc. (Econ), FCA (Eng. and Wales), FCA (ICASL)

Mr. A.M. de S. Jayaratne having joined the Board in 1981 was appointed Chairman in 1998. He resigned in the year 2003 and rejoined the Board in 2005. He is a former Chairman of Forbes & Walker Ltd, Colombo Stock Exchange, Ceylon Chamber of Commerce and The Finance Commission. He also served as Sri Lanka's High Commissioner in Singapore. Mr. Jayaratne is a Director of several listed and unlisted companies.

### **S. Rajaratnam**

#### **Director**

B.Sc., CA

Mr. Sanjeev Rajaratnam was appointed to the Board in the year 2007. He holds a Bachelor of Science Degree in Business Administration from Boston College, U.S.A. and is a member of the Institute of Chartered Accountants in Australia. He currently holds the position of Joint Managing Director of E.B. Creasy & Company PLC amongst other Directorships.

### **Anushman Rajaratnam**

#### **Director**

B.Sc. (Hons.), CPA, MBA

Mr. Anushman Rajaratnam was appointed to the Board in October 2013. He joined the Board of Lankem Ceylon PLC in 2005 and served as the company's Managing Director from 2009 until December 2016. He relinquished that position in December 2016 to take up the role as the Group Managing Director of The Colombo Fort Land & Building PLC in January 2017. In addition, he serves on the board of several subsidiary companies of the CFLB group. Prior to joining the CFLB group, he worked overseas for a leading global Accountancy Firm.

# Corporate Governance

The business and affairs of the Company and its subsidiaries are managed and directed with the objective of balancing the attainment of corporate objectives with the alignment of corporate behaviour within the legal good governance framework of the industry and the country and also the accountability to shareholders and responsibility to other stakeholders.

## Board

### Composition of the Board

The Directors are from varied business and professional backgrounds. Their expertise enables them to exercise independent judgement and their views carry substantial weight in decision making. The Board currently comprises of six Non-Executive Directors of whom two are Independent. These Directors are listed below:

Mr. A. Rajaratnam	- Chairman - Non-Executive
Mr. S.D.R. Arudpragasam	- Deputy Chairman - Non-Executive
Dr. J.M. Swaminathan	- Independent Non-Executive
Mr. A.M. de S. Jayaratne	- Independent Non-Executive
Mr. S. Rajaratnam	- Non-Executive
Mr. Anushman Rajaratnam	- Non-Executive

The Board meets as and when required and matters are also referred to the Board and decided by Resolutions in Writing.

The Non-Executive Directors have submitted their declarations of their Independence or Non Independence to the Board of Directors.

### Independent Non- Executive Directors

Dr. J.M. Swaminathan has served on the Board of the Listed Entity and on the Boards of certain subsidiaries of the Listed Entity for more than nine years. He also serves on the Boards of certain subsidiaries of C M Holdings PLC where a majority of the Directors of the Company are on the Boards of the subsidiaries. However the Board having taken into consideration all other circumstances listed in the Rules pertaining to the Criteria for Defining Independence, is of the opinion that Dr. J.M. Swaminathan is nevertheless Independent.

Mr. A.M. de S. Jayaratne is a Director of the Parent Company The Colombo Fort Land & Building PLC (CFLB) and has served on its Board, the Board of the Listed Entity and on the Board of certain subsidiary companies of the Listed Entity for more than nine years. He also serves on the Boards of certain subsidiaries of C M Holdings PLC where a majority of the Directors of the Company are on the Boards of the subsidiary companies. However, the Board having taken into consideration all other

circumstances listed in the Rules pertaining to the Criteria for Defining Independence, is of the opinion that Mr. A.M. de S. Jayaratne is nevertheless Independent.

### Decision Making of the Board

The Board is responsible for:

- Determining the strategic direction of the Company and also setting the corporate values.
- Implementation and monitoring of business strategy of the Company.
- Ensuring of an effective internal control system and a proactive risk management system.
- Ensuring compliance with ethical, legal, health, environment and safety standards.
- Approval of Interim and Annual Financial Statements.
- Approval of budgets, corporate plans, major capital investments, divestments and acquisitions

### Company Secretaries and Independent Professional Advice

The Company and all the Directors may seek advice from Corporate Managers & Secretaries (Private) Limited who are qualified to act as Secretaries as per the provisions of the Companies Act No. 07 of 2007. Advice is also sought from independent external professionals whenever the Board deems it necessary.

### Independent Judgment

The Board is committed to exhibit high standards of integrity and independence of judgment. Each Director dedicates the time and effort necessary to carry out his responsibilities.

### Financial Acumen

The Board includes five Finance Professionals who possess the knowledge and the competence to offer the Board the necessary guidance on matters of finance.

### Nomination Committee and Appointments to the Board

New Directors are proposed for appointment by the Nomination Committee in consultation with the Chairman of the Company and in keeping with the provisions of the Articles of Association of the Company and in compliance with the rules on Governance.

The details of new appointments to the Board are made available to the shareholders by making announcements to the Colombo Stock Exchange.

The Company's Nomination Committee comprises of Dr. J.M. Swaminathan, Chairman, Mr. A.M. de S. Jayaratne, Independent Non-Executive Directors and Mr. S.D.R. Arudpragasam, Non-Executive Director.

### **Re-election of Directors**

In terms of the Articles of Association any Director appointed by the Board holds office until the next Annual General Meeting at which he seeks re-election by the Shareholders.

The Articles of Association require one third or a number nearest to one third of the Directors in office to retire at each Annual General Meeting. The Directors to retire in each year are those who have been longest in office since their last election or appointment. Retiring Directors are eligible for re-election by the Shareholders.

A Director appointed to the office of Chairman, Managing or Joint Managing Director shall not whilst holding that office be subject to retirement by rotation.

### **Directors' Remuneration Remuneration Committee**

The Remuneration Committee comprises of Dr. J.M. Swaminathan, Chairman, Mr. A.M. de S. Jayaratne, Independent Non-Executive Directors and Mr. S.D.R. Arudpragasam, Non-Executive Director.

The Remuneration Committee Report is set out on page 07 of this Report.

### **Disclosures**

Aggregate remuneration paid to Directors is disclosed in Note 25 to the Financial Statements on page 82.

### **Relationship with Shareholders**

#### **Constructive use of AGM / General Meetings**

The Board considers the Annual General Meeting/ General Meetings an opportunity to communicate with shareholders and encourages their participation. Questions raised by the shareholders are answered and an appropriate dialogue is maintained with them.

### **Major Transactions**

There have been no transactions during the year under review which falls within the definition of 'Major Transactions' as set out in the Companies Act No. 07 of 2007.

### **Others**

The Company's principal communicator with all its stakeholders is its Annual Report and Quarterly Financial Statements.

### **Accountability and Audit**

#### **Financial Reporting**

The Board places emphasis on complete disclosure of financial and non- financial information within the bounds of commercial reality. This enables both existing and prospective shareholders to make fair assessment on the Company's performance and future prospects. The Financial Statements are prepared in accordance with Sri Lanka Accounting Standards.

#### **Disclosures**

The Annual Report of the Board of Directors is given on pages 09 to 11 in this Report. The Auditors' Report on the Financial Statements is given on pages 14 to 17 of the Report.

#### **Going Concern**

The Directors are of the belief that the Company is capable of operating in the foreseeable future after adequate assessment of the Company's financial position and resources. Therefore, the Going Concern principle has been adopted in the preparation of these Financial Statements.

However, any system can ensure only reasonable and not absolute assurance that errors and irregularities are prevented or detected within a reasonable timeframe.

#### **Audit Committee**

The Audit Committee Report is set out on page 06 of this Report.

#### **Related Party Transactions Review Committee**

The Related Party Transactions Review Committee Report is set out on page 08 of this Report.

#### **Internal Control**

The Board of Directors is responsible for the Company's system of internal controls and for reviewing its effectiveness. The system is designed to safeguard assets against unauthorized use or disposal and to ensure that proper records are maintained. It includes all controls including financial, operational and compliance controls and risk management.

However, any system can ensure only reasonable and not absolute assurance that errors and irregularities are prevented or detected within a reasonable timeframe.

# Audit Committee Report

The Audit Committee Report focuses on the activities of the Company for the year under view, which the Audit Committee has reviewed and monitored so as to provide an additional assurance on the reliability of the financial statements.

## Composition

The Audit Committee comprises of three Non-Executive Directors of whom two are independent. The names of the members are set out below.

Mr. A.M. de S. Jayaratne	- Chairman - Independent Non-Executive Director
Dr. J.M. Swaminathan	- Member - Independent Non-Executive Director
Mr. S.D.R. Arudpragasam	- Member - Non-Executive Director

The Committee Members have a blend of experience in the commercial sector, audit exposure, corporate law and business acumen to carry out their role efficiently and effectively. The Committee consists of two finance professionals.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited functions as the Secretaries to the Audit Committee.

## Role of the Audit Committee

The Audit Committee acts as the advisory to the Board and its main objective is to assist the Board of Directors by giving recommendations to ensure that the Company follows best practices in line with best Corporate Governance practices. The Committee is responsible for ensuring a sound financial reporting system adhering to relevant accounting standards and principles, adequacy of internal controls and risk control measures, efficient management reporting systems and adherence to other statutory requirements. In fulfilling this role the Audit Committee is empowered to examine the financial records of the Company and other communications as necessary in order to ensure that the Company adheres to accepted norms of ethical guidelines, rules and regulations. The Audit Committee recommends the appointment of external Auditors ensuring independence and maintains a close professional relationship with them. The Committee also recommends the fees payable to external Auditors.

## Meetings and Attendance

The Audit Committee has met on 02 occasions during the financial year ended 31st March, 2021 and the attendance was as follows:

Mr. A. M. de S. Jayaratne - Chairman	- 2/2
Dr. J. M. Swaminathan	- 2/2
Mr. S. D. R. Arudpragasam	- 2/2

In addition to Audit Committee Meetings, matters are referred to the Committee and reviewed and recommended by Resolutions in Writing.

Other members of the Board and Managers from Corporate Managers & Secretaries (Private) Limited are invited to attend meetings as and when required. The proceedings of the Audit Committee are regularly reported to the Board.

## External Audit

The Company has appointed PricewaterhouseCoopers as its External Auditors and the services provided by them are segregated between audit/ assurance services and other advisory services such as tax consultancy.

PricewaterhouseCoopers has also issued a declaration as required by the Company's Act No. 07 of 2007 that they do not have any relationship or interest in any of the companies in the Group, which may have a bearing on the independence of their role as Auditors.

The Committee after evaluating the independence and performance of the External Auditors has recommended to the Board the reappointment of Messrs. PricewaterhouseCoopers for the financial year ending 31st March, 2022 subject to the approval of the Shareholders at the Annual General Meeting of the Company.

(Sgd.)  
**A.M. de S. Jayaratne**  
Chairman  
**Audit Committee**

27th September 2021

# Remuneration Committee Report

The Remuneration Committee of C M Holdings PLC comprise of the following members.

Dr. J.M. Swaminathan - Chairman - Independent Non-Executive  
Mr. A.M. de S. Jayaratne - Member - Independent Non-Executive  
Mr. S.D.R. Arudpragasam - Member - Non-Executive

The main function of the Remuneration Committee is to assist the Board in developing and administering an equitable and transparent method for setting policy on the overall human resources strategy of the Group and the remuneration of Directors and senior management of the Group.

The key objective of the Committee is to attract, motivate and retain qualified and experienced personnel throughout the Group and to ensure that the remuneration of Executives at each level of management is competitive and are rewarded in a fair manner based on their performance.

*(Sgd.)*

**Dr. J.M. Swaminathan**

*Chairman*

***Remuneration Committee***

27th September 2021

# Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee is entrusted with the responsibility of ensuring that the interest of the Shareholders, are taken into consideration when entering into Related Party Transactions.

## Composition

The Related Party Transactions Review Committee of the Parent Company, The Colombo Fort Land & Building PLC (CFLB) functions as the Company's Related Party Transactions Review Committee which comprises of the following members:

Mr. R. Seevaratnam - Chairman  
Independent Non-Executive Director, CFLB

Mr. A.M. de S. Jayaratne - Member  
Independent Non-Executive Director, CFLB

Mr. S.D.R. Arudpragasam - Member  
Non- Executive Director, CFLB

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited, functions as the Secretaries to the Related Party Transactions Review Committee.

Further, Representatives from Corporate Managers & Secretaries (Private) Limited, Managers & Secretaries and other Directors and senior management personnel are invited to the meetings as and when required.

## Meetings of the Committee

The Related Party Transactions Review Committee has met on two occasions in respect of C M Holdings PLC during the financial year ended 31st March, 2021 and the attendance was as follows:

Mr. R. Seevaratnam - Chairman	- 2/2
Mr. A.M. de S. Jayaratne	- 2/2
Mr. S.D.R. Arudpragasam	- 2/2

Further during the said period, on three occasions the RPTRC has reviewed and recommended Related Party Transactions in respect of C M Holdings PLC by Resolutions in writing which the Committee for the purpose hereof construe as equivalent to meetings being held.

The activities and views of the Committee are communicated on a regular basis to the Board of Directors.

## Functions of the Committee

- To identify the persons/entities considered to be Related Parties.
- Review all proposed Related Party Transactions. ( Except for transactions which are exempted)
- Advise Management on Related Party Transactions and where necessary direct the transactions for Board approval / Shareholder approval as deemed appropriate.
- Obtain updates on previously reviewed Related Party Transactions from Senior Management and approve any material changes.
- Establish guidelines for Senior Management to follow in ongoing dealings with Related Parties.
- Review and assess on an annual basis the transactions for Compliance against the Committee guidelines.

## Conclusion

The Related Party Transactions Review Committee has reviewed the Related Party Transactions entered into during the financial year under review and has communicated its comments and observations to the Board of Directors.

Related Party Transactions will be reviewed and disclosed in a manner consistent with the Listing Rules. The Committee is free to seek external professional advice on matters within their purview when necessary.

The Board of Directors have also declared in the Annual Report that there were no recurrent or non-recurrent related party transactions which exceeded the disclosure thresholds mentioned in Section 9 of the Listing Rules of the Colombo Stock Exchange and that the Company has complied with the requirements of the Listing Rules on Related Party Transactions.

(Sgd.)

**R. Seevaratnam**  
Chairman

## Related Party Transactions Review Committee

27th September 2021

# Annual Report of the Board of Directors

The Board of Directors of C M Holdings PLC present their Report on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2021.

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

## General

The Company was re-registered on 1st July, 2008 as required under the Companies Act No. 07 of 2007.

## Principal Activities /Business Review

The principal activities of the Company together with those of its subsidiary companies are given in Note 01 to the Financial Statements on page 23. A review of the Company's business and its performance during the year with comments on financial results is contained in the Chairman's Review which together with the financial statements reflects the state of affairs of the Company.

The Directors to the best of their knowledge and belief confirm that the Company has not engaged in any activities that contravene laws and regulations.

## Financial Statements

The Financial Statements of the Company and the Group are given on pages 18 to 90.

## Auditors' Report

The Auditors' Report on the Financial Statements is given on pages 14 to 17.

## Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 24 to 43.

## Interest Register

Directors' Interest in Transactions

The Directors have made general disclosures as provided for in Section 192(2) of the Companies Act No. 07 of 2007. Arising from this, details of contracts in which they have an interest are disclosed in Note 33 to the Financial Statements on pages 86 to 89.

## Directors' Interest in Shares

The Directors of the Company who have an interest in the shares of the Company have disclosed their shareholdings and any acquisitions/disposals to the Board in compliance with Section 200 of the Companies Act.

Details pertaining to Directors direct shareholdings are set out below:

Name of the Director	No. of Shares As at 31.03.2021	No. of Shares As at 31.03.2020
Mr. A. Rajaratnam	-	-
Mr. S.D.R. Arudpragasam	500	50,500
Dr. J.M. Swaminathan	561	561
Mr. A.M. de S. Jayaratne	467	467
Mr. S. Rajaratnam	-	70,919
Mr. Anushman Rajaratnam	-	-

## Directors' Remuneration

Directors' remuneration in respect of the Company and the Group for the financial year 2020/2021 is given in Note 25 to the financial statements on page 82.

## Corporate Donations

No donations were made by the Company for the financial year 2020/2021. (2019/2020 - Nil).

## Directorate

The names of the Directors who held office during the financial year are given below and brief profiles of the Directors appear on page 03.

Mr. A. Rajaratnam	- Chairman
Mr. S.D.R. Arudpragasam	- Deputy Chairman
Dr. J.M. Swaminathan	- Director
Mr. A.M. de S. Jayaratne	- Director
Mr. S. Rajaratnam	- Director
Mr. Anushman Rajaratnam	- Director

In terms of Article Nos. 88 and 89 of the Articles of Association, Mr. Sanjeev Rajaratnam retires by rotation and being eligible offers himself for re-election.

Mr. A.M. de S. Jayaratne, Director being over seventy years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

# Annual Report of the Board of Directors

Dr. J.M. Swaminathan, Director being over seventy years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Mr. A. Rajaratnam, Director being over seventy years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Mr. S. D. R. Arudpragasam, who has attained seventy years of age, retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

## Auditors

The Financial Statements of the Company for the year have been audited by Messrs. PricewaterhouseCoopers who were reappointed as Auditors at the Annual General Meeting held on 30th December 2020.

The remuneration payable by the Company and the Group to the Independent Auditors is given in Note 25 to the Consolidated Financial Statements on page 82.

The Directors are satisfied that based on written representations made by the Independent Auditors to the Board, the Auditors do not have any relationship or any interest with the Company and its subsidiaries that would impair their independence.

## Revenue

The Revenue of the Group for the year was Rs. 356 Mn. (2019/2020- Rs. 814 Mn)

## Results

The Group made a profit before tax of Rs.399 Mn. against a loss of Rs.223 Mn. in the previous year. The detailed results are given in the Statement of profit or loss on page 19.

## Dividends

An Interim Dividend of Rs. 5/- per share for the year ended 31st March, 2021 was paid on 30th March 2021 to the Shareholders registered as at the end of trading on 22nd March 2021.

The Board of Directors confirmed that the Company satisfied the Solvency test requirement under Section 56 of the Companies Act No. 07 of 2007 and obtained a Solvency Certificate from the Auditors in respect of the above Dividend.

## Investments

Investments made by the Company and the Group are given in Notes 11 and 12 on pages 49 to 74.

## Property, Plant & Equipment

During 2020/2021 the Group invested Rs.3 Mn. in Property, Plant & Equipment (2019/2020 – Rs. 301Mn.). Further, your Directors are of the opinion that the net amounts at which Land and other Property, Plant & Equipment appear in the Statement of Financial Position are not greater than their market value as at 31st March, 2021.

## Stated Capital

The Stated Capital of the Company as at 31st March, 2021 was Rs.288,386,885/- and is represented by 15,200,000 issued and fully paid Ordinary Shares.

## Reserves

The total reserves and their composition are set out in Note 18 on page 78 to the consolidated Financial Statements. The movements are shown in the Statement of Changes in Equity in the Financial Statements.

## Taxation

The Group's liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto. Income Tax and other taxes paid and liable by the Group are disclosed in Note 28 on page 84.

## Related Party Transactions

During the financial year there were no recurrent nor non recurrent related party transactions related party transactions which exceeded the disclosure thresholds mentioned in Section 9 of Colombo Stock Exchange Listing Rules.

The Company has complied with the requirements of the Listing Rules on Related Party Transactions.

The Related Party Transactions presented in the Financial Statements are disclosed in Note 33 from pages 86 to 89.

## Share Information

Information relating to earnings, dividend, net assets, market value per share and share trading is given on pages 91 and 92.

### Events Occurring after the Reporting Date

Events occurring after the reporting date that would require adjustments to or disclosure are disclosed in Note 34 on page 90.

### Contingent Liabilities and Capital Commitment

Contingent liabilities and capital commitments as at the reporting date are disclosed in Notes 35 and 36 on page 90.

### Employment Policy

The Company does not employ any staff. All operational services are provided by Corporate Managers & Secretaries (Private) Limited who function as Managers & Secretaries of the Company.

### Shareholders

It is the Company's policy to endeavour to ensure equitable treatment to its shareholders.

### Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory payments due to the Government in respect of the Company have been made or where relevant provided.

### Internal Control

The Board of Directors takes overall responsibility for the Company's internal control system. A separate Internal Audit section will be set-up to review the effectiveness of the Company's internal controls in order to ensure reasonable assurance that assets are safeguarded and all transactions are properly authorized and recorded. The Board reviews the recommendations of External Auditors and takes appropriate action to maintain an adequate internal control system.

### Going Concern

The Board of Directors after making necessary inquiries and reviews including reviews of the Company's budget for the subsequent year, capital expenditure requirements future prospects and risks, cash flows and borrowing facilities have a reasonable expectation that the Company has adequate resources to continue its operations in the foreseeable future. Therefore, the Going Concern basis has been adopted in the preparation of the financial statements.

For and on behalf of the Board,

(Sgd.)  
**S D R Arudpragasam**  
Director

(Sgd.)  
**Anushman Rajaratnam**  
Director

By Order of the Board,

(Sgd.)  
**Corporate Managers & Secretaries (Private) Limited**  
Secretaries

27th September 2021



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# Independent Auditors' Report



## To the Shareholders of C M Holdings PLC *Report on the audit of the financial statements*

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### **Our opinion**

In our opinion, the financial statements of C M Holdings PLC (“the Company”) and the consolidated financial statements of the Company and its subsidiaries (“the Group”) give a true and fair view of the financial position of the Company and the Group as at 31 March 2021, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### **What we have audited**

The financial statements of the Company and the consolidated financial statements of the Group, which comprise:

- » the statement of financial position as at 31 March 2021;
- » the statement of profit or loss for the year then ended;
- » the statement of comprehensive income for the year then ended;
- » the statement of changes in equity for the year then ended;
- » the statement of cash flows for the year then ended; and
- » the notes to the financial statements, which include a summary of significant accounting policies.

### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Group in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics.

### **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.

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**To the Shareholders of C M Holdings PLC (Continued)**  
**Report on the audit of the financial statements (Continued)**

**The Company:**

Key audit matter	How our audit addressed the Key audit matter
<p><b>Investments in unquoted equity instruments</b>            (Refer Notes 12 (d), 12 (f) and 2.9 to the financial statements)</p> <p>Investment in unquoted equity instruments amounting to LKR 190.54 Mn, included under financial assets at fair value through other comprehensive income in the statement of financial position, represented 8% of the Company's total assets as at 31 March 2021.</p> <p>During the year ended 31 March 2021, the Company recognised a fair value loss of LKR 29.6 Mn in respect of its investment in unquoted equity instruments.</p> <p>The investments in unquoted equity instruments consisted solely of the equity interest held in Colombo Fort Hotels Limited ("the investee") and is accounted for "at fair value through other comprehensive income" in accordance with SLFRS 09, <i>Financial Instruments</i>.</p> <p>The investee which is an investment company has investments in subsidiary companies operating in the leisure sector. In measuring the fair value of the Company's equity interest in the investee, the Company has used the Adjusted Net Assets Value method. Accordingly, the investee's investments in subsidiaries operating in the leisure sector, are valued by deriving the fair values of the respective subsidiaries.</p> <p>The investments made by the investee in subsidiaries operating in the leisure sector represented 93% of the investee's total assets.</p> <p>In deriving the fair value of the investments made by the investee, experts engaged by management of the respective subsidiary companies and independent property valuation expert had valued the respective investments using either the Discounted Cash Flow (DCF) method or the Adjusted Net Assets Value Method as appropriate.</p> <p>Key inputs used in the valuation methods referred to above, are cash flow projections, sales growth rates, terminal value, discount rate and fair value of properties etc. Property valuations have been considered under the Adjusted Net Assets Value method in deriving the fair value of the investments made by the investee in subsidiaries which have subsequently become non-operative.</p> <p>The valuation of the assets in the subsidiaries of the investee was important to our audit and was a key audit matter due to the:</p> <ul style="list-style-type: none"> <li>» inherently subjective nature of the valuations requiring judgements in determining the method of valuation to be adopted and the use of estimates and various assumptions in the valuations;</li> <li>» relative significance of the investments in unquoted equity instruments to the financial statements; and</li> <li>» nature and extent of audit procedures involved.</li> </ul>	<p>Our procedures to test the valuation of investment in the unquoted equity instruments included the following:</p> <ul style="list-style-type: none"> <li>» Evaluated the competence, capabilities and objectivity of the property valuation expert engaged by the Management of respective subsidiaries;</li> <li>» Assessed the reasonableness of cash flows projections, prepared by the experts engaged by management (experts) of the respective subsidiary companies of the investee, by comparing the cash flow projections with recent historical results;</li> <li>» Checked the reasonability of assumptions used by the experts such as sales growth rates, gross profit margins, discount rate, terminal growth rate, etc. used to arrive at the investee's Adjusted Net Assets Value, the basis on which the investment in unquoted equity instruments of the Company have been fair valued;</li> <li>» Assessed the reasonableness of assumptions used by the valuation expert in the property valuations performed, in deriving the fair value of those investments in subsidiaries made by the investee company where the Adjusted Net Asset Value method had been adopted;</li> <li>» Tested the mathematical accuracy of the discounted cash flows projections done by the experts of the respective subsidiary companies and property valuation done by the independent external valuer; and</li> <li>» Assessed the adequacy of relevant disclosures in the financial statements.</li> </ul> <p>Based on the worked performed, we found that the estimation of the fair value of unquoted equity instruments to be based upon appropriate valuation methods and reasonable assumptions.</p>

We have determined that in respect of the group there are no key audit matters to communicate in our audit report.

# Independent Auditors' Report

## To the Shareholders of C M Holdings PLC (Continued) *Report on the audit of the financial statements (Continued)*

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### **Other information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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 separate/ consolidated financial statements, management is responsible for assessing the Company's/ Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company/ Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- » Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

**To the Shareholders of C M Holdings PLC (Continued)**  
**Report on the audit of the financial statements (Continued)**

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- » 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/ Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate/ consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company/ Group to cease to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- » Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

**Report on other legal and regulatory requirements**

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

(Sgd.)

PricewaterhouseCoopers  
CHARTERED ACCOUNTANTS  
CA Sri Lanka membership number 3015  
COLOMBO

27 September 2021

# Statement of Financial Position

(all amounts in Sri Lanka Rupees unless otherwise stated)

	Note	Group		Company	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	346,819,829	362,840,344	1,571,244	1,946,362
Capital work in progress	7	-	3,253,664	-	3,253,664
Investment property	8	1,067,880,344	1,068,249,773	1,067,880,344	1,068,249,773
Goodwill	9	4,870,824	4,870,824	-	-
Intangible assets	9	-	183,047	-	-
Right of use assets	10	84,043,688	102,009,409	-	-
Investment in subsidiaries	11	-	-	14,000,000	14,000,000
Deferred income tax assets	13	17,392,690	27,207,526	-	-
Financial assets at fair value through other comprehensive income	12	1,219,401,983	535,256,609	520,168,787	316,981,921
		<b>2,740,409,358</b>	<b>2,103,871,196</b>	<b>1,603,620,375</b>	<b>1,404,431,720</b>
<b>Current assets</b>					
Inventories	14	192,882,160	247,352,754	-	-
Trade and other receivables	15	583,604,851	596,289,260	568,023,771	539,771,237
Financial assets at fair value through profit or loss	12	824,066,890	455,636,761	64,398,439	39,571,020
Income tax receivables		1,110,941	3,191,933	-	2,080,994
Cash and cash equivalents	16	27,215,637	56,335,786	11,097,115	27,515,456
		1,628,880,479	1,358,806,494	643,519,325	608,938,707
<b>Total assets</b>		<b>4,369,289,837</b>	<b>3,462,677,690</b>	<b>2,247,139,700</b>	<b>2,013,370,427</b>
<b>EQUITY</b>					
Stated capital	17	288,386,885	288,386,885	288,386,885	288,386,885
Other reserves	18	903,916,062	287,463,755	242,247,669	39,060,803
Retained earnings	18	2,219,063,293	1,921,224,384	1,645,206,417	1,632,248,880
		3,411,366,240	2,497,075,024	2,175,840,971	1,959,696,568
Non-controlling interest		1,253,435	906,106	-	-
<b>Total equity</b>		<b>3,412,619,675</b>	<b>2,497,981,130</b>	<b>2,175,840,971</b>	<b>1,959,696,568</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	20	153,671,000	155,148,000	-	-
Deferred income tax liabilities	13	10,356,823	12,870,164	10,356,823	12,870,164
Defined benefit obligations	21	6,556,877	7,187,632	-	-
Lease liability	10	49,623,596	53,437,604	-	-
Trade and other payables	19	26,243,510	8,309,000	26,243,510	8,309,000
		<b>246,451,806</b>	<b>236,952,400</b>	<b>36,600,333</b>	<b>21,179,164</b>
<b>Current liabilities</b>					
Trade and other payables	19	149,746,346	124,944,572	27,880,344	32,494,695
Current income tax liabilities		9,071,322	-	6,818,052	-
Lease liability	10	7,613,688	13,152,298	-	-
Borrowings	20	543,787,000	589,647,290	-	-
		710,218,356	727,744,160	34,698,396	32,494,695
<b>Total liabilities</b>		<b>956,670,162</b>	<b>964,696,560</b>	<b>71,298,729</b>	<b>53,673,859</b>
<b>Total equity and liabilities</b>		<b>4,369,289,837</b>	<b>3,462,677,690</b>	<b>2,247,139,700</b>	<b>2,013,370,427</b>
Net Asset Value per share	32	224.43	164.28	143.15	128.93

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.

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

Approved and signed for and on behalf of the Board of Directors:

(Sgd.)  
M V M Paulraj  
Director  
Corporate Managers & Secretaries (Private) Limited

(Sgd.)  
S D R Arudpragasam  
Director

(Sgd.)  
Anushman Rajaratnam  
Director

27th September 2021

The accounting policies and notes as set out in pages 23 to 90 form an integral part of these financial statements.

## Statement of Profit or Loss

(all amounts in Sri Lanka Rupees unless otherwise stated)

	Note	Group		Company	
		Year ended 31 March		Year ended 31 March	
		2021	2020	2021	2020
Revenue	22	356,484,427	813,609,430	52,728,923	57,171,464
Cost of sales	25	(198,264,895)	(550,833,282)	-	-
<b>Gross profit</b>		<b>158,219,532</b>	<b>262,776,148</b>	<b>52,728,923</b>	<b>57,171,464</b>
Distribution costs	25	(3,221,132)	(15,391,875)	-	-
Administrative expenses	25	(172,326,620)	(313,320,639)	(36,286,152)	(54,675,880)
Impairment of Investments		-	-	-	(141,640,476)
Other income - net	23	67,849,665	104,870,282	5,412,251	632,366,711
Other gains / (losses) - net	24	365,893,758	(133,891,420)	24,407,155	(9,951,088)
<b>Operating profit / (loss)</b>		<b>416,415,203</b>	<b>(94,957,504)</b>	<b>46,262,177</b>	<b>483,270,731</b>
Finance income	27	52,586,848	39,111,395	54,892,209	38,613,809
Finance costs	27	(69,576,606)	(167,623,865)	-	(663,658)
Finance (costs) / income - net		(16,989,758)	(128,512,470)	54,892,209	37,950,151
<b>Profit / (loss) before income tax</b>		<b>399,425,445</b>	<b>(223,469,974)</b>	<b>101,154,386</b>	<b>521,220,882</b>
Income tax expense	28	(30,629,707)	(20,885,113)	(18,240,517)	(10,086,615)
<b>Profit / (loss) for the year</b>		<b>368,795,738</b>	<b>(244,355,087)</b>	<b>82,913,869</b>	<b>511,134,267</b>
<b>Attributable to:</b>					
Owners of the parent		368,812,004	(220,017,084)	82,913,869	511,134,267
Non - controlling interests		(16,266)	(24,338,003)	-	-
		<b>368,795,738</b>	<b>(244,355,087)</b>	<b>82,913,869</b>	<b>511,134,267</b>

The accounting policies and notes as set out in pages 23 to 90 form an integral part of these financial statements.

## Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees unless otherwise stated)

	Note	Group Year ended 31 March		Company Year ended 31 March	
		2021	2020	2021	2020
<b>Profit for the year</b>		368,795,738	(244,355,087)	82,913,869	511,134,267
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurements of post employment benefit obligations - net of income tax		(1,016,763)	272,721	-	-
Change in Value of financial assets at FVOCI	12 (d)	616,815,902	(230,567,163)	203,186,866	(88,583,806)
<b>Other comprehensive income / (loss) for the year</b>		<b>615,799,139</b>	<b>(230,294,442)</b>	<b>203,186,866</b>	<b>(88,583,806)</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>984,594,877</b>	<b>(474,649,529)</b>	<b>286,100,735</b>	<b>422,550,461</b>
<b>Attributable to :</b>					
Owners of the parent		984,247,548	(450,150,850)	286,100,735	422,550,461
Non - controlling interests		347,329	(24,498,679)	-	-
<b>Total comprehensive income for the year</b>		<b>984,594,877</b>	<b>(474,649,529)</b>	<b>286,100,735</b>	<b>422,550,461</b>
Basic / diluted earnings or (loss) per share for profit attributable to the ordinary equity holders of the Company	29	24.26	(14.47)	5.45	33.63

The accounting policies and notes as set out in pages 23 to 90 form an integral part of these financial statements.

## Statement of Changes in Equity

(all amounts in Sri Lanka Rupees unless otherwise stated)

### (a) Group

	Note	Stated capital	Retained earnings	Other reserves	Total	Non-controlling interest	Total
Balance at 1 April 2019		288,386,885	1,866,545,502	822,693,487	2,977,625,874	363,205,269	3,340,831,143
Loss for the year		-	(220,017,084)	-	(220,017,084)	(24,338,003)	(244,355,087)
Other comprehensive income / (loss)		-	272,721	(230,406,487)	(230,133,766)	(160,676)	(230,294,442)
Total comprehensive loss for the year		-	(219,744,363)	(230,406,487)	(450,150,850)	(24,498,679)	(474,649,529)
Equity adjustment on KIA sale		-	304,823,245	(304,823,245)	-	(337,800,484)	(337,800,484)
Dividends	30	-	(30,400,000)	-	(30,400,000)	-	(30,400,000)
<b>Balance at 31 March 2020</b>		<b>288,386,885</b>	<b>1,921,224,384</b>	<b>287,463,755</b>	<b>2,497,075,024</b>	<b>906,106</b>	<b>2,497,981,130</b>
Balance at 1 April 2020		288,386,885	1,921,224,384	287,463,755	2,497,075,024	906,106	2,497,981,130
Profit / (loss) for the year		-	368,812,004	-	368,812,004	(16,266)	368,795,738
Other comprehensive (loss) / income		-	(1,016,763)	616,452,307	615,435,544	363,595	615,799,139
Total comprehensive income for the year		-	367,795,241	616,452,307	984,247,548	347,329	984,594,877
Reversal of unclaimed dividend		-	6,043,668	-	6,043,668	-	6,043,668
Dividends	30	-	(76,000,000)	-	(76,000,000)	-	(76,000,000)
<b>Balance at 31 March 2021</b>		<b>288,386,885</b>	<b>2,219,063,293</b>	<b>903,916,062</b>	<b>3,411,366,240</b>	<b>1,253,435</b>	<b>3,412,619,675</b>

### (b) Company

	Note	Stated capital	Retained earnings	Other reserves	Total
Balance at 1 April 2019		288,386,885	1,151,514,613	127,644,609	1,567,546,107
Profit for the year		-	511,134,267	-	511,134,267
Other comprehensive loss		-	-	(88,583,806)	(88,583,806)
Total comprehensive income for the year		-	511,134,267	(88,583,806)	422,550,461
Dividends	30	-	(30,400,000)	-	(30,400,000)
<b>Balance at 31 March 2020</b>		<b>288,386,885</b>	<b>1,632,248,880</b>	<b>39,060,803</b>	<b>1,959,696,568</b>
Balance at 1 April 2020		288,386,885	1,632,248,880	39,060,803	1,959,696,568
Profit for the year		-	82,913,869	-	82,913,869
Other comprehensive income		-	-	203,186,866	203,186,866
Total comprehensive income for the year		-	82,913,869	203,186,866	286,100,735
Reversal of unclaimed dividend		-	6,043,668	-	6,043,668
Dividends	30	-	(76,000,000)	-	(76,000,000)
<b>Balance at 31 March 2021</b>		<b>288,386,885</b>	<b>1,645,206,417</b>	<b>242,247,669</b>	<b>2,175,840,971</b>

The accounting policies and notes as set out in pages 23 to 90 form an integral part of these financial statements.

# Statement of Cash Flows

(all amounts in Sri Lanka Rupees unless otherwise stated)

	Note	Group		Company	
		Year ended 31 March		Year ended 31 March	
		2021	2020	2021	2020
<b>Cash flows from operating activities</b>					
Cash generated from / (used in) operating activities	31	171,180,128	(386,093,447)	35,616,678	(375,833,041)
Interest paid		(62,578,916)	(158,196,059)	-	(663,658)
Defined benefit obligations paid	21	(3,750,750)	(1,701,125)	-	-
Income tax paid		(11,854,811)	(6,412,083)	(11,854,811)	(5,986,846)
<b>Cash generated from / (used in) operating activities</b>	<b>-</b>	<b>92,995,651</b>	<b>(552,402,714)</b>	<b>23,761,867</b>	<b>(382,483,545)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	6	(494,024)	(5,968,713)	(40,875)	(585,275)
Proceeds from disposal of subsidiary		-	714,000,000	-	714,000,000
Purchase of Investment property	8	(2,851,238)	(294,592,386)	(2,851,238)	(294,592,386)
Proceeds from sale of property, plant and equipment		4,872,500	-	-	-
Purchase of intangible assets	9	-	(55,000)	-	-
Addition to capital work-in-progress	7	-	(3,253,664)	-	(3,253,664)
Purchase of Investments		(80,676,554)	(25,795,667)	(420,264)	(5,641,711)
Disposal of Investments		31,996,575	967,109	-	-
Interest received		34,701,343	22,560,258	34,701,343	22,062,672
Dividends received		27,822,946	25,968,723	4,430,826	2,873,040
<b>Cash generated from investing activities</b>		<b>15,371,548</b>	<b>433,830,660</b>	<b>35,819,792</b>	<b>434,862,676</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		241,876,458	1,761,857,351	-	-
Repayment of loans		(276,328,763)	(1,567,823,078)	-	-
Repayment of leases		(14,320,306)	(6,236,279)	-	-
Dividends paid	30	(76,000,000)	(30,400,000)	(76,000,000)	(30,400,000)
<b>Cash (used in) / generated from financing activities</b>		<b>(124,772,611)</b>	<b>157,397,994</b>	<b>(76,000,000)</b>	<b>(30,400,000)</b>
<b>(Decrease) / increase in cash and cash equivalents</b>		<b>(16,405,412)</b>	<b>38,825,940</b>	<b>(16,418,341)</b>	<b>21,979,131</b>
<b>Movement in cash and cash equivalents</b>					
At 1 April		(46,780,077)	(85,606,017)	27,515,456	5,536,325
(Decrease) / increase		(16,405,412)	38,825,940	(16,418,341)	21,979,131
<b>At 31 March</b>	<b>16</b>	<b>(63,185,489)</b>	<b>(46,780,077)</b>	<b>11,097,115</b>	<b>27,515,456</b>

The accounting policies and notes as set out in pages 23 to 90 form an integral part of these financial statements.

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 1. General information

C M Holdings PLC is a public limited liability Company domiciled in Sri Lanka and incorporated on 9 July 1909 under the Joint Stock Companies Ordinance of 1861. The Registered office of the Company is located at No. 297, Union Place, Colombo 02. The Company was re-registered under the Companies Act, No. 07 of 2007 on 1 July 2008. The principal activities of the Company is carrying on the businesses of holding investments and property development.

Union Investments (Private) Limited, a wholly owned subsidiary of C M Holdings PLC, is a limited liability Company incorporated on 16th February 1978 under the Companies Ordinance, (Cap,145) and domiciled in Sri Lanka. The registered office of the Company and the principal place of the business is located at No. 8-5/2, Leyden Bastian Road, York Arcade building, Colombo 1. The Company was incorporated on 16 February 1978 and re-registered under the Companies Act, No. 07 of 2007 on 29 July 2008. The principal activity of the Company is carrying on the business of an investment Company.

Guardian Asset Management Limited, a partially - owned subsidiary of C M Holdings PLC is a limited liability Company domiciled in Sri Lanka and incorporated on 8 March 1995 under the Companies Act, No. 17 of 1982 and re-registered under the Companies Act, No. 07 of 2007 on 1st August 2008. The registered office of the Company is located at No. 8-5/2, Leyden Bastian Road, York Arcade building, Colombo 01. The principal activities of the Company are asset management, funds and portfolio management and the management of trusts.

Guardian Trustees Limited is a wholly owned subsidiary of Guardian Asset Management Limited. It is a limited liability Company domiciled in Sri Lanka and incorporated on 26th May 1995 under Companies Act, No. 17 of 1982 and re-registered under the Companies Act, No. 07 of 2007 on 1st August 2008. It is an indirect subsidiary of C M Holdings PLC. The registered office of the Company is located at No. 8-5/2, Leyden Bastian Road, York Arcade building, Colombo 01. The principal activities of the Company are asset management funds, portfolio management and the management of trusts. The Company having ceased all operations in 2015, The Board of Directors resolved to strike off the entity from the Company register as of August 2015 and the said strike off process is in progress as at the statement of financial position date.

Colonial Motors (Ceylon) Limited, a wholly owned subsidiary of C M Holdings PLC is a limited liability Company domiciled in Sri Lanka and incorporated on 18th November 1996 under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007 on 3rd August 2009, and commenced its operations on 23rd October 2012. The registered office of the Company is located at No. 449, Negombo Road, Peliyagoda. The principal activity of the Company is import and sale of motor vehicles, and spare parts and providing vehicle maintenance services.

Motor Mart Ceylon (Private) Limited is a wholly owned subsidiary of Colonial Motors (Ceylon) Limited. It is a limited liability Company domiciled in Sri Lanka and incorporated on 4th November 2016 under the Companies Act No.07 of 2007. It is an indirect subsidiary of C M Holdings PLC. The registered office of the Company is located at No.449, Negombo Road, Peliyagoda. The principal activity of the Company is to secure agencies for commercial vehicles.

The parent of the Group is The Colombo Fort Land and Building PLC and the Group structure as at 31 March 2021 is as follows:

Name of the Company	Relationship	Holding	Proportion of voting power interest	
			2021	2020
Union Investments (Private) Limited	Subsidiary	Direct	99.99%	99.99%
Guardian Asset Management Limited	Subsidiary	Direct/Indirect	93.75%	93.75%
Colonial Motors (Ceylon) Limited	Subsidiary	Direct	99.99%	99.99%
Motor Mart Ceylon (Pvt) Limited	Subsidiary	Indirect	99.99%	99.99%

C M Holdings PLC entered into an agreement on 2 August 2019, for the sale of 42,000,000 ordinary shares of KIA Motors (Lanka) Limited for a consideration of Rs.714 Mn to Mr.Mahendra Thambiah subject to the fulfillment of identified terms and conditions and consequent to giving effect to the terms and conditions set out in the sale agreement. KIA Motors (Lanka) Limited and Carplan Limited (a fully owned subsidiary of KIA Motors (Lanka) Limited) ceased to be subsidiaries of C M Holdings PLC as of 6 August 2019.

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below: These policies have been consistently applied to all years presented, unless otherwise stated.

### 2.1 Basis of preparation

The financial statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards ("SLFRS"s), Sri Lanka Accounting Standards ("LKAS"s), relevant interpretations of the Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC"). Sri Lanka Accounting Standards further comprises of Statements of Recommended Practices (SoRPs), Statements of Alternate Treatments (SoATs) and Financial Reporting Guidelines issued by the Institute of Chartered Accountants of Sri Lanka. These financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities, certain classes of property, plant and equipment which are measured at fair value and amortised cost. The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's and the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's and the Group's financial statements are disclosed in note 4 to the financial statements.

The following amendments to the Sri Lanka Accounting Standards that are relevant for the preparation of the Group's financial statements have been adopted by the Group (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 April 2020 ie year ending 31 March 2021 and (b) forthcoming requirements, being standards and amendments that will become effective on or after 1 April 2021.

### 2.2 Changes in accounting policies and disclosures

(a) New accounting standards, amendments and interpretations adopted during the financial year.

The amendments to LKAS 1 Presentation of Financial Statements and LKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout Sri Lanka Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in LKAS 1 about immaterial information.

In particular, the amendments clarify:

- a) that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- b) the meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need

Amendments to SLFRS 3 for business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. According to the amendment to SLFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

- (b) New accounting standards, amendments and interpretations issued but not yet adopted. The following standards and interpretations had been issued but not mandatory for annual reporting periods ending 31 March 2021.

This amendment is effective for the annual periods beginning on or after 1 June 2020.

Amendments to LKAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the

expectations of the entity or events after the reporting date (eg the receipt of a waiver or a breach of covenant). The amendments also clarify what LKAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in LKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendment to the standard is effective for accounting periods beginning on or after 1 January 2023.

Property, Plant and Equipment: Proceeds before intended use - Amendments to LKAS 16

The amendment to LKAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

This amendment is effective for the annual periods beginning on or after 1 January 2022.

Amendments were made to SLFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of LKAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21, Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

This amendment is effective for the annual periods beginning on or after 1 January 2022.

The amendment to LKAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate

provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

This amendment is effective for the annual periods beginning on or after 1 January 2022.

Amendments to SLFRS 10, 'Consolidated financial statements', and LKAS 28, 'Investments in associates and joint ventures', clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business'. The effective date of this amendment is yet to be announced.

Annual Improvements to following SLFRS ;

- » SLFRS 9 Financial Instruments
- » SLFRS 16 Leases
- » SLFRS 1 First-time Adoption of International Financial Reporting Standards

These amendment are effective for the annual periods beginning on or after 1 January 2022.

The adoption of amendments to published standards are not expected to have a material impact to the financial statements of the Company and the Group.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Company and the Group in the current or future reporting periods and on foreseeable future transactions.

### 2.3 Comparative information

Previous period figures and notes have been changed and reclassified wherever necessary to conform to the current year's presentation.

*The below comparatives have been reclassified*

#### (a) Cash flows from investing activities

Purchase of investment property has been shown separately from purchase of property plant and equipment for better presentation and clarity.

Purchase of investments and disposal of investments have been separately disclosed in comparison to previous years aggregate presentation for better clarity.

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

Prior to reclassification	Group	Company
Purchase of property, plant and equipment	(300,561,099)	(295,177,661)
(Purchase) / disposals of investments	(24,828,558)	(5,641,711)
<i>After reclassification</i>		
Purchase of property, plant and equipment	(5,968,713)	(585,275)
Purchase of investment property	(294,592,386)	(294,592,386)
Purchase of Investments	(25,795,667)	(5,641,711)
Disposal of Investment	967,109	-

## (b) Cash flows from financing activities

Lease repayments are disclosed separately from repayment of borrowings for better clarity which was aggregated in the previous year report.

Prior to reclassification	Group
Repayment of loans / leases	(1,574,059,357)
<i>After reclassification</i>	
Repayment of loans	(1,567,823,078)
Repayment of leases	(6,236,279)

## 2.4 Consolidation

### (a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. Inter Company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of income, statement of comprehensive income, statement of changes in equity and Statement of Financial Position respectively.

### Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

## 2.5 Foreign currency translation

### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Sri Lanka Rupees' (LKR), which is the Company's and the Group's functional and presentation currency.

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss on a net basis within 'Finance income or cost'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified at Fair Value through Other Comprehensive Income are recognised in other comprehensive income.

## 2.6 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial

statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 2.7 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

## 2.8 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realisable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. Cost of inventory is determined on a weighted average basis and actual basis.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 2.9 Financial assets

### 2.9.1 Classification

The Company and the Group classify its financial assets in the following measurement categories.

- » those to be measured at amortised cost
- » those to be measured at Fair Value through Other Comprehensive Income (OCI) or through profit or loss

The classification depends on the Company's and the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in comprehensive income or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company and the Group have made an irrevocable election at the time of initial recognition to account for the equity investment at Fair Value through Other Comprehensive Income (FVOCI). The Company and the Group reclassify debt investments when and only when its business model for managing those assets changes.

### 2.9.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Company and the Group commit to purchase or sell the asset.

At initial recognition, the Company and the Group measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

### 2.9.3 Subsequent measurement

#### (i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which debt instruments are classified:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in comprehensive income and presented in other income/gains (losses) together with foreign exchange gains and losses.

Impairment losses are presented as separate line item in the statement of profit or loss.

**FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in statement of profit or loss.

**FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in comprehensive income and presented net within other gains/(losses) in the period in which it arises.

#### (ii) Equity instruments

The Company and the Group subsequently measure all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to statement of profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in statement of profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### 2.9.4 Impairment

From 01st April 2018 The Company and Group assesses on a forward looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company and the Group apply the simplified approach permitted by SLFRS 9, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables. To

measure the expected credit losses, trade receivables have been Grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

### 2.9.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company and the Group have transferred substantially all risks and rewards of ownership.

### 2.9.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the Counterparty.

### 2.9.7 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company and the Group designate certain derivatives as either:

- (i) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges),
- (ii) hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- (iii) hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Company and the Group document the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company and the Group document its risk management objective and strategy for undertaking its hedge transactions."

### 2.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short- term highly liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

In the Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

### 2.11 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non- current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional , unless they contain significant financing components when they are recognised at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

### 2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.13 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Company and the Group have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

## 2.14 Property, plant and equipment

Property, plant and equipment other than land is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Land is shown at fair value based on a valuation performed by an external independent professional valuer. Where an item of property, plant and equipment is revalued, the entire class of such asset is revalued. Revaluations are made with sufficient regularity (every three or five years) to ensure that their carrying value do not differ materially from their fair value at the reporting date.

Increases in the carrying amount arising on revaluation of land is credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to the statement of profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight - line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

	%
Building	5
Plant, machineries	10-25
Motor vehicles	25
Leasehold Improvements	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within Other income - net in the statement of profit or loss.

Any balance remaining in the revaluation reserve in respect of an asset is transferred directly to retained earnings on disposal of an asset that was revalued.

## 2.15 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Land held under operating leases is classified and accounted for by the Group and Company as investment property when the definition of investment property would otherwise be met.

Investment property is depreciated using a straight line method over its estimated useful life of 20 years.

Investment property is measured initially at its cost, including related transaction costs and (where applicable) borrowing costs.

After initial recognition, investment property is accounted for under the cost model. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment.

## 2.16 Impairment of non financial assets (Excluding Goodwill)

Non financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2.17 Provisions

Provisions are recognised when the Company and the Group have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions for asset retirement obligations are measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as finance cost.

## 2.18 Employee benefits

### (a) Defined benefit plans – gratuity

Defined benefit plan defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as years of service and compensation. The defined benefit plan comprises the gratuity provided under the Act No. 12 of 1983.

The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yield rate of the long term government bonds that have terms to maturity approximating to the terms of the related defined benefit obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and included in employee benefit expense in the comprehensive income.

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligations resulting from employee service in the current year. It is recognised in the comprehensive income in employee benefit expense, except where included in the cost of an asset. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in comprehensive income as past service costs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

The assumptions based on which the results of the actuarial valuation was determined, are included in note 21 to the financial statements.

### (b) Defined contribution plans

For defined contribution plans, such as the Employees' Provident Fund and Employees' Trust Fund, the Group contributes 12% and 3% respectively, of the employees' basic or consolidated wage or salary. The Company and the Group have no further payment obligations once the contributions have been paid. The Group and the employees are members of these defined contribution plans.

### (c) Short term employee benefits

Wages, salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

## 2.19 Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

## 2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 2.21 Revenue recognition

Revenue from Goods and services deliverable under contracts with customers are identified as separate performance obligations ('obligations') to the extent that the customer can benefit from the goods or services on their own or together with other resources that are readily available to the customer and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services do not meet the criteria to be identified as separate performance obligations. They are aggregated with other goods and/or services in the agreement until a separate performance obligation is identified. The Group generates revenue from import and sale of motor vehicles, spare parts, providing vehicle maintenance services and rental income from its investment properties.

The Company and the Group determines the transaction price to which it expects to be entitled to in return for providing the promised obligations to the customer based on the committed contractual amounts, net of sales taxes and discounts. The transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations. The standalone selling price of each obligation deliverable in the contract is determined according to the prices that the Company and the Group would achieve by selling the same goods and/or services included in the obligation to a similar customer on a standalone basis. Where the Group does not sell equivalent goods or services in similar circumstances on a standalone basis it is necessary to estimate the standalone price. When estimating the standalone price, the Group maximises the use of external input observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach. Revenue is recognised when the respective obligations in the contract are delivered to the customer and payment remains probable. The revenue is recognised as follows;

(a) Sale of motor vehicles, spare parts and repair & maintenance  
Revenue from the sale of motor vehicles and motor vehicle spare parts, are recognized in the income statement when the control of goods have been transferred to the buyers, usually on delivery of the goods.

Revenue from motor vehicle repair and maintenance service contracts is recognized in the income statement by reference to the stage of completion of the transaction at the end of the reporting period. Recognition of revenue is based on the percentage of completion of the contract, and is determined by the proportion costs incurred to date bear to estimated total cost of the transaction.

(b) Rental income

Rental income is recognised on an accrual basis in the ordinary course of business as per applicable terms and conditions set in the registered lease agreements with the respective tenants.

## 2.22 Interest income

Interest income is recognised using the effective interest method. When a loan granted or a receivable is impaired, the Company and the Group reduce the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate. Interest income on bank balances and bank deposits are recognised on accrual basis.

## 2.23 Dividend income

Dividend income is recognised when the right to receive payment is established.

## 2.24 Leases

Leases are recognised as right-of-use ('ROU') assets and a corresponding liability at the date on which the which a lessor makes an underlying asset available for use by a lessee (i.e. the commencement date). Contracts may contain both lease and non-lease components. The Company and the Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(a) Right of use assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability (present value of future lease payments discounted using the Company's incremental borrowing rate) adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Company and the Group.

(b) Lease liabilities

liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- » fixed payments (including in-substance fixed payments), less any lease incentives receivable
- » variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- » amounts expected to be payable by the group under residual value guarantees
- » the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- » payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs. The Company and the Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

#### (c) Short term leases and leases of low value assets

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

## 2.25 Intangible assets

### (a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of aggregate of fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the fair value of consideration transferred, non controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of profit or loss as a bargain purchase.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

### (b) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- » it is technically feasible to complete the software so that it will be available for use
- » management intends to complete the software and use it
- » there is an ability to use the software
- » it can be demonstrated how the software will generate probable future economic benefits
- » adequate technical, financial and other resources to complete the development and to use the software are available, and
- » the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Software are amortised over three years.

## 3. Financial risk management

The principal financial instruments of the Group and Company comprise of bank loans, finance leases, short term deposits, investment in equity securities, unit trust and cash. The main purpose of these financial instruments is to raise and maintain liquidity for the Group's and Company's operations, and maximize returns on the Group's and Company's financial reserves. The Group and Company has various other financial instruments such as receivables and payables which arise directly from its business activities.

### Financial risk factors

The Group's and the Company's activities are exposed to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk, and price risk), credit risk and liquidity risk.

The Group's and Company's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and the Company. Financial risk management is carried out through risk reviews, and adherence to the Group's and the Company's financial risk management policies. The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks.

### Market risk consists of:

Foreign exchange risk - risk that the value of recognized assets and liabilities, future commercial transactions will fluctuate due to changes in foreign exchange rates.

# Notes to the Consolidated Financial Statements

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Fair value interest rate risk - risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Cash flow interest rate risk - risk that future cash flows associated with a financial instrument will fluctuate due to changes in market interest rates.

Price risk - risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instrument traded in the market.

Credit risk - risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Liquidity risk (funding risk) - risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

## 3.1 Foreign Currency Exchange Risk

The Group is principally exposed to foreign exchange risk arising with respect to the Great Britain Pound, United States Dollar and Japanese Yen, due to its import activities of motor vehicles and motor vehicle spare parts for local sale and / or repair and maintenance services. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

Foreign currency risk arises whenever the Group has contractual cash flows whose values are subject to unanticipated changes in exchange rates due to a contract

being denominated in a foreign currency. This type of exposure is short term in nature and the Group continuously monitors the market exchange rates and takes necessary steps to mitigate the risk by adapting to the market conditions.

As at 31 March 2021, if LKR has weakened by 1%, all other variables held constant the resultant net foreign exchange losses in LKR are as follows -

	Group
Great Britain Pound	297,671
United State Dollar	1,593,165
Japanese Yen	1,132,853

## 3.2 Cash flow and fair value interest rate risk

The borrowings are periodically contractually repriced (see below) and to that extent are also exposed to the risk of future changes in market interest rates.

The Group's borrowings are in terms of LKR, and the Groups' interest rate risk arises from fluctuations in AWPLR. Based on the outlook on AWPLR, the Group takes necessary decisions on restructuring the loans at the relevant time period.

The exposure of the Group's and the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

As at the end of the reporting period, the Group and the Company had the following variable rate borrowings outstanding:

	Group		Company	
	31 March 2021			
	Weighted average interest rate %	Balance	Weighted average interest rate %	Balance
Bank Loans	7.35	342,460,019	-	-
Net exposure to cash flow interest rate risk	-	342,460,019	-	-

	Group		Company	
	31 March 2020			
	Weighted average interest rate %	Balance	Weighted average interest rate %	Balance
Bank Loans	11.62	387,696,078	-	-
Net exposure to cash flow interest rate risk	-	387,696,078	-	-

### Sensitivity

Profit or loss is sensitive to higher/lower interest as a result of changes in interest rates in variable rate bank borrowings above ;

	Group		Company	
	2021	2020	2021	2020
Interest rates – increase by 1%	(3,431,882)	(3,874,223)	-	-
Interest rates – decrease by 1%	3,417,318	3,879,698	-	-

### 3.3 Price risk

The Group's exposure to equity securities and price risk arises from investments held by the Company and the Group classified in the statement of financial position either as at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income.

To manage its price risk arising from investments in equity securities, the Company and the group diversify its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company and the Group.

### Sensitivity

The following table presents the changes of fair values as a result of changes in fair value of instruments for the periods ended 31 March 2021 and 31 March 2020:

	Group	
	2021	2020
Financial assets at fair value through profit or Loss (FVTPL) - increase by 80% (2020 decreased by 24%)	365,247,315	(134,706,161)
Financial assets at fair value through other comprehensive income (FVOCI) - increase by 115% (2020 decreased by 30%)	616,815,902	(230,567,163)

	Company	
	2021	2020
Financial assets at fair value through profit or Loss (FVTPL) - increase by 62% (2020 decreased by 20%)	24,407,155	(9,951,088)
Financial assets at fair value through other comprehensive income (FVOCI) - increase by 64% (2020 decreased by 22%)	203,186,866	(88,583,806)

### Amounts recognised in profit or loss and other comprehensive income

The amounts recognised in profit or loss and other comprehensive income in relation to the various investments held by the Group and Company are disclosed in note 12.

### 3.4 Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, and deposits with banks, as well as credit exposures to customers, including outstanding receivables (net of deposits held). The utilization of credit limits is regularly monitored.

Credit risk is managed on Group and Company basis. For bank and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted or with sound financial background are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by line management.

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For some trade receivables the Group and the Company may obtain security in the form of guarantees or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Credit quality of cash and short term deposits is shown under note 12 (b) to the financial statements.

The Group and the Company has the below financial assets that are subject to the expected credit loss model:

The Group has the following types of financial assets that are subject to the expected credit loss model: - Trade and other receivables

While cash and cash equivalents are also subject to the impairment requirements of SLFRS 9, the identified impairment loss was immaterial.

## Trade and other receivables

The Group applies the SLFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 March 2021 or 01 April 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 March 2021 and 31 March 2020 was determined as follows for trade receivables:

	Group	
	2021	2020
0 day to 30 days	10,654,123	8,410,949
31 days to 90 days	11,473,715	12,392,570
91 days above	24,185,934	27,499,395
<b>Total trade receivables</b>	<b>46,313,772</b>	<b>48,302,914</b>

The closing loss allowances for trade receivables as at 31 March 2021 and 31 March 2020 reconcile to the opening loss allowances as follows:

	Group		Company	
	2021	2020	2021	2020
Opening loss allowance at 1 April	2,273,134	7,094,281	-	-
Increase in loss allowance recognised in profit or loss	-	285,889	-	-
Unused amount reversed	(569,441)	(5,107,036)	-	-
<b>Closing loss allowance at 31 March</b>	<b>1,703,693</b>	<b>2,273,134</b>	<b>-</b>	<b>-</b>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

## 3.5 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient liquid funds to meet its financial obligations.

In the management of liquidity risk, the Group and Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Company's and the Group's operations and to mitigate the effects of fluctuations in cash flows. Due to the nature of the underlying business, the Group and Company aim at maintaining flexibility in funding by keeping credit lines available.

The table below analyses the Group's and the Company's non- derivative financial liabilities into relevant maturity Groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

## Group

As at 31 March 2021	Less than 3 months	Between 3 months and 1 year	Between year 1 and year 2	Between year 2 and year 5	Over 5 years
Borrowings	90,401,126	453,385,874	153,671,000	-	-
Trade and other payables	121,297,676	28,448,668	5,707,962	20,535,550	-
Lease liabilities	1,720,000	9,258,000	11,352,000	45,816,000	6,024,000

As at 31 March 2020	Less than 3 months	Between 3 months and 1 year	Between year 1 and year 2	Between year 2 and year 5	Over 5 years
Borrowings	103,115,863	486,531,427	155,148,000	-	-
Trade and other payables	94,646,328	30,298,244	1,661,800	6,647,200	-
Lease liabilities	1,930,000	9,700,000	12,298,000	39,196,000	24,096,000

## Company

As at 31 March 2021	Less than 3 months	Between 3 months and 1 year	Between year 1 and year 2	Between year 2 and year 5	Over 5 years
Borrowings	-	-	-	-	-
Trade and other payables	3,699,724	24,180,618	5,707,962	20,535,550	-

As at 31 March 2020	Less than 3 months	Between 3 months and 1 year	Between year 1 and year 2	Between year 2 and year 5	Over 5 years
Borrowings	-	-	-	-	-
Trade and other payables	2,196,451	30,298,244	1,661,800	6,647,200	-

### 3.6 Capital risk management

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

The Group and Company manage its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and Company may or may not make dividend payments to shareholders, return capital to shareholders or issue new shares or other instruments.

Consistent with others in the industry, the Group and Company monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and leases (including 'current and non- current borrowings and leases as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt. Total equity is calculated as 'Total equity' in the statement of financial position.

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The gearing ratio as at 31 March were as follows:

Group	2021	2020
Total borrowings and leases (Note 10 & 20)	754,695,284	811,385,192
Less: Cash and cash equivalents (Note 16)	(27,215,637)	(56,335,786)
Net debt	727,479,647	755,049,406
Total equity	3,412,619,675	2,497,981,130
Total capital	4,140,099,322	3,253,030,536
<b>Gearing ratio</b>	<b>17.57%</b>	<b>23.21%</b>

Company	2021	2020
Total borrowings (Note 20)	-	-
Less: Cash and cash equivalents (Note 16)	(11,097,115)	(27,515,456)
Net debt	-	-
Total equity	2,175,840,971	1,959,696,568
Total capital	2,175,840,971	1,959,696,568
<b>Gearing ratio</b>	<b>-</b>	<b>-</b>

### 3.7 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation methods. The different levels have been defined as follows:

- » Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- » Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- » Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Group	Level 1	Level 2	Level 3	Total
<b>31 March 2021</b>				
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investment in unit trusts	8,420,234	-	-	8,420,234
Investment in equity shares	815,646,656	-	-	815,646,656
<b>Financial Assets at FVOCI</b>				
Investment in equity shares	1,028,828,930	-	190,573,053	1,219,401,983
	<b>1,852,895,820</b>	<b>-</b>	<b>190,573,053</b>	<b>2,043,468,873</b>

### 31 March 2020

#### Assets

#### Financial assets at fair value through profit or loss

Investment in unit trusts	5,668,176	-	-	5,668,176
Investment in equity shares	449,968,585	-	-	449,968,585

#### Financial Assets at FVOCI

Investment in equity shares	314,417,493	-	220,839,116	535,256,609
	<b>770,054,254</b>	<b>-</b>	<b>220,839,116</b>	<b>990,893,370</b>

Company	Level 1	Level 2	Level 3	Total
<b>31 March 2021</b>				
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investment in unit trusts	7,325,518	-	-	7,325,518
Investment in equity shares	57,072,921	-	-	57,072,921
<b>Financial Assets at FVOCI</b>				
Investment in equity shares	329,614,004	-	190,554,783	520,168,787
	<b>394,012,443</b>	<b>-</b>	<b>190,554,783</b>	<b>584,567,226</b>
<b>31 March 2020</b>				
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investment in unit trusts	4,805,081	-	-	4,805,081
Investment in equity shares	34,765,939	-	-	34,765,939
<b>Financial Assets at FVOCI</b>				
Investment in equity shares	96,795,736	-	220,186,185	316,981,921
	<b>136,366,756</b>	<b>-</b>	<b>220,186,185</b>	<b>356,552,941</b>

**(i) Valuation techniques used to determine fair values**

Specific valuation techniques used to value financial instruments include:

- » the use of quoted market prices
- » for other financial instruments - adjusted net assets value

**(ii) Fair value measurements using significant unobservable inputs (level 3).**

The following table presents the changes in level 3 items for the periods ended 31 March 2021 and 31 March 2020:

Subsequent measurement for the level 3 items performed based on "Adjusted Net Asset Value Approach"

	Unlisted equity securities FVTOCI	
	Group	Company
Opening balance 1 April 2019	233,432,485	232,925,763
Loss recognised in other comprehensive income	(12,593,369)	(12,739,578)
<b>Closing balance 31 March 2020</b>	<b>220,839,116</b>	<b>220,186,185</b>
Opening balance 1 April 2020	220,839,116	220,186,185
Loss recognised in other comprehensive income	(30,266,063)	(29,631,402)
<b>Closing balance 31 March 2021</b>	<b>190,573,053</b>	<b>190,554,783</b>

**(iii) Valuation inputs and relationships to fair value**

The finance department of the Company performs the valuations of level 3 items, required for financial reporting purposes, and reports directly to the Board of Directors.

The main level 3 input used by the group is derived and evaluated as follows:

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(all amounts in Sri Lanka Rupees unless otherwise stated)

## Unobservable inputs used

### DCF method

- » Discount rate
- » Expected earnings growth rate (for terminal value).
- » Increase / decrease in the discount rate by 50 basis points would decrease / increase the fair value by LKR (2.03) Mn and LKR 4.17 Mn respectively.
- » Increase / decrease in the expected growth rate by 50 basis points would increase / decrease the fair value by LKR 25.05 Mn and (18.94) Mn respectively.

### Property Valuation

- » Per perch / per square foot value
- » Increase / decrease in per perch or per square foot value by 100 basis points would increase / decrease the fair value by LKR 0.944 Mn and (0.943) Mn respectively.

## 4. Critical accounting estimates and judgements

### 4.1 Critical accounting estimates and assumptions

The Group and Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### Impairment assessment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy stated in note 2.25 (a) and whenever events or change in circumstances indicate that this is necessary within the financial year. The cash generating unit, being the lowest level of assets for which there are separately identifiable cash flows, was assessed as the subsidiary for the purpose of such testing of impairment of goodwill.

The recoverable amount of the CGU is determined based on Value - In - Use (VIU) calculations.

The VIU calculations apply Discounted Cash Flow Model using cash flow projections based on the forecasts and projections approved by the management covering a five year period.

Cash flows beyond the five year period are extrapolated using the estimated growth rate as stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

In the Discounted Cash Flow (DCF) model, the free cash flows have been discounted by the pre-tax discount rate.

The subsidiary is engaged in the business of asset management, fund and portfolio management, and management of Trusts including unit trusts and investment trusts and to act as trustees thereof.

These forecasts and projections reflect management expectations of revenue growth, operating costs and margins for the CGU based on past experience and future plans and strategies.

The following assumptions were applied in the value in use computation.

#### 1. EBIDTA margin

Projected EBIDTA margin is determined based on expected growth potential of the business.

#### 2. Free cash flow (FCF) growth rate

FCF growth projections are based on expected growth in operational cashflows.

#### 3. Pre-tax discount rate

Pre-tax discount rate of the Group is used as the discount rate for cash flow projections.

#### 4. Terminal growth rate

Terminal growth reflects the management expectations on the growth potential of the business in Sri Lanka for the foreseeable future.

Given below are the projected variables used for the impairment test for 2021 and 2020:

	2021	2020
EBITDA margin (1)	17%	4%
Free cash flow growth rate (2)	8%	10%
Pre-tax discount rate (3)	5%	14%
Terminal growth rate (4)	2%	2%

Based on the impairment test performed, the recoverable amounts exceed the carrying value, hence no provision for impairment of goodwill was recognised as of 31 March 2021.

#### Impact of possible changes in key assumptions

The Group's review includes an impact assessment of change in key assumptions. Sensitivity analysis shows that no impairment loss is required for the carrying value of the goodwill, including where realistic variances are applied to key assumptions.

#### Defined benefit plan - gratuity

The present value of the defined benefit plan depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for defined benefit plan include the discount rate, future salary increase rate, mortality rate, withdrawal and disability rates and retirement age. Any changes in these assumptions will impact the carrying amount

of defined benefit plan. The Group and Company determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows, expected to be required to settle the defined benefit plan. In determining the appropriate discount rate, the Group and Company consider the interest yield of long term government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related defined benefit plan. Other key assumptions for defined benefit plan are based in part on current market conditions.

#### *Impairment of receivables*

The Company and the Group review all receivables at the date of statement of financial position to assess whether an allowance should be recorded in the statement of comprehensive income. Management uses judgment in estimating such amounts in the light of the duration of outstanding and any other factors management are aware of that indicates uncertainty in recovery.

#### *Contingent liabilities*

Determination of the treatment of contingent liabilities in the financial statements is based on the management's view of the expected outcome of the applicable contingency. The Group consults with legal counsel on matters related to litigation and other experts both within and outside the Group and Company with respect to matters in the ordinary course of business.

## **4.2 Critical judgements in applying the entity's accounting policies**

(a) Critical judgements in determining the lease term - SLFRS 16  
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of buildings and motor vehicles, the following factors are normally the most relevant:

- » If there are significant penalties to terminate (or not extend), the Group and Company is typically reasonably certain to extend (or not terminate);
- » If any leasehold improvements are expected to have a significant remaining value, the Group and Company is typically reasonably certain to extend (or not terminate), and
- » Otherwise, the Group and Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset;

Most extension options in buildings and motor vehicles leases have not been included in the lease liability, because the Group and Company could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group and Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (b) COVID-19 Outbreak

COVID-19 outbreak which affected the Company and its subsidiaries operations since early March 2020 continue to evolve and change as its affects are far reaching. Accordingly, in preparing the financial statement, the management has considered the impact of COVID-19 primarily as following:

- » The Company and its subsidiaries have not noted any events or conditions that may cast significant doubt about Group's ability to continue as a going concern in view of COVID-19 pandemic.
- » Investments in subsidiaries are carried at cost. The Company has not determined any impairment losses as at the reporting date due to the COVID-19 pandemic.
- » The Group has not determined any impairment of goodwill as at reporting date due to the COVID-19 pandemic.

## **5. Segment information**

Operating segments are reported being consistent with the internal management reporting practices towards the Board of Directors who are the strategic decision makers of the Group. Based on the above internal process revenue, cost, depreciation, amortization, assets and liabilities are allocated under the below segments.

#### (a) Primary reporting format - business segments

The Group is organised into three main business segments:

- » Sale of motor vehicles and related services which includes import and sale of motor vehicles along with the provision of value added services to the customer.
- » Providing motor vehicle repair and maintenance services including sale of spare parts and workshop related activities for value addition.
- » Investment and property holding where the entity engages in leasing out its investment properties and earning a rental income amongst other investment activities.

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

The segment results for the year ended 31 March 2021 are as follows:

	Motor vehicle sales & related services	Repair & maintenance services	Investment & property holding	Group
Total segmental revenue	91,351,744	212,403,760	52,728,923	356,484,427
	<b>91,351,744</b>	<b>212,403,760</b>	<b>52,728,923</b>	<b>356,484,427</b>
Operating Profit	(7,933,816)	(18,365,707)	442,714,726	416,415,203
Finance income	-	-	-	52,586,848
Finance costs	-	-	-	(69,576,606)
Finance costs - net	-	-	-	(16,989,758)
Loss before income tax	-	-	-	399,425,445
Income tax expense	-	-	-	(30,629,707)
<b>Net Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>368,795,738</b>

The segment results for the year ended 31 March 2020 are as follows:

	Motor vehicle sales & related services	Repair & maintenance services	Investment & property holding	Group
Total segmental revenue	274,571,113	487,067,478	51,970,839	813,609,430
	<b>274,571,113</b>	<b>487,067,478</b>	<b>51,970,839</b>	<b>813,609,430</b>
Operating Profit	(26,380,897)	(31,634,477)	(36,942,130)	(94,957,504)
Finance income	-	-	-	39,111,395
Finance costs	-	-	-	(167,623,865)
Finance costs - net	-	-	-	(128,512,470)
Loss before income tax	-	-	-	(223,469,974)
Income tax expense	-	-	-	(20,885,113)
<b>Net Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(244,355,087)</b>

## (a) Primary reporting format - business segments (Contd)

Other segment items included in the income statement are as follows - Year ended 31 March 2021 are as follows:

	Motor vehicle sales & related services	Repair & maintenance services	Investment & property holding	Group
Depreciation	9,651,332	22,440,497	6,890,324	38,982,153
Amortisation	183,047	-	-	183,047

Year ended 31 March 2020 are as follows:

Depreciation	55,612,749	7,146,573	7,496,050	70,255,372
Amortisation	731,377	4,130	74,750	810,257

The segment assets and liabilities at 31 March 2021 and capital expenditure for the year then ended are as follows:

Year ended 31 March 2021 are as follows:

	Motor vehicle sales & related services	Repair & maintenance services	Investment & property holding	Group
Assets	211,999,932	492,925,267	3,664,364,638	4,369,289,837
Liabilities	257,342,621	598,352,455	100,975,086	956,670,162
Capital expenditure	453,149	-	2,892,113	3,345,262

Year ended 31 March 2020 are as follows:

Assets	447,970,324	376,115,136	2,638,592,230	3,462,677,690
Liabilities	474,248,695	398,178,412	92,269,453	964,696,560
Capital expenditure	5,438,438	-	298,431,325	303,869,763

Inter segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Segment assets consist primarily of property, plant and equipment, investment property intangible assets, inventories, trade and other receivables cash and cash equivalents and other assets.

Segment liabilities comprise operating and other liabilities.

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

#### (b) Secondary reporting format - geographical segments

The Group's business segments operate in one main geographical area, hence they do not qualify for secondary reporting.

## 6. Property, plant, and equipment

Group	Note	Freehold land improvements	Leasehold improvements	Buildings	Plant, machinery & other equipment	Motor vehicles	Total
<b>Year ended 31 March 2020</b>							
Opening net book amount		1,305,090,659	97,613,211	646,781,470	97,329,137	37,175,652	2,183,990,129
Additions		-	-	2,762,618	2,115,075	1,091,020	5,968,713
Transferred to IP	8	(102,205,660)	-	(13,843,963)	-	-	(116,049,623)
Depreciation charge	25	-	(1,481,595)	(16,325,673)	(18,877,690)	(10,856,829)	(47,541,787)
Depreciation Transferred to IP	8	-	-	6,027,249	-	-	6,027,249
Transferred from capital work-in-progress	7	-	-	3,992,695	-	-	3,992,695
Transferred to ROU on adoption of SLFRS 16		-	(87,727,537)	-	-	-	(87,727,537)
Depreciation Transferred to ROU on adoption of SLFRS 16		-	6,143,682	-	-	-	6,143,682
Disposal of subsidiary		(976,884,999)	(21,182,172)	(559,917,452)	(121,809,869)	(130,924,702)	(1,810,719,194)
Depreciation on disposal		-	6,634,411	35,795,537	67,967,551	108,358,518	218,756,017
<b>Closing net book amount</b>		<b>226,000,000</b>	<b>-</b>	<b>105,272,481</b>	<b>26,724,204</b>	<b>4,843,659</b>	<b>362,840,344</b>
<b>At 31 March 2020</b>							
Cost or fair value		226,000,000	-	138,180,200	76,444,336	43,985,772	484,610,308
Accumulated depreciation		-	-	(32,907,719)	(49,720,132)	(39,142,113)	(121,769,964)
		<b>226,000,000</b>	<b>-</b>	<b>105,272,481</b>	<b>26,724,204</b>	<b>4,843,659</b>	<b>362,840,344</b>

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

Group	Note	Freehold land improvements	Leasehold improvements	Buildings	Plant, machinery & other equipment	Motor vehicles	Total
<b>Year ended 31 March 2021</b>							
Opening net book amount		226,000,000	-	105,272,481	26,724,204	4,843,659	362,840,344
Additions		-	-	-	494,024	-	494,024
Disposals		-	-	-	-	(6,283,993)	(6,283,993)
Depreciation charge	25	-	-	(7,094,869)	(6,801,139)	(2,058,909)	(15,954,917)
Depreciation on disposal		-	-	-	-	5,724,371	5,724,371
<b>Closing net book amount</b>		<b>226,000,000</b>	<b>-</b>	<b>98,177,612</b>	<b>20,417,089</b>	<b>2,225,128</b>	<b>346,819,829</b>
<b>At 31 March 2021</b>							
Cost or fair value		226,000,000	-	138,180,200	76,938,360	37,701,779	478,820,339
Accumulated depreciation		-	-	(40,002,588)	(56,521,271)	(35,476,651)	(132,000,510)
		<b>226,000,000</b>	<b>-</b>	<b>98,177,612</b>	<b>20,417,089</b>	<b>2,225,128</b>	<b>346,819,829</b>

- » IP - Investment property
- » ROU - Right of use assets

Company	Note	Freehold land	Leasehold improvements	Buildings	Plant, machinery & other equipment	Total
<b>Year ended 31 March 2020</b>						
Opening net book amount		-	-	1,050,899	1,906,148	2,957,047
Additions		-	-	-	585,275	585,275
Depreciation charge	25	-	-	(56,048)	(1,539,912)	(1,595,960)
<b>Closing net book amount</b>		<b>-</b>	<b>-</b>	<b>994,851</b>	<b>951,511</b>	<b>1,946,362</b>
<b>At 31 March 2020</b>						
Cost or fair value		-	-	1,120,959	8,807,716	9,928,675
Accumulated depreciation		-	-	(126,108)	(7,856,205)	(7,982,313)
<b>Net book amount</b>		<b>-</b>	<b>-</b>	<b>994,851</b>	<b>951,511</b>	<b>1,946,362</b>
<b>Year ended 31 March 2021</b>						
Opening net book amount		-	-	994,851	951,511	1,946,362
Additions		-	-	-	40,875	40,875
Depreciation charge	25	-	-	(56,048)	(359,945)	(415,993)
<b>Closing net book amount</b>		<b>-</b>	<b>-</b>	<b>938,803</b>	<b>632,441</b>	<b>1,571,244</b>
<b>At 31 March 2021</b>						
Cost or fair value		-	-	1,120,959	8,848,591	9,969,550
Accumulated depreciation		-	-	(182,156)	(8,216,150)	(8,398,306)
<b>Net book amount</b>		<b>-</b>	<b>-</b>	<b>938,803</b>	<b>632,441</b>	<b>1,571,244</b>

At 31 March 2021 Property, plant and equipment includes fully depreciated assets which are still in use, the cost of which amounted to Rs. 81,355,862 (2020 - Rs. 38,066,469) and Rs. 7,401,646 (2020 - Rs. 7,397,176) for the Group and Company respectively.

The Group reassessed its accounting policy for freehold land under property, plant and equipment with respect to measurement of a land after initial recognition in 2018/2019. The group applied the revaluation model prospectively in 2018/2019.

Details of the valuation of freehold land are given below:

Company	Description of Property	Fair Value of Land	No of Buildings	Valuation Technique	Significant Unobservable Inputs	Estimates for Unobservable Inputs	Level of Fair Value Hierarchy	Sensitivity of Fair Value to Unobservable Inputs	Valuation date	Valuer
Colonial Motors (Ceylon) Limited	41/35, Nagahamulla Road, Thalangama South	226,000,000	2	Direct comparison method of valuation	Price per Perch	53.45 Perch of Land @ Rs. 2,000,000/- per perch. 79.55 perch under high- tension line @Rs. 1,500,000/- per perch.	Level - 03	Positivity Correlated Sensitivity	25/03/2109	Mr. N.B.S.A Nanayakkara

The cost / carrying value of the land is Rs, 67,245,720 for the year 2021 and 2020.

The fair value of land and buildings was determined by means of a revaluation during the financial year 31st March 2019. The valuation was performed by Mr. N.B.S.A Nanayakkara a Chartered Valuation Surveyor who is an accredited independent valuer who has valuation experience for similar Land and Building in Sri Lanka. Fair value of the Land and Building were determined using the direct comparison method.

## 7. Capital work - in - progress

	Group		Company	
	2021	2020	2021	2020
At 1 April	3,253,664	17,051,503	3,253,664	-
Additions	-	3,253,664	-	3,253,664
Disposal of Subsidiary	-	(13,058,808)	-	-
Transferred to investment property (Note 8)	(3,253,664)	-	(3,253,664)	-
Transfers to property plant and equipment (Note 6)	-	(3,992,695)	-	-
<b>At 31 March</b>	<b>-</b>	<b>3,253,664</b>	<b>-</b>	<b>3,253,664</b>

## 8. Investment property

	Group		Company	
	2021	2020	2021	2020
At 1 April - Opening balance	1,068,249,773	669,530,794	1,068,249,773	779,553,168
Additions	2,851,238	294,592,386	2,851,238	294,592,386
Transferred from PPE	-	116,049,623	-	-
Transferred from capital work-in-progress (Note 7)	3,253,664	-	3,253,664	-
Depreciation transferred from PPE	-	(6,027,249)	-	-
Depreciation charge	(6,474,331)	(5,895,781)	(6,474,331)	(5,895,781)
<b>At 31 March</b>	<b>1,067,880,344</b>	<b>1,068,249,773</b>	<b>1,067,880,344</b>	<b>1,068,249,773</b>
<b>At 31 March</b>				
<b>Cost</b>				
- Land	997,610,249	997,610,249	997,610,249	997,610,249
- Building	130,061,700	123,956,798	130,061,700	123,956,798
	1,127,671,949	1,121,567,047	1,127,671,949	1,121,567,047
Accumulated depreciation	(59,791,605)	(53,317,274)	(59,791,605)	(53,317,274)
<b>At 31 March</b>	<b>1,067,880,344</b>	<b>1,068,249,773</b>	<b>1,067,880,344</b>	<b>1,068,249,773</b>

The Company and the group has initially accounted for the investment property at cost, and subsequently accounted for it under the cost model in accordance with the policy adopted by its ultimate parent. The investment property is depreciated using a straight line method over its estimated useful life of 20 years.

Rental income as disclosed in Note 22 - revenue is generated by the Investment property at 297, Union Place, Colombo 02. Material direct expenses attributable to the above property are repair and maintenance expenditures, utilities, business running expenses and non-refundable government taxes as disclosed in Note 25 - Expenses by nature.

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Details of the valuation of the land and buildings under Investment Property of the Company carried out by Chartered Valuation Surveyor Mr. P.P.T. Mohideen is as follows:

## a) Property at Union Place

Total extent of land	1 acre - 1 rood - 6 perches
Total valuation for land and building	2,670,000,000
Number of Buildings	3
Location	No. 297, Dr. Colvin R. De Silva Mawatha, Colombo 02
Date of valuation	31st March 2019
Valuation Technique	Market comparable method
Estimates for observable Inputs	1A-1R-03.46 Perches @ Rs.14,000,000/- per perch for land and 18,600 sq.ft @Rs.3,600/- per sq.ft for buildings.
Level of Fair Value Hierarchy	Level 2

## b) Property at Pelawatta

Total extent of land	109.2 perches
Total valuation for land and building	363,090,000
Number of Buildings	-
Location	479/C Pannipitiya Road, Pelawatta
Date of valuation	31st December 2018
Valuation Technique	Market comparable method
Estimates for observable Inputs	109.2 Perches @ Rs. 3,325,000/- per perch
Level of Fair Value Hierarchy	Level 2

The market comparable method involves comparing the prices of comparable properties located in the same area.

The valuation was performed by Mr. P. P. T. Mohideen Chartered Valuation Surveyor who is an external independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and the category of the property being valued.

## 9. Intangible assets

Group	Goodwill	Software	Total
<b>At 31 March 2019</b>			
Cost	4,870,824	24,768,553	29,639,377
Accumulated amortisation	-	(21,468,660)	(21,468,660)
<b>Net book amount</b>	<b>4,870,824</b>	<b>3,299,893</b>	<b>8,170,717</b>
<b>Year ended 31 March 2020</b>			
Opening net book amount	4,870,824	3,299,893	8,170,717
Additions	-	55,000	55,000
Disposal of subsidiary	-	(16,682,540)	(16,682,540)
Amortisation charge (Note 25)	-	(810,257)	(810,257)
Amortisation of disposal of subsidiary	-	14,320,951	14,320,951
<b>Closing net book amount</b>	<b>4,870,824</b>	<b>183,047</b>	<b>5,053,871</b>
<b>At 31 March 2020</b>			
Cost	4,870,824	8,141,013	13,011,837
Accumulated amortisation	-	(7,957,966)	(7,957,966)
<b>Net book amount</b>	<b>4,870,824</b>	<b>183,047</b>	<b>5,053,871</b>
<b>Year ended 31 March 2021</b>			
Opening net book amount	4,870,824	183,047	5,053,871
Additions	-	-	-
Amortisation charge (Note 25)	-	(183,047)	(183,047)
<b>Closing net book amount</b>	<b>4,870,824</b>	<b>-</b>	<b>4,870,824</b>
<b>At 31 March 2021</b>			
Cost	4,870,824	8,141,013	13,011,837
Accumulated amortisation	-	(8,141,013)	(8,141,013)
<b>Net book amount</b>	<b>4,870,824</b>	<b>-</b>	<b>4,870,824</b>

Goodwill Represents the excess of the cost of acquisition of the net assets of Guardian Asset Management Limited.

Intangible assets include the cost of software and website in use owned by Colonial Motors (Ceylon) Limited and is amortised over its estimated useful life of 3 years. Amortisation is included under Note 25 - Expenses by nature.

## 10. Right of use assets and Leases

### Right of Use Assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability (present value of future lease payments discounted using the Company's incremental borrowing rate) adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The movement of Right of Use lease asset of the Group is as follows,

	Balance as at 31.03.2020	Additions	Adjustment on termination	Balance as at 31.03.2021
<b>At Gross Value</b>				
Property at Peliyagoda (Plan no: 2921)	34,024,141	-	-	34,024,141
Property at Peliyagoda (Plan no: 3179)	18,205,006	-	-	18,205,006
Property at Peliyagoda (Plan no: 2006/299)	63,330,927	-	-	63,330,927
Property at Polhengoda (Plan no: 1787)	3,267,139	-	(3,267,139)	-
	<b>118,827,213</b>	<b>-</b>	<b>(3,267,139)</b>	<b>115,560,074</b>

	Balance as at 31.03.2020	Charge for the Year	Adjustment on termination	Balance as at 31.03.2021
<b>Accumulation Depreciation</b>				
Property at Peliyagoda (Plan no: 2921)	4,639,654	4,639,656	-	9,279,310
Property at Peliyagoda (Plan no: 3179)	2,482,501	2,482,501	-	4,965,002
Property at Peliyagoda (Plan no: 2006/299)	8,636,036	8,636,038	-	17,272,074
Property at Polhengoda (Plan no: 1787)	1,059,613	794,710	(1,854,323)	-
	<b>16,817,804</b>	<b>16,552,905</b>	<b>(1,854,323)</b>	<b>31,516,386</b>

	Balance as at	
	31.03.2021	31.03.2020
<b>Net book values</b>		
Property at Peliyagoda (Plan no: 2921)	24,744,831	29,384,487
Property at Peliyagoda (Plan no: 3179)	13,240,004	15,722,505
Property at Peliyagoda (Plan no: 2006/299)	46,058,853	54,694,891
Property at Polhengoda (Plan no: 1787)	-	2,207,526
	<b>84,043,688</b>	<b>102,009,409</b>

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## Lease Liability / Lease Creditors

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. The movement of Lease creditor for the period is as follows,

	Balance as at 31.03.2020	Interest Expense Recognized in Profit or Loss	Repayment of Liability	Adjustment on termination	Balance as at 31.03.2021
Property at Peliyagoda (Plan no: 2921)	35,106,797	3,760,607	(10,416,000)	-	28,451,404
Property at Peliyagoda (Plan no: 3179)	18,782,058	2,011,280	(1,980,000)	-	18,813,338
Property at Peliyagoda (Plan no: 2006/299)	7,232,823	957,742	-	-	8,190,565
Property at Polhengoda (Plan no: 1787)	2,985,325	184,925	(970,000)	(2,200,250)	-
Other lease liability	2,482,899	253,384	(954,306)	-	1,781,977
	<b>66,589,902</b>	<b>7,167,938</b>	<b>(14,320,306)</b>	<b>(2,200,250)</b>	<b>57,237,284</b>

	Amount repayable within 1 year	Amount repayable after 1 year	Total
Property at Peliyagoda (Plan no: 2921)	3,815,942	24,635,462	28,451,404
Property at Peliyagoda (Plan no: 3179)	2,015,769	16,797,569	18,813,338
Property at Peliyagoda (Plan no: 2006/299)	-	8,190,565	8,190,565
Property at Polhengoda (Plan no: 1787)	-	-	-
	5,831,711	49,623,596	55,455,307
Other lease liabilities	1,781,977	-	1,781,977
	<b>7,613,688</b>	<b>49,623,596</b>	<b>57,237,284</b>

	Lease liabilities				
	Less than 3 months	Between 3 months and 1 year	Between year 1 and year 2	Between year 2 and year 5	Over 5 years
As at 31 March 2021	1,720,000	9,258,000	11,352,000	45,816,000	6,024,000
As at 31 March 2020	1,930,000	9,700,000	12,298,000	39,196,000	24,096,000

## 11. Investments in subsidiaries

The Group has the following principal subsidiary undertakings as at 31 March 2021

Name	Proportion of ordinary shares		
	directly held by parent	held by group	held by non-controlling interests
Union Investments (Private) Limited	99.99%	99.99%	-
Guardian Asset Management Limited	75.00%	93.75%	6.25%
Colonial Motors (Ceylon) Limited	99.99%	99.99%	-
Motor Mart Ceylon (Pvt) Ltd	-	99.99%	-

There have been no changes in the group structure for the financial year 2020/2021.

	31 March	
	2021	2020
<b>Investments at cost</b>		
Union Investments (Private) Limited	2,000,000	2,000,000
Guardian Asset Management Limited	12,000,000	12,000,000
Colonial Motors (Ceylon) Limited	216,999,980	216,999,980
	<b>230,999,980</b>	<b>230,999,980</b>
<b>Impairment of investments</b>		
Colonial Motors (Ceylon) Limited	(216,999,980)	(216,999,980)
<b>Net investments</b>	<b>14,000,000</b>	<b>14,000,000</b>
<b>At beginning of and at end of the year</b>	<b>14,000,000</b>	<b>14,000,000</b>

Movement of impairment of investment in subsidiary

	Impairment of investment	
	2021	2020
Opening balance	216,999,980	75,359,504
Provision for the year	-	141,640,476
<b>Closing balance</b>	<b>216,999,980</b>	<b>216,999,980</b>

The Investment in Colonial Motors (Ceylon) Limited was fully impaired as at 31st March 2020 due to continuous losses made by the entity led by adverse economic conditions in the motor vehicle industry. The investment was impaired based on the negative net asset value position as at 2019/2020 since the industry has seen no improvement and unpredictability of future cashflows under the prevailing economic conditions.

The impairment of investment recognized in Colonial Motors (Ceylon) Limited in 2020 is Rs. 141,640,476.

(a) Details of the principal activities of each subsidiaries, are set out below.

Name of the subsidiary	Principal activities
» Union Investments (Private) Limited	» Carrying on the business of an investment Company.
» Guardian Asset Management Limited	» Asset management funds, portfolio management and the management of all types of trust.
» Colonial Motors (Ceylon) Limited	» Import and sale of motor vehicles, and spare parts and providing vehicle maintenance services.
» Motor Mart Ceylon (Private) Limited	» Secure agencies for commercial vehicles.

(b) No provision for impairment of long term investments carried at cost was required, other than the amounts mentioned under note 11 - impairment of investments

(c) All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of the ordinary shares held.

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 12. Financial Instruments

### (a) Financial instruments by category

Group	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
<b>31 March 2021</b>				
<b>Assets as per statement of financial position</b>				
Investments in unit trust	8,420,234	-	-	8,420,234
Equity investments	815,646,656	1,219,401,983	-	2,035,048,639
Trade and other receivables (excluding prepayments)	-	-	577,841,106	577,841,106
Cash and cash equivalents	-	-	27,215,637	27,215,637
<b>Total</b>	<b>824,066,890</b>	<b>1,219,401,983</b>	<b>605,056,743</b>	<b>2,648,525,616</b>

	Amortized Cost	Total
<b>Liabilities as per statement of financial position</b>		
Borrowings	697,458,000	697,458,000
Trade and other payables	175,989,856	175,989,856
Lease liabilities	57,237,284	57,237,284
<b>Total</b>	<b>930,685,140</b>	<b>930,685,140</b>

Group	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
<b>31 March 2020</b>				
<b>Assets as per statement of financial position</b>				
Investments in unit trust	5,668,176	-	-	5,668,176
Equity investment	449,968,585	535,256,609	-	985,225,194
Trade and other receivables (excluding prepayments)	-	-	593,412,326	593,412,326
Cash and cash equivalents	-	-	56,335,786	56,335,786
<b>Total</b>	<b>455,636,761</b>	<b>535,256,609</b>	<b>649,748,112</b>	<b>1,640,641,482</b>

	Amortized Cost	Total
<b>Liabilities as per statement of financial position</b>		
Borrowings	744,795,290	744,795,290
Trade and other payables	133,253,572	133,253,572
Lease liabilities	66,589,902	66,589,902
<b>Total</b>	<b>944,638,764</b>	<b>944,638,764</b>

Company	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
<b>31 March 2021</b>				
<b>Assets as per statement of financial position</b>				
Investments in unit trust	7,325,518	-	-	7,325,518
Equity investments	57,072,921	520,168,787	-	577,241,708
Trade and other receivables (excluding prepayments)	-	-	566,668,236	566,668,236
Cash and cash equivalents	-	-	11,097,115	11,097,115
<b>Total</b>	<b>64,398,439</b>	<b>520,168,787</b>	<b>577,765,351</b>	<b>1,162,332,577</b>

	Amortized Cost	Total
<b>Liabilities as per statement of financial position</b>		
Borrowings	-	-
Trade and other payables	54,123,854	54,123,854
<b>Total</b>	<b>54,123,854</b>	<b>54,123,854</b>

Company	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
<b>31 March 2020</b>				
<b>Assets as per statement of financial position</b>				
Investments in unit trust	4,805,081	-	-	4,805,081
Equity investment	34,765,939	316,981,921	-	351,747,860
Trade and other receivables (excluding prepayments)	-	-	539,698,927	539,698,927
Cash and cash equivalents	-	-	27,515,456	27,515,456
<b>Total</b>	<b>39,571,020</b>	<b>316,981,921</b>	<b>567,214,383</b>	<b>923,767,324</b>

	Amortized Cost	Total
<b>Liabilities as per statement of financial position</b>		
Borrowings	-	-
Trade and other payables	40,803,695	40,803,695
<b>Total</b>	<b>40,803,695</b>	<b>40,803,695</b>

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## (b) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Group	2021	2020
<b>Trade receivables</b>		
<i>Counterparties without external credit rating</i>		
Group 1	22,931,401	24,125,572
Group 2	21,678,678	21,904,208
Group 3	-	-
<b>Total</b>	<b>44,610,079</b>	<b>46,029,780</b>
<b>Cash at bank and short-term bank deposits (Fitch ratings)</b>		
AAA lka	-	-
AA+ lka	-	49,051,709
AA lka	-	1,381,125
AA- lka	26,102,399	4,872,636
A+lka to A-lka	-	-
Below A	-	-
Counterparties without external credit rating, and cash in hand	1,113,238	1,030,316
<b>Total</b>	<b>27,215,637</b>	<b>56,335,786</b>

Company	2021	2020
<b>Trade receivables</b>		
<i>Counterparties without external credit rating</i>		
Group 1	1,594,506	-
Group 2	-	-
Group 3	-	-
<b>Total</b>	<b>1,594,506</b>	<b>-</b>
<b>Cash at bank and short-term bank deposits (Fitch ratings)</b>		
AAA lka	-	-
AA+ lka	-	25,784,944
AA lka	-	1,381,125
AA- lka	11,097,115	349,387
A+lka to A-lka	-	-
Below A	-	-
Counterparties without external credit rating, and cash in hand	-	-
<b>Total</b>	<b>11,097,115</b>	<b>27,515,456</b>

Group 1 - new customers (less than 6 months).

Group 2 - existing customers (more than 6 months) with no defaults in the past.

Group 3 - existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

(c) Financial assets / liabilities at fair value through profit or loss

(i) Net financial assets and liabilities at fair value through profit or loss are as follows;

	Group		Company	
	2021	2020	2021	2020
Investment in unit trust	8,420,234	5,668,176	7,325,518	4,805,081
Equity investment	815,646,656	449,968,585	57,072,921	34,765,939
	<b>824,066,890</b>	<b>455,636,761</b>	<b>64,398,439</b>	<b>39,571,020</b>

(ii) The movement of the financial assets at fair value through profit or loss is as follows;

	Group		Company	
	2021	2020	2021	2020
<b>At the beginning of the year</b>				
Investment in unit trusts	5,668,176	6,528,173	4,805,081	5,665,407
Equity investment	449,968,585	565,837,982	34,765,939	43,214,990
	<b>455,636,761</b>	<b>572,366,155</b>	<b>39,571,020</b>	<b>48,880,397</b>
<b>Additions</b>				
Investment in unit trusts	-	-	-	-
Equity investment	13,347,082	18,685,365	420,264	641,711
	<b>13,347,082</b>	<b>18,685,365</b>	<b>420,264</b>	<b>641,711</b>
<b>Disposals</b>				
Equity investment	(10,164,268)	(708,598)	-	-
	<b>(10,164,268)</b>	<b>(708,598)</b>	<b>-</b>	<b>-</b>
<b>Market fair value changes</b>				
<b>- to comprehensive income statement</b>				
Investment in unit trusts (Note 24)	2,752,058	(859,997)	2,520,437	(860,326)
Equity investment (Note 24)	362,495,257	(133,846,164)	21,886,718	(9,090,762)
	<b>365,247,315</b>	<b>(134,706,161)</b>	<b>24,407,155</b>	<b>(9,951,088)</b>
<b>At the end of the year</b>				
Investment in unit trusts	8,420,234	5,668,176	7,325,518	4,805,081
Equity investment	815,646,656	449,968,585	57,072,921	34,765,939
	<b>824,066,890</b>	<b>455,636,761</b>	<b>64,398,439</b>	<b>39,571,020</b>

(d) Fair value through other comprehensive income

	Group		Company	
	2021	2020	2021	2020
Opening balance	535,256,609	758,719,298	316,981,921	400,565,726
Investment made during the year	67,329,472	7,110,302	-	5,000,001
Disposals made during the year	-	(5,828)	-	-
Change in fair value	616,815,902	(230,567,163)	203,186,866	(88,583,806)
<b>As at 31 March</b>	<b>1,219,401,983</b>	<b>535,256,609</b>	<b>520,168,787</b>	<b>316,981,921</b>

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## (e) Financial assets at fair value through profit or loss

### Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
<b>AUTOMOBILES &amp; COMPONENTS</b>						
Kelani Tyres PLC	160	12,480	934	160	5,296	934
	<b>160</b>	<b>12,480</b>	<b>934</b>	<b>160</b>	<b>5,296</b>	<b>934</b>
<b>BANKS</b>						
Commercial Bank of Ceylon PLC	1,047,922	89,597,331	37,468,696	1,005,274	60,416,968	33,757,859
Commercial Bank of Ceylon PLC (Non Voting)	116,955	9,192,663	4,325,001	114,002	6,669,117	4,096,997
Development Finance Corporation of Ceylon PLC	111,482	6,644,327	7,498,457	105,802	6,411,601	7,478,048
Hatton National Bank PLC	313,070	39,446,820	15,135,173	306,223	32,184,037	14,063,393
Hatton National Bank PLC (Non-voting)	58,601	5,696,017	2,496,714	57,107	5,727,832	2,296,840
National Development Bank PLC	23,116	1,867,773	1,033,918	22,892	1,515,450	1,010,983
Nations Trust Bank PLC	115,331	6,377,804	2,278,535	115,331	7,288,919	2,278,535
Pan Asia Bank PLC	467,100	6,539,400	4,703,226	467,100	3,783,510	4,703,226
Sampath Bank PLC	364,260	19,597,188	11,697,959	121,420	14,448,980	11,697,959
Seylan Bank PLC (Non Voting)	412,380	18,043,905	8,141,096	399,454	12,945,545	7,741,640
Union Bank of Colombo PLC	100	1,040	2,500	100	810	2,500
	<b>3,030,317</b>	<b>203,004,268</b>	<b>94,781,275</b>	<b>2,714,705</b>	<b>151,392,769</b>	<b>89,127,980</b>
<b>CAPITAL GOODS</b>						
ACL Cables PLC	144,000	5,169,600	1,485,020	72,000	2,239,200	1,485,020
Colombo Dockyard PLC	16,380	1,171,170	926,832	16,380	597,870	926,832
Hayleys PLC	1,000,160	60,809,728	2,372,698	100,016	12,361,978	2,372,698
Hemas Holdings PLC	21,653	1,805,860	431,821	21,653	1,216,898	431,821
	<b>1,182,193</b>	<b>68,956,358</b>	<b>5,216,371</b>	<b>210,049</b>	<b>16,415,946</b>	<b>5,216,371</b>
<b>Balance carried forward</b>	<b>4,212,670</b>	<b>271,973,106</b>	<b>99,998,580</b>	<b>2,924,914</b>	<b>167,814,011</b>	<b>94,345,285</b>

(e) Financial assets at fair value through profit or loss

Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	4,212,670	271,973,106	99,998,580	2,924,914	167,814,011	94,345,285
<b>CAPITAL GOODS</b>						
John Keells Holdings PLC	69,137	10,266,845	5,685,686	69,137	7,978,410	5,685,686
Kelani Cables PLC	400	44,700	6,557	400	20,800	6,557
Lanka Tiles PLC	25,000	4,643,750	629,625	25,000	1,252,500	629,625
Lanka Walltiles PLC	100,000	18,850,000	3,946,907	100,000	4,110,000	3,946,907
Richard Peiris & Company PLC	4,740	79,632	11,121	4,740	36,972	11,121
Sierra Cables PLC	824,000	4,696,800	1,515,337	824,000	1,730,400	1,515,337
Brown & Company PLC	28,900	4,486,725	2,744,783	28,900	1,213,800	2,744,783
Lankem Ceylon PLC	12,000	325,200	309,125	12,000	205,200	309,125
Vallibel One PLC	109,012	5,134,465	2,600,000	104,000	1,248,000	2,600,000
Dunamis Capital PLC	-	-	-	60,875	1,381,862	419,447
	<b>1,173,189</b>	<b>48,528,117</b>	<b>17,449,141</b>	<b>1,229,052</b>	<b>19,177,944</b>	<b>17,868,588</b>
<b>CONSUMER DURABLES &amp; APPAREL</b>						
Dankotuwa Porcelain PLC	52,500	540,750	414,489	52,500	236,250	414,489
Hayleys Fabric PLC	17,180	242,238	194,121	8,590	74,733	194,121
Hayleys Fibre PLC	1,467	69,829	21,022	489	42,592	21,022
Regnis (Lanka) PLC	275,706	13,537,165	2,464,335	137,853	8,243,609	2,464,335
Teejay Lanka PLC	10,000	400,000	150,000	10,000	233,000	150,000
Singer Industries PLC	165,360	7,391,592	844,420	82,680	5,200,571	844,420
	<b>522,213</b>	<b>22,181,574</b>	<b>4,088,387</b>	<b>292,112</b>	<b>14,030,755</b>	<b>4,088,387</b>
Balance carried forward	5,908,072	342,682,797	121,536,108	4,446,078	201,022,710	116,302,260

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## (e) Financial assets at fair value through profit or loss

### Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	5,908,072	342,682,797	121,536,108	4,446,078	201,022,710	116,302,260
<b>CONSUMER SERVICES</b>						
Aitken Spence Hotel Holdings PLC	100,625	3,038,875	1,855,824	100,625	1,519,438	1,855,824
Amaya Leisure PLC	134,886	2,400,970	2,335,378	67,443	1,686,074	2,335,378
Asian Hotels Properties PLC	72,000	2,692,800	988,895	72,000	2,088,000	988,895
Dolphin Hotels PLC	20,000	490,000	275,131	20,000	366,000	275,131
Renuka City Hotels PLC	12,740	2,882,425	896,879	12,740	2,433,340	896,879
Tangerine Beach Hotels PLC	11,400	460,560	348,343	11,400	400,140	348,343
Ceylon Hotel Corporation PLC	10,478	111,067	253,714	10,478	89,063	253,714
Eden Hotel Lanka PLC	350,000	3,640,000	7,005,939	350,000	5,390,000	7,005,939
Galadari Hotels PLC	7,000	53,900	60,075	7,000	42,700	60,075
Hikkaduwa Beach Resort PLC	33,742	178,833	674,840	33,742	107,974	674,840
John Keells Hotels PLC	530,416	5,038,952	8,907,235	530,416	3,553,787	8,907,235
Marawila Resorts PLC	6,681,037	12,693,970	11,356,338	6,681,037	7,349,141	11,356,338
Pegasus Hotels of Ceylon PLC	22,666	661,847	499,202	22,666	432,921	499,202
Royal Palms Beach PLC	15,700	224,510	628,738	15,700	199,390	628,738
Serendib Hotels PLC (Non - voting)	31,250	278,125	296,268	31,250	343,750	296,268
Taj Lanka Hotels PLC	19,500	239,850	182,097	19,500	150,150	182,097
The Light House Hotel PLC	114,800	3,248,840	1,947,676	114,800	2,755,200	1,947,676
The Fortress Resorts PLC	50	560	866	50	390	866
Palm Garden Hotels PLC	15,164	389,715	710,548	15,164	272,952	710,548
	<b>8,183,454</b>	<b>38,725,799</b>	<b>39,223,986</b>	<b>8,116,011</b>	<b>29,180,410</b>	<b>39,223,986</b>
Balance carried forward	14,091,526	381,408,596	160,760,094	12,562,089	230,203,120	155,526,246

(e) Financial assets at fair value through profit or loss

Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	14,091,526	381,408,596	160,760,094	12,562,089	230,203,120	155,526,246
<b>DIVERSIFIED FINANCIALS</b>						
Alliance Finance Company PLC	80,000	3,960,000	352,690	80,000	2,752,000	352,690
Central Finance PLC	39,728	3,206,050	820,654	39,134	3,169,854	773,693
Ceylon Guardian Investments Trust PLC	151,420	18,170,400	1,517,846	151,420	10,871,956	1,517,846
Ceylon Investments PLC	607,159	38,676,028	3,308,441	595,848	17,339,178	2,861,656
Lanka Orix Leasing Company Holdings PLC	399,000	116,508,000	3,282,936	394,000	35,775,200	938,887
Lanka Ventures PLC	339,700	16,509,420	11,404,583	339,700	12,229,200	11,404,583
Merchant Bank of Sri Lanka PLC	124,879	874,153	8,170,229	124,879	699,322	8,170,229
Lanka Orix Finance PLC	99,250	555,800	619,623	99,250	218,350	619,623
People's Merchant Bank PLC	1,500	10,800	27,005	1,500	13,050	27,005
Guardian Capital Partners PLC	113,000	3,220,500	8,252,675	113,000	2,113,100	8,252,675
Nation Lanka Finance PLC	11,250	7,875	67,500	11,250	7,875	67,500
	<b>1,966,886</b>	<b>201,699,026</b>	<b>37,824,182</b>	<b>1,949,981</b>	<b>85,189,085</b>	<b>34,986,387</b>
<b>ENERGY</b>						
Lanka IOC PLC	174,600	3,317,400	5,417,806	174,600	2,758,680	5,417,806
	<b>174,600</b>	<b>3,317,400</b>	<b>5,417,806</b>	<b>174,600</b>	<b>2,758,680</b>	<b>5,417,806</b>
<b>FOOD &amp; STAPLES RETAILING</b>						
Cargills (Ceylon) PLC	146,057	34,323,395	4,386,183	146,057	24,829,690	4,386,183
	<b>146,057</b>	<b>34,323,395</b>	<b>4,386,183</b>	<b>146,057</b>	<b>24,829,690</b>	<b>4,386,183</b>
<b>FOOD BEVERAGE &amp; TOBACCO</b>						
Bukit Darah PLC	548	180,703	121,470	548	98,640	121,470
Carson Cumberbatch PLC	664	184,924	80,980	664	102,920	80,980
Ceylon Cold Stores PLC	9,320	5,794,710	177,516	9,320	6,104,600	177,516
Ceylon Grain Elevators PLC	30,000	3,540,000	301,978	30,000	1,206,000	301,978
Ceylon Tobacco Company PLC	3,500	3,429,125	140,004	3,500	3,500,000	140,004
Lanka Milk Foods PLC	133	19,983	3,830	133	9,842	3,830
Melstacorp PLC	10,000	440,000	652,469	-	-	-
	<b>54,165</b>	<b>13,589,445</b>	<b>1,478,247</b>	<b>44,165</b>	<b>11,022,002</b>	<b>825,778</b>
Balance carried forward	16,433,234	634,337,862	209,866,512	14,876,892	354,002,577	201,142,400

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## (e) Financial assets at fair value through profit or loss

### Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	16,433,234	634,337,862	209,866,512	14,876,892	354,002,577	201,142,400
<b>FOOD BEVERAGE &amp; TOBACCO</b>						
Nestle Lanka PLC	4,700	5,388,550	404,444	4,700	4,753,110	404,444
Renuka Agrifoods PLC	91,560	320,460	306,641	91,560	173,964	306,641
Renuka Foods PLC (Non voting)	1,914	19,905	23,925	1,914	15,695	23,925
Renuka Foods PLC (voting)	23,770	301,879	294,669	23,770	325,649	294,669
Sunshine Holdings PLC	2,136	56,604	23,736	712	26,985	23,736
Three Acre Farms PLC	25,000	4,987,500	215,528	25,000	2,000,000	215,528
Watawala Plantations PLC	364,201	20,795,877	494,532	364,201	7,284,020	494,532
Browns Investments PLC	706,000	3,883,000	1,932,938	706,000	1,341,400	1,932,938
Hatton Plantations PLC	432,000	3,758,400	-	432,000	1,814,400	-
Keells Food Products PLC	3,570	580,125	174,451	3,570	386,274	174,451
Ceylon Tea Services PLC	1,428	909,280	86,333	1,428	758,268	86,333
Lankem Development PLC	2,500,000	8,250,000	6,467,104	8,150,000	12,225,000	46,553,982
	<b>4,156,279</b>	<b>49,251,580</b>	<b>10,424,301</b>	<b>9,804,855</b>	<b>31,104,765</b>	<b>50,510,679</b>
<b>HEALTH CARE EQUIPMENT &amp; SERVICES</b>						
Asiri Hospitals PLC	353,000	9,001,500	894,671	353,000	6,001,000	894,671
Asiri Surgical PLC	112,500	1,552,500	277,419	112,500	1,012,500	277,419
Ceylon Hospitals PLC	13,330	1,187,703	300,144	13,330	1,066,400	300,144
The Lanka Hospital Corporation PLC	33,000	1,435,500	488,930	33,000	907,500	488,930
	<b>511,830</b>	<b>13,177,203</b>	<b>1,961,164</b>	<b>511,830</b>	<b>8,987,400</b>	<b>1,961,164</b>
<b>INSURANCE</b>						
HNB Assurance PLC	300,000	17,790,000	1,307,990	100,000	12,100,000	1,307,990
Amana Takaful PLC	75,000	525,000	753,490	75,000	330,000	753,490
Softlogic Life Insurance PLC	100,000	3,050,000	284,446	100,000	2,470,000	284,446
	<b>475,000</b>	<b>21,365,000</b>	<b>2,345,926</b>	<b>275,000</b>	<b>14,900,000</b>	<b>2,345,926</b>
Balance carried forward	<b>21,576,343</b>	<b>718,131,645</b>	<b>224,597,903</b>	<b>25,468,577</b>	<b>408,994,742</b>	<b>255,960,169</b>

(e) Financial assets at fair value through profit or loss

Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	21,576,343	718,131,645	224,597,903	25,468,577	408,994,742	255,960,169
<b>MATERIALS</b>						
Chemax PLC	17,700	1,361,130	1,557,813	17,700	708,000	1,557,813
Chevron Lubricants PLC	20,000	1,800,000	387,253	20,000	1,070,000	387,253
Dipped Products PLC	350,240	16,251,136	1,561,838	35,024	1,996,368	1,561,838
Tokyo Cement Company (Lanka) PLC	102,208	6,817,274	1,209,835	87,109	1,959,953	160,098
Tokyo Cement Company (Lanka) PLC (Non Voting)	455,500	27,603,300	4,099,162	445,500	8,910,000	3,379,162
Union Chemicals Lanka PLC	100	71,500	1,000	100	40,000	1,000
Haycarb PLC	3,450	320,850	10,090	345	55,200	10,090
Bogala Graphite Lanka PLC	11,200	266,560	37,270	11,200	115,360	37,270
Richard Pieris Exports PLC	40,600	15,184,400	1,066,400	40,600	7,746,480	1,066,400
Lanka Cement PLC	5,000	12,500	39,153	5,000	12,500	39,153
Pelwatte Sugar Industries PLC	5,000	-	95,792	5,000	-	95,792
	<b>1,010,998</b>	<b>69,688,650</b>	<b>10,065,606</b>	<b>667,578</b>	<b>22,613,861</b>	<b>8,295,869</b>
<b>REAL ESTATE</b>						
The Colombo Land & Development PLC	522,460	12,539,040	4,782,685	522,460	7,157,702	4,782,685
East West Properties PLC	48,000	475,200	338,143	48,000	278,400	338,143
York Arcade Holdings PLC	35	5,005	38	35	2,170	38
Property Development PLC	8,000	934,000	132,712	8,000	1,041,600	132,712
Equity Two PLC	25,200	1,365,840	217,016	25,200	1,141,560	217,016
C T Land Development PLC	3,333	89,991	13,740	3,333	67,993	13,740
Touchwood Investments PLC	600,000	-	10,602,116	600,000	-	10,602,116
	<b>1,207,028</b>	<b>15,409,076</b>	<b>16,086,450</b>	<b>1,207,028</b>	<b>9,689,425</b>	<b>16,086,450</b>
<b>RETAILING</b>						
United Motors Lanka PLC	34,881	2,012,633	334,361	34,881	1,583,597	334,361
ODEL PLC	1,500	28,050	22,500	1,500	28,500	22,500
Singer Sri Lanka PLC	6,000	104,400	2,989	2,000	40,400	2,989
John Keells PLC	20,000	1,400,000	382,531	20,000	860,000	382,531
	<b>62,381</b>	<b>3,545,083</b>	<b>742,381</b>	<b>58,381</b>	<b>2,512,497</b>	<b>742,381</b>
Balance carried forward	23,856,750	806,774,454	251,492,340	27,401,564	443,810,525	281,084,869

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## (e) Financial assets at fair value through profit or loss

### Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	23,856,750	806,774,454	251,492,340	27,401,564	443,810,525	281,084,869
<b>TRANSPOTATION</b>						
Expolanka PLC	20,000	894,000	1,134,566	-	-	-
	<b>20,000</b>	<b>894,000</b>	<b>1,134,566</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TELECOMMUNICATION SERVICES</b>						
Dialog Axiata PLC	15,000	195,000	224,453	15,000	127,500	224,453
	<b>15,000</b>	<b>195,000</b>	<b>224,453</b>	<b>15,000</b>	<b>127,500</b>	<b>224,453</b>
<b>UTILITIES</b>						
Panasian Power PLC	29,200	105,120	87,600	29,200	73,000	87,600
Resus Energy PLC	148,887	3,603,065	2,991,012	142,250	2,873,450	2,813,207
Vallibel Power Erathna PLC	39,017	288,726	85,634	39,017	210,693	85,634
Vidullanka PLC	652,053	3,586,292	1,029,836	652,053	2,673,417	1,029,836
	<b>869,157</b>	<b>7,583,203</b>	<b>4,194,082</b>	<b>862,520</b>	<b>5,830,560</b>	<b>4,016,277</b>
<b>Total listed shares</b>	<b>24,760,907</b>	<b>815,446,657</b>	<b>257,045,441</b>	<b>28,279,084</b>	<b>449,768,585</b>	<b>285,325,599</b>
<b>Unlisted shares</b>						
Bartleet Transcapital (Pvt) Limited	10,000	200,000	200,000	10,000	200,000	200,000
	<b>10,000</b>	<b>200,000</b>	<b>200,000</b>	<b>10,000</b>	<b>200,000</b>	<b>200,000</b>
<b>Unit trust</b>						
NDB Wealth Growth & Income Fund	15,826	710,115	290,768	15,826	606,771	290,768
National Equity Fund	12,000	384,600	120,000	12,000	256,324	120,000
Ceybank Unit Trust	318,639	7,325,518	5,037,138	318,639	4,805,081	5,037,138
	<b>346,465</b>	<b>8,420,233</b>	<b>5,447,906</b>	<b>346,465</b>	<b>5,668,176</b>	<b>5,447,906</b>
<b>Financial assets at at fair value through profit or loss</b>	<b>25,117,372</b>	<b>824,066,890</b>	<b>262,693,347</b>	<b>28,635,549</b>	<b>455,636,761</b>	<b>290,973,505</b>

(e) Financial assets at fair value through profit or loss

Listed shares

	Company					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
<b>AUTOMOBILES &amp; COMPONENTS</b>						
Kelani Tyres PLC	160	12,480	934	160	5,296	934
	<b>160</b>	<b>12,480</b>	<b>934</b>	<b>160</b>	<b>5,296</b>	<b>934</b>
<b>BANKS</b>						
Commercial Bank of Ceylon PLC	14,744	1,260,612	586,566	14,407	865,861	557,752
Development Finance Corporation of Ceylon PLC	6,113	364,335	324,889	5,802	351,601	304,478
Hatton National Bank PLC	57,251	7,213,626	3,113,898	55,999	5,885,495	2,917,902
Hatton National Bank PLC (Non-voting)	24,937	2,423,876	1,237,997	24,301	2,437,390	1,152,944
National Development Bank PLC	4,811	388,729	219,907	4,587	303,659	196,972
Pan Asia Bank PLC	9,000	126,000	95,298	9,000	72,900	95,298
Sampath Bank PLC	19,689	1,059,268	379,564	6,563	780,997	379,564
Seylan Bank PLC (Non Voting)	39,498	1,935,402	523,000	38,260	845,546	484,740
	<b>176,043</b>	<b>14,771,848</b>	<b>6,481,119</b>	<b>158,919</b>	<b>11,543,449</b>	<b>6,089,650</b>
<b>CAPITAL GOODS</b>						
ACL Cables PLC	40,000	1,436,000	419,041	20,000	622,000	419,041
Hayleys PLC	160	9,728	1,446	16	1,978	1,446
Hemas Holding PLC	777	64,802	16,311	777	43,667	16,311
Richard Peiris & Company PLC	195	3,276	486	195	1,521	486
Sierra Cables PLC	2,500	14,250	6,177	2,500	5,250	6,177
	<b>43,632</b>	<b>1,528,056</b>	<b>443,461</b>	<b>23,488</b>	<b>674,416</b>	<b>443,461</b>
<b>CONSUMER DURABLES &amp; APPAREL</b>						
Dankotuwa Porcelain PLC	22,500	231,750	216,647	22,500	101,250	216,647
Regnis (Lanka) PLC	26,506	1,301,445	221,568	13,253	792,529	221,568
	<b>49,006</b>	<b>1,533,195</b>	<b>438,215</b>	<b>35,753</b>	<b>893,779</b>	<b>438,215</b>
<b>Balance carried forward</b>	<b>268,841</b>	<b>17,845,579</b>	<b>7,363,729</b>	<b>218,320</b>	<b>13,116,940</b>	<b>6,972,260</b>

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## (e) Financial assets at fair value through profit or loss

### Listed shares

	Company					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	268,841	17,845,579	7,363,729	218,320	13,116,940	6,972,260
<b>CONSUMER SERVICES</b>						
Asian Hotels Properties PLC	20,000	748,000	277,228	20,000	580,000	277,228
Ceylon Hotel Corporation PLC	10,478	111,066	253,714	10,478	89,063	253,714
Eden Hotel PLC	100,000	1,040,000	1,960,345	100,000	1,540,000	1,960,345
John Keells Hotels PLC	76,030	722,285	456,180	76,030	509,401	456,180
Palm Garden Hotels	15,164	389,715	710,548	15,164	272,952	710,548
Pegasus Hotels of Ceylon PLC	2,400	70,080	49,144	2,400	45,840	49,144
Light House Hotel PLC	24,800	701,840	259,528	24,800	595,200	259,528
	<b>248,872</b>	<b>3,782,986</b>	<b>3,966,687</b>	<b>248,872</b>	<b>3,632,456</b>	<b>3,966,687</b>
<b>DIVERSIFIED FINANCIALS</b>						
Ceylon Guardian Investments PLC	12,887	1,546,440	370,402	12,887	925,287	370,402
Ceylon Investments PLC	39,167	2,494,938	313,496	38,438	1,118,546	284,701
Lanka Orix Leasing Company Holdings PLC	27,000	7,884,000	138,639	27,000	2,451,600	138,639
Lanka Ventures PLC	60,000	2,916,000	2,777,356	60,000	2,160,000	2,777,356
Merchant Bank of Sri Lanka PLC	124,879	874,153	8,170,229	124,879	699,322	8,170,229
Guardian Capital Partners PLC	2,000	57,000	445,989	2,000	37,400	445,989
	<b>265,933</b>	<b>15,772,531</b>	<b>12,216,111</b>	<b>265,204</b>	<b>7,392,155</b>	<b>12,187,316</b>
<b>ENERGY</b>						
Lanka IOC PLC	15,800	300,200	665,931	15,800	249,640	665,931
	<b>15,800</b>	<b>300,200</b>	<b>665,931</b>	<b>15,800</b>	<b>249,640</b>	<b>665,931</b>
Balance carried forward	<b>799,446</b>	<b>37,701,296</b>	<b>24,212,458</b>	<b>748,196</b>	<b>24,391,191</b>	<b>23,792,194</b>

(e) Financial assets at fair value through profit or loss

Listed shares

	Company					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	799,446	37,701,296	24,212,458	748,196	24,391,191	23,792,194
<b>FOOD BEVERAGE &amp; TOBACCO</b>						
Ceylon Cold Stores PLC	3,600	2,238,300	52,293	3,600	2,358,000	52,293
Ceylon Tobacco Company PLC	2,000	1,959,500	80,028	2,000	2,000,000	80,028
Watawala Plantations PLC	143,320	8,183,572	174,201	143,320	2,866,400	174,201
Ceylon Tea Services PLC	1,428	909,279	86,333	1,428	758,268	86,333
Hatton Plantations PLC	170,000	1,479,000	-	170,000	714,000	-
	<b>320,348</b>	<b>14,769,651</b>	<b>392,855</b>	<b>320,348</b>	<b>8,696,668</b>	<b>392,855</b>
<b>HEALTH CARE EQUIPMENT &amp; SERVICES</b>						
Ceylon Hospital PLC (Durdans)	6,000	534,600	139,509	6,000	480,000	139,509
The Lanka Hospital Corporation PLC	3,000	130,500	46,505	3,000	82,500	46,505
	<b>9,000</b>	<b>665,100</b>	<b>186,014</b>	<b>9,000</b>	<b>562,500</b>	<b>186,014</b>
<b>MATERIALS</b>						
Dipped Products PLC	50,000	2,320,000	405,750	5,000	285,000	405,750
Haycarb PLC	3,450	320,850	10,090	345	55,200	10,090
Tokyo Cement Company (Lanka) PLC	1,573	104,919	4,450	1,573	35,393	4,450
	<b>55,023</b>	<b>2,745,769</b>	<b>420,290</b>	<b>6,918</b>	<b>375,593</b>	<b>420,290</b>
<b>REAL ESTATE</b>						
East West Properties PLC	24,000	237,600	117,778	24,000	139,200	117,778
C T Land Development PLC	3,333	89,991	13,740	3,333	67,993	13,740
	<b>27,333</b>	<b>327,591</b>	<b>131,518</b>	<b>27,333</b>	<b>207,193</b>	<b>131,518</b>
<b>RETAILING</b>						
Singer Sri Lanka PLC	3,000	52,200	1,749	1,000	20,200	1,749
John Keells PLC	8,000	560,000	192,783	8,000	344,000	192,783
	<b>11,000</b>	<b>612,200</b>	<b>194,532</b>	<b>9,000</b>	<b>364,200</b>	<b>194,532</b>
Balance carried forward	1,222,150	56,821,607	25,537,667	1,120,795	34,597,345	25,117,403

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## (e) Financial assets at fair value through profit or loss

### Listed shares

	Company					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	1,222,150	56,821,607	25,537,667	1,120,795	34,597,345	25,117,403
<b>TELECOMMUNICATION SERVICES</b>						
Dialog Axiata PLC	15,000	195,000	224,453	15,000	127,500	224,453
	15,000	195,000	224,453	15,000	127,500	224,453
<b>UTILITIES</b>						
Vallibel Power Erathna PLC	7,610	56,314	17,150	7,610	41,094	17,150
	7,610	56,314	17,150	7,610	41,094	17,150
<b>Total Listed Shares</b>	<b>1,244,760</b>	<b>57,072,921</b>	<b>25,779,270</b>	<b>1,143,405</b>	<b>34,765,939</b>	<b>25,359,006</b>
<b>Unit trust</b>						
Ceybank Unit Trust	318,639	7,325,518	5,037,138	318,639	4,805,081	5,037,138
	318,639	7,325,518	5,037,138	318,639	4,805,081	5,037,138
<b>Financial assets at fair value through profit or loss</b>	<b>1,563,399</b>	<b>64,398,439</b>	<b>30,816,408</b>	<b>1,462,044</b>	<b>39,571,020</b>	<b>30,396,144</b>

(f) Financial asset at fair Value through Other Comprehensive Income

Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
<b>AUTOMOBILES &amp; COMPONENTS</b>						
Kelani Tyres PLC	360	28,080	1,594	360	11,916	1,594
	<b>360</b>	<b>28,080</b>	<b>1,594</b>	<b>360</b>	<b>11,916</b>	<b>1,594</b>
<b>BANKS</b>						
Commercial Bank of Ceylon PLC-Voting	314	26,847	14,608	307	18,451	13,995
DFCC Bank PLC	18	1,072	596	18	1,091	596
Hatton National Bank PLC-Voting	10	1,260	225	10	1,051	225
The Housing Development Finance Corporation Bank of Sri Lanka	100	3,340	3,650	100	2,010	3,650
National Development Bank PLC	86	6,948	4,484	86	5,693	4,484
Nation Trust Bank PLC-Voting	2,671	147,706	47,530	2,671	168,807	47,530
Pan Asia Banking Corporation PLC	3,000	42,000	23,638	3,000	24,300	23,638
Sampath Bank PLC	915	49,227	24,753	305	36,295	24,754
Seylan Bank PLC-Non-Voting	206	8,899	5,449	200	4,420	5,249
Seylan Bank PLC-Voting	8	394	360	8	268	361
Union Bank of Colombo PLC	100	1,040	2,500	100	810	2,500
	<b>7,428</b>	<b>288,733</b>	<b>127,796</b>	<b>6,805</b>	<b>263,196</b>	<b>126,982</b>
<b>CAPITAL GOODS</b>						
ACL Cables PLC	1,152	41,356	1,916	576	17,914	1,916
Aitken Spence PLC	555	30,802	9,852	555	17,039	9,852
Colombo Dockyard PLC	15	1,072	413	15	548	413
E B Creasy & Company PLC	26,777,200	814,026,880	20,122,028	26,772	218,742,947	20,122,028
Hayleys PLC	90	5,474	1,013	9	1,112	1,013
	<b>26,779,012</b>	<b>814,105,584</b>	<b>20,135,222</b>	<b>268,927</b>	<b>218,779,560</b>	<b>20,135,222</b>
<b>Balance carried forward</b>	<b>26,786,800</b>	<b>814,422,397</b>	<b>20,264,612</b>	<b>276,092</b>	<b>219,054,672</b>	<b>20,263,798</b>

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## (f) Financial asset at fair Value through Other Comprehensive Income

### Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	26,786,800	814,422,397	20,264,612	276,092	219,054,672	20,263,798
<b>CAPITAL GOODS</b>						
Hemas Holdings PLC	719	59,964	9,968	719	40,408	9,968
John Keells Holdings PLC	192	28,512	10,898	192	22,157	10,898
Lanka Ashok Leyland PLC	90	75,532	827	90	63,180	827
Lanka Tiles PLC	260	48,295	1,194	52	2,605	1,194
Lanka Walltiles PLC	165	31,102	4,432	33	1,356	4,432
Laxapana Battaries	600	8,340	6,742	300	2,670	2,241
Renuka Holdings PLC-Voting	164	1,869	1,470	164	2,214	1,470
Renuka Holdings PLC- Non Voting	1,180	16,992	17,256	1,180	11,446	17,256
Richard Peiris & Company PLC	3,705	62,244	2,032	3,705	28,899	2,032
Royal Ceramics Lanka PLC	6	1,544	62	6	335	62
Sierra Cables PLC	1,200	6,840	3,600	1,200	2,520	3,600
The Colombo Fort Land & Building PLC	5,800,333	74,824,295	14,173,660	5,590,013	43,502,498	14,173,660
Unisyst Engineering PLC	180	1,260	2,551	90	621	2,551
Brown & Company PLC	100	15,525	2,945	100	4,200	2,945
Lanka Ceramic PLC	7	770	528	7	540	528
Lankem Ceylon PLC	560,300	15,184,130	23,478,206	560,300	9,581,130	23,478,206
Touchwood Investments PLC	-	-	1,221	2,400	-	1,221
	<b>6,369,201</b>	<b>90,367,214</b>	<b>37,717,592</b>	<b>6,160,551</b>	<b>53,266,779</b>	<b>37,713,091</b>
<b>COMMERCIAL &amp; PROFESSIONAL SERVICES</b>						
Gestetner of Ceylon PLC	229	19,465	8,264	229	20,839	8,264
Paragon Ceylon PLC	100	4,200	1,017	100	5,970	1,017
	<b>329</b>	<b>23,665</b>	<b>9,281</b>	<b>329</b>	<b>26,809</b>	<b>9,281</b>
<b>CONSUMER DURABLES &amp; APPAREL</b>						
Abans Electrical PLC	240	38,280	10,341	240	14,472	10,341
Dankotuwa Porcelain PLC	166	1,709	2,534	166	747	2,534
Hayleys Fabric PLC	818	11,533	7,302	409	3,558	7,302
Hayleys Fibre PLC	315	14,946	1,830	105	9,146	1,830
	<b>1,539</b>	<b>66,518</b>	<b>22,007</b>	<b>920</b>	<b>27,923</b>	<b>22,007</b>
Balance carried forward	<b>33,157,869</b>	<b>904,879,794</b>	<b>58,013,492</b>	<b>6,437,892</b>	<b>272,376,183</b>	<b>58,008,177</b>

(f) Financial asset at fair Value through Other Comprehensive Income

Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	33,157,869	904,879,794	58,013,492	6,437,892	272,376,183	58,008,177
<b>CONSUMER DURABLES &amp; APPAREL</b>						
Regnis (Lanka) PLC	60	2,947	567	30	1,794	567
Ambeon holdings PLC	1,002	17,034	1,791	1,002	8,116	1,791
Kelsey Developments PLC	337	13,985	4,156	337	9,099	4,156
Singer Industries (Ceylon) PLC	170	7,599	891	85	5,347	891
Blue Diamond Jewellery Worldwide PLC	22	19	76	22	11	76
	<b>1,591</b>	<b>41,584</b>	<b>7,481</b>	<b>1,476</b>	<b>24,367</b>	<b>7,481</b>
<b>CONSUMER SERVICES</b>						
Aitken Spence Hotel Holdings PLC	140	7,770	1,616	140	2,114	1,616
Amaya Leisure PLC	554	9,861	2,209	277	6,925	2,209
Asian Hotels Properties PLC	200	7,480	616	200	5,800	616
Ceylon Hotels Corporation PLC	534	5,660	2,120	534	4,539	2,120
Citrus Leisure PLC	53	439	606	53	307	606
Dolphin Hotels PLC	125	3,062	717	125	2,288	717
The Kingsbury PLC	1,374	8,244	3,142	687	5,977	3,142
Sigiriya Village Hotels PLC	2,080,518	74,482,545	67,322,234	-	-	-
Browns Beach Hotels PLC	150	1,530	340	150	1,140	341
Hunas Falls Hotels PLC	50	7,600	303	50	7,050	303
Eden Hotel Lanka PLC	800	8,320	1,616	200	3,080	1,616
Galadari Hotel (Lanka) PLC	100	770	241	100	610	241
John Keells Hotels PLC	1,506	14,307	5,481	1,506	10,090	5,481
Mahaweli Reach Hotels PLC	100	1,300	867	100	1,200	867
Beruwala Resort PLC	30,000	24,000	63,000	30,000	18,000	63,000
Marawila Resort PLC	1,000,640	1,901,216	7,684,396	1,000,640	1,100,704	7,684,396
Palm Garden Hotels PLC	56	1,439	2,826	56	1,008	2,826
Pegasus Hotels of Ceylon PLC	133	3,886	1,443	133	2,540	1,443
Royal Palms Beach Hotels PLC	100	1,430	892	100	1,270	892
Taj Lanka Hotels PLC	100	1,230	316	100	770	316
The Lighthouse Hotel PLC	100	2,830	742	100	2,400	742
The Fortress Resort PLC	500	5,600	4,884	500	3,900	4,884
The Nuwara Eliya Hotels Company PLC	12	12,300	3,553	12	10,021	3,553
Hotel Developers (Lanka) PLC	4	-	296	4	-	296
Miramar Beach Hotel PLC	100	-	616	100	-	616
	<b>3,117,849</b>	<b>76,512,819</b>	<b>75,105,072</b>	<b>1,035,867</b>	<b>1,191,733</b>	<b>7,782,839</b>
Balance carried forward	36,277,309	981,434,197	133,126,045	7,475,235	273,592,283	65,798,497

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## (f) Financial asset at fair Value through Other Comprehensive Income

### Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	36,277,309	981,434,197	133,126,045	7,475,235	273,592,283	65,798,497
<b>DIVERSIFIED FINANCIALS</b>						
Central Finance Company PLC	10	807	206	10	810	206
Ceylon Guardian Investments Trust PLC	174	20,880	1,670	174	12,493	1,670
Ceylon Investment PLC	471	30,002	2,907	463	13,473	2,591
Lanka Orix Leasing Company Holding PLC	800	233,600	917	800	72,640	917
Lanka Ventures PLC	100	4,860	767	100	3,600	767
LB Finance PLC	4,624	219,177	3,196	1,156	139,298	3,196
Merchant Bank of Sri Lanka PLC	67	469	643	67	375	643
SMB Leasing PLC	3,610	1,083	2,731	3,610	1,083	2,731
Arpico Finance Company PLC	333	59,940	11,111	333	41,658	11,111
Asia Capital PLC	100	500	466	100	440	466
First Capital Holdings PLC	3,600	196,200	10,707	3,600	82,080	10,707
The Indo Malay PLC	5	5,616	892	5	5,252	892
People's Merchant Finance PLC	270	1,947	3,517	270	2,349	3,517
Selinsing PLC	36	29,421	9,111	36	25,196	9,111
Colombo Fort Investments PLC	84	5,527	1,913	84	4,620	1,913
Colombo Investments Trust PLC	145	14,427	2,358	145	8,845	2,358
Nation Lanka Finance PLC	625	437	4,641	625	438	4,641
The Finance Company PLC	20	-	336	20	26	336
Vanik Incorporation PLC-Voting	-	-	165	100	-	165
Vanik Incorporation PLC-Non-Voting	-	-	25	10	-	25
	<b>15,074</b>	<b>824,893</b>	<b>58,279</b>	<b>11,708</b>	<b>414,676</b>	<b>57,963</b>
<b>ENERGY</b>						
Lanka IOC PLC	800	15,200	21,600	800	12,640	21,600
	<b>800</b>	<b>15,200</b>	<b>21,600</b>	<b>800</b>	<b>12,640</b>	<b>21,600</b>
Balance carried forward	36,293,183	982,274,290	133,205,924	7,487,743	274,019,599	65,878,060

(f) Financial asset at Fair Value through Other Comprehensive Income

Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	36,293,183	982,274,290	133,205,924	7,487,743	274,019,599	65,878,060
<b>FOOD &amp; STAPLES RETAILING</b>						
CT Holdings PLC	223	37,910	6,921	223	35,680	6,921
Cargills (Ceylon) PLC	343	80,606	8,522	343	58,310	8,522
Ceylon & Foreign Trades PLC	10,000	32,000	4,559	10,000	32,000	4,559
Tess Agro PLC-voting	2,053	1,026	1,517	2,053	616	1,517
	<b>12,619</b>	<b>151,542</b>	<b>21,519</b>	<b>12,619</b>	<b>126,606</b>	<b>21,519</b>
<b>FOOD BEVERAGE &amp; TOBACCO</b>						
Agalawatte Plantations PLC	100	2,770	717	100	1,590	717
Bairaha Farms PLC	100	13,775	717	100	7,870	717
Balangoda Plantations PLC	110	1,177	2,225	110	803	2,225
The Bukit Darah PLC	10	3,297	3,041	10	1,800	3,041
Carson Cumberbatch PLC	191	53,193	10,125	191	29,605	10,125
Ceylon Cold Stores PLC	64	39,792	1,097	64	41,920	1,097
Ceylon Grain Elevators PLC	10	1,180	158	10	402	158
Ceylon Tobacco Company PLC	7	6,858	239	7	7,000	239
Convenience Foods (Lanka) PLC	90	112,050	646	90	30,366	646
Horana Plantations PLC	20	464	155	20	340	155
Kegalle Plantations PLC	100	9,720	817	100	4,080	817
Kelani Valley Plantations PLC	200	7,500	993	100	8,000	993
Kotagala Plantation PLC	279	1,478	943	279	1,395	943
Lanka Milk Foods (CWE) PLC	133	19,983	3,052	133	9,842	3,052
Malwatte Valley Plantations PLC-voting	1,000	12,500	1,221	1,000	3,500	1,221
Melstacorp PLC	400	17,600	892	400	9,440	892
Namunukula Plantations PLC	100	18,450	717	100	7,800	717
Nestle Lanka PLC	40	45,860	3,972	40	40,452	3,972
Renuka Foods PLC Voting	20	257	165	20	274	165
Talawakelle Tea Estates PLC	1,200	45,000	12,000	600	23,940	12,000
Tea Smallholder Factories PLC	142	5,822	3,023	142	2,712	3,023
Three Acre Farms PLC	19	3,790	301	19	1,520	301
Watawala Plantations PLC	4,215	240,676	16,075	4,215	84,300	16,075
	<b>8,550</b>	<b>663,192</b>	<b>63,291</b>	<b>7,850</b>	<b>318,951</b>	<b>63,291</b>
Balance carried forward	36,314,352	983,089,024	133,290,734	7,508,212	274,465,156	65,962,870

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## (f) Financial asset at Fair Value through Other Comprehensive Income

### Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	36,314,352	983,089,024	133,290,734	7,508,212	274,465,156	65,962,870
<b>FOOD BEVERAGE &amp; TOBACCO</b>						
Distilleries Company of Sri Lanka PLC	118	2,348	878	118	1,534	878
Madulsima Plantations PLC	100	790	2,500	100	450	2,500
Bogawantalawa Tea Estate PLC	46	545	331	46	409	331
Browns Investments PLC	6,000	33,000	18,750	6,000	11,400	18,750
Ceylon Beverage Holdings PLC	50	38,987	5,217	50	40,000	5,217
Dilmah Ceylon Tea Company PLC	80	50,940	3,249	80	42,480	3,249
Hapugastenna Plantations PLC	200	2,960	2,892	200	2,140	2,892
Hatton Plantations PLC	5,000	43,500	-	5,000	21,000	-
Kahawatte Plantations PLC	266	7,687	3,631	266	9,496	3,631
Keells Food Products PLC	219	35,587	10,808	219	23,696	10,808
Maskeliya Plantations PLC	1,400	15,400	29,400	1,400	8,680	29,400
Udapussellawa Plantations PLC	100	2,110	892	100	1,800	892
Lankem Development PLC	296	976	1,995	296	444	1,995
	<b>13,875</b>	<b>234,830</b>	<b>80,543</b>	<b>13,875</b>	<b>163,529</b>	<b>80,543</b>
<b>HEALTH CARE EQUIPMENT &amp; SERVICES</b>						
Asiri Hospital Holdings PLC	2,660	67,830	6,099	2,660	45,220	6,099
Asiri Surgical Hospital PLC	1,499	20,686	3,646	1,499	13,491	3,646
Ceylon Hospitals PLC-Non-Voting	130	11,583	2,270	130	9,490	2,270
Muller & Phipps PLC	500	550	515	500	300	515
Nawaloka Hospitals PLC	26,666	130,664	20,000	26,666	77,330	20,000
The Lanka Hospital Corporation PLC	100	4,350	1,500	100	2,750	1,500
E-Channelling PLC	1,162	6,158	2,186	1,162	4,067	2,186
Singhe Hospital PLC	1,000	2,000	2,500	1,000	1,400	2,500
PC House PLC	1,000	-	11,000	1,000	-	11,000
	<b>33,717</b>	<b>243,821</b>	<b>49,716</b>	<b>34,717</b>	<b>154,048</b>	<b>49,716</b>
Balance carried forward	36,361,944	983,567,675	133,420,993	7,556,804	274,782,733	66,093,129

## (f) Financial asset at Fair Value through Other Comprehensive Income

## Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	36,361,944	983,567,675	133,420,993	7,556,804	274,782,733	66,093,129
<b>INSURANCE</b>						
Ceylinco Insurance PLC-Voting	22	45,919	451	22	39,050	451
HNB Assurance PLC	600	35,580	2,655	200	24,200	2,655
Janashakthi Insurance Company PLC	1,800	53,820	56,247	1,800	40,860	56,247
Amana Takaful PLC	402	2,815	8,775	402	764	8,775
Softlogic Life Insurance PLC	1,000	30,500	1,120	1,000	24,700	1,120
	<b>3,824</b>	<b>168,634</b>	<b>69,248</b>	<b>3,424</b>	<b>129,574</b>	<b>69,248</b>
<b>MATERIALS</b>						
ACL Plastics PLC	100	25,450	3,174	100	11,520	3,174
ACME Printing and Packaging PLC	300	1,950	3,116	300	810	3,116
CIC Holdings PLC - Voting	108	4,579	366	27	945	366
Chemanax PLC	177	13,611	2,143	177	7,080	2,143
Chevron Lanka Lubrications PLC	400	36,000	8,395	400	21,400	8,395
Dipped Products PLC	860	39,904	1,518	86	4,902	1,518
Haycarb PLC	270	25,110	857	27	4,320	857
Industrial Asphalts (Ceylon) PLC	45,000	18,000	907	10	2,925	907
Lanka Aluminium Industries PLC	50	830	118	10	430	118
Piramal Glass Ceylon PLC	3,428	38,050	5,552	3,428	11,312	5,552
Samson International PLC	50	6,715	562	50	3,605	562
Swisstek (Ceylon) PLC	500	54,000	366	100	2,700	366
Tokyo Cement Company (Lanka) PLC-Voting	147	9,804	455	147	3,308	455
Bogala Graphite Lanka PLC	200	4,760	867	200	2,060	867
Richard Peiris Export PLC	92	34,408	2,542	92	17,554	2,542
Lanka Cement PLC	100	250	241	100	250	241
Pelwatte Sugar Industries PLC	100	-	466	100	-	466
J.L. Morison Sons & Jones Ceylon PLC-Non-Voting	60	-	17,406	60	-	17,406
J.L. Morison Sons & Jones Ceylon PLC-Voting	200	-	4,060	200	-	4,060
	<b>52,142</b>	<b>313,421</b>	<b>53,111</b>	<b>5,614</b>	<b>95,121</b>	<b>53,111</b>
Balance carried forward	36,417,910	984,049,730	133,543,352	7,565,842	275,007,428	66,215,488

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## (f) Financial asset at Fair Value through Other Comprehensive Income

### Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	36,417,910	984,049,730	133,543,352	7,565,842	275,007,428	66,215,488
<b>REAL ESTATE</b>						
Colombo Land & Development Company PLC	1,400	33,600	2,259	1,400	19,180	2,259
East West Properties PLC	1,200	11,880	5,920	1,200	6,960	5,920
Overseas Reality (Ceylon) PLC	300	4,650	2,156	300	3,600	2,156
Seylan Developments PLC	204	3,121	1,438	204	1,958	1,438
Serendib Land PLC	30	81,222	2,134	30	35,310	2,134
C.T. Land Development PLC	167	4,509	767	167	3,407	767
Equity Two PLC	100	5,420	717	100	4,530	717
On'ally Holding PLC	155	4,401	241	155	3,674	241
City Housing & Real Estate CO. PLC	180	648	968	180	648	968
Standard Capital PLC	400	24,000	16,791	400	21,600	16,791
York arcade Holdings PLC	28	4,004	578	28	1,736	578
	<b>4,164</b>	<b>177,455</b>	<b>33,969</b>	<b>4,164</b>	<b>102,603</b>	<b>33,969</b>
<b>RETAILING</b>						
C M Holdings PLC	185	15,355	5,020	185	7,863	5,020
Diesel & Motors Engineering PLC	6	3,181	195	6	1,500	195
Hunters & Company Limited	24	13,944	755	24	8,458	755
The Autodrome PLC	100	7,010	2,337	100	5,800	2,337
Odel PLC	100	1,870	1,500	100	1,900	1,500
C W Mackie	1,010,100	44,444,400	54,220,641	1,010,100	39,191,880	54,220,642
John Keells PLC	336	23,520	1,751	336	14,448	1,751
Sathosa Motors PLC	66	14,850	2,142	66	17,173	2,142
	<b>1,010,917</b>	<b>44,524,130</b>	<b>54,234,341</b>	<b>1,010,917</b>	<b>39,249,022</b>	<b>54,234,342</b>
<b>TELECOMMUNICATION SERVICES</b>						
Dialog Axiata PLC	100	1,300	2,337	100	850	2,337
Sri Lanka Telecom PLC	200	6,540	3,377	200	4,400	3,377
	<b>300</b>	<b>7,840</b>	<b>5,714</b>	<b>300</b>	<b>5,250</b>	<b>5,714</b>
Balance carried forward	37,433,291	1,028,759,155	187,817,376	8,581,223	314,364,303	120,489,513

(f) Financial asset at Fair Value through Other Comprehensive Income

Listed shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	37,433,291	1,028,759,155	187,817,376	8,581,223	314,364,303	120,489,513
<b>UTILITIES</b>						
Panasian Power PLC	1,000	3,600	3,000	1,000	2,500	3,000
Resus Energy PLC	1,353	32,742	20,887	1,293	26,118	19,280
Vallibel Power Erathna PLC	3,000	22,200	8,000	3,000	16,200	8,000
Vidullanka PLC	2,042	11,233	2,335	2,042	8,372	2,335
	7,395	69,775	34,222	7,335	53,190	32,615
<b>Total listed shares</b>	<b>37,440,686</b>	<b>1,028,828,930</b>	<b>187,851,598</b>	<b>8,588,558</b>	<b>314,417,493</b>	<b>120,522,128</b>

Unlisted shares

	Group					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
<b>Unlisted shares</b>						
Metropolitan Resource Holdings Ltd	22	618	1,243	22	618	1,243
Agarapathana Plantation Ltd	250,000	17,652	500,521	250,000	652,313	500,521
Colombo Fort Hotels Ltd	19,014,348	190,554,783	425,358,700	19,014,348	220,186,185	425,358,700
	19,264,370	190,573,053	425,860,464	19,264,370	220,839,116	425,860,464
<b>Financial Asset at Fair Value through Other Comprehensive Income</b>	<b>56,705,056</b>	<b>1,219,401,983</b>	<b>613,712,062</b>	<b>27,852,928</b>	<b>535,256,609</b>	<b>546,382,592</b>

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## (f) Financial asset at Fair Value through Other Comprehensive Income

### Listed shares

	Company					
	31 March 2021			31 March 2020		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
<b>CAPITAL GOODS</b>						
Lankem Ceylon PLC	160,000	4,336,000	4,419,581	160,000	2,736,000	4,419,581
	<b>160,000</b>	<b>4,336,000</b>	<b>4,419,581</b>	<b>160,000</b>	<b>2,736,000</b>	<b>4,419,581</b>
<b>CONSUMER SERVICES</b>						
Beruwala Resorts PLC	30,000	24,000	63,000	30,000	18,000	63,000
Marawila Resorts PLC	1,000,000	1,900,000	7,681,000	1,000,000	1,100,000	7,681,000
	<b>1,030,000</b>	<b>1,924,000</b>	<b>7,744,000</b>	<b>1,030,000</b>	<b>1,118,000</b>	<b>7,744,000</b>
<b>REAL ESTATE</b>						
York Arcade Holdings PLC	28	4,004	578	28	1,736	578
	<b>28</b>	<b>4,004</b>	<b>578</b>	<b>28</b>	<b>1,736</b>	<b>578</b>
<b>CAPITAL GOODS</b>						
E B Creasy & Company PLC	10,000,000	304,000,000	19,194,750	100,000	81,690,000	19,194,750
The Colombo Fort Land & Building PLC	1,500,000	19,350,000	6,898,740	1,500,000	11,250,000	6,898,740
	<b>11,500,000</b>	<b>323,350,000</b>	<b>26,093,490</b>	<b>1,600,000</b>	<b>92,940,000</b>	<b>26,093,490</b>
<b>Total listed shares</b>	<b>12,690,028</b>	<b>329,614,004</b>	<b>38,257,649</b>	<b>2,790,028</b>	<b>96,795,736</b>	<b>38,257,649</b>
<b>Unlisted shares</b>						
Colombo Fort Hotels Ltd	19,014,348	190,554,783	425,358,700	19,014,348	220,186,185	425,358,700
	<b>19,014,348</b>	<b>190,554,783</b>	<b>425,358,700</b>	<b>19,014,348</b>	<b>220,186,185</b>	<b>425,358,700</b>
<b>Financial Assets at Fair Value through Other Comprehensive Income</b>	<b>31,704,376</b>	<b>520,168,787</b>	<b>463,616,349</b>	<b>21,804,376</b>	<b>316,981,921</b>	<b>463,616,349</b>

### 13. Deferred income tax (liabilities) / assets

#### (a) Deferred income tax assets

	Group		Company	
	2021	2020	2021	2020
At beginning of the year	27,207,526	45,061,859	-	-
Income statement release / (charge)	(10,135,919)	(10,798,498)	-	-
Disposal of subsidiary	-	(6,949,776)	-	-
Amount recognized during the year to other comprehensive income	321,083	(106,059)	-	-
<b>At end of the year</b>	<b>17,392,690</b>	<b>27,207,526</b>	<b>-</b>	<b>-</b>

According to the Group/Company policy, deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which they can be used. The Directors have assessed future profitability of the Group/Company and is of the view that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilized.

#### (b) Deferred income tax liabilities

	Group		Company	
	2021	2020	2021	2020
At beginning of the year	12,870,164	178,807,020	12,870,164	14,970,392
Income statement (release) / charge	(2,513,341)	(2,100,228)	(2,513,341)	(2,100,228)
Disposal of subsidiary	-	(163,836,628)	-	-
Amount recognized during the year to other comprehensive income	-	-	-	-
<b>At end of the year</b>	<b>10,356,823</b>	<b>12,870,164</b>	<b>10,356,823</b>	<b>12,870,164</b>

#### (c) Deferred tax composition

	Group			
	Net deferred tax assets		Net deferred tax liabilities	
	2021	2020	2021	2020
<b>Composition of deferred tax assets</b>				
Defined benefit obligations	1,573,650	2,012,534	-	-
Unclaimed right of use asset rental	13,309,272	17,949,961	-	-
Tax losses carried forward	77,972,311	91,163,569	-	-
Total deferred tax assets before offsetting	92,855,233	111,126,064	-	-
<b>Offsetting deferred tax liability on:</b>				
Property, plant & equipment	(15,355,440)	(17,144,087)	(10,356,823)	(12,870,164)
Lease liability	(15,655,905)	(22,323,253)	-	-
Revaluation	(44,451,198)	(44,451,198)	-	-
Total deferred tax liabilities before offsetting	(75,462,543)	(83,918,538)	(10,356,823)	(12,870,164)
<b>Deferred tax assets / (liabilities) after offsetting</b>	<b>17,392,690</b>	<b>27,207,526</b>	<b>(10,356,823)</b>	<b>(12,870,164)</b>

	Company			
	Net deferred tax assets		Net deferred tax liabilities	
	2021	2020	2021	2020
<b>Composition of deferred tax liabilities</b>				
Property, plant & equipment	-	-	(10,356,823)	(12,870,164)
<b>Deferred tax assets / (liabilities)</b>	<b>-</b>	<b>-</b>	<b>(10,356,823)</b>	<b>(12,870,164)</b>

Deferred income tax assets and liabilities of the Group are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position.

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 14. Inventories

The amounts attributable to the different categories are as follows:

	Group		Company	
	2021	2020	2021	2020
Spares and consumables	189,637,908	175,167,771	-	-
Motor vehicles	1,394,375	63,476,738	-	-
Repair job-in-progress	222,492	3,349,167	-	-
Goods-in-transit	1,627,385	5,359,078	-	-
	<b>192,882,160</b>	<b>247,352,754</b>	<b>-</b>	<b>-</b>

## 15. Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
Trade receivables	46,313,772	48,302,914	1,594,506	-
Provision for impairment of debtors	(1,703,693)	(2,273,134)	-	-
<b>Trade receivables - net</b>	<b>44,610,079</b>	<b>46,029,780</b>	<b>1,594,506</b>	<b>-</b>
Amounts due from related parties [Note 33(b)]	516,649,407	535,619,356	563,203,222	538,363,496
Prepayments	5,763,745	2,876,934	1,355,534	72,310
Other receivables	16,581,620	11,763,190	1,870,509	1,335,431
	<b>583,604,851</b>	<b>596,289,260</b>	<b>568,023,771</b>	<b>539,771,237</b>

### Aging Analysis of Trade Receivables

	Group		Company	
	2021	2020	2021	2020
0 days to 30 days	10,654,123	8,410,949	1,594,506	-
31 days to 90 days	11,473,715	12,392,570	-	-
91 days above	24,185,934	27,499,395	-	-
<b>Total trade receivables</b>	<b>46,313,772</b>	<b>48,302,914</b>	<b>1,594,506</b>	<b>-</b>

### Impairment Allowance for Trade Receivable

	Group		Company	
	2021	2020	2021	2020
Opening loss allowance at 1 April	2,273,134	7,094,281	-	-
Increase in loss allowance recognised in profit or loss	-	285,889	-	-
Unused amount reversed	(569,441)	(5,107,036)	-	-
<b>Closing loss allowance at 31 March</b>	<b>1,703,693</b>	<b>2,273,134</b>	<b>-</b>	<b>-</b>

### (i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flow and therefore measures them subsequently at amortised cost using the effective interest method.

### (ii) Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

### (iii) Impairment and risk exposure

Information about the impairment of trade receivable and the group's exposure to credit risk can be found in note 3.

## 16. Cash and cash equivalents

Cash and cash equivalents wholly consist of cash held in local banks and cash in hand.

	Group		Company	
	2021	2020	2021	2020
Cash in hand	1,113,238	-	-	-
Cash at bank	26,015,064	43,248,451	11,097,115	14,515,456
Cash in transit	87,335	87,335	-	-
Fixed Deposits	-	13,000,000	-	13,000,000
	<b>27,215,637</b>	<b>56,335,786</b>	<b>11,097,115</b>	<b>27,515,456</b>

Fixed deposits have a maturity period of less than 3 months.

For the purposes of the cash flow statement, the year-end cash and cash equivalents comprise the following:

Cash and bank balances	27,215,637	56,335,786	11,097,115	27,515,456
Bank overdraft (Note 20)	(90,401,126)	(103,115,863)	-	-
	<b>(63,185,489)</b>	<b>(46,780,077)</b>	<b>11,097,115</b>	<b>27,515,456</b>

## 17. Stated capital

	Number of shares	Stated capital
At 31 March 2021 / 2020	15,200,000	288,386,885

All issued shares are fully paid.

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 18. Retained earnings and other reserves

	Group		Company	
	2021	2020	2021	2020
<b>(a) Revaluation reserve</b>				
At beginning of the year	114,303,082	419,126,327	-	-
Equity adjustment of KIA sale	-	(304,823,245)	-	-
<b>At end of the year</b>	<b>114,303,082</b>	<b>114,303,082</b>	<b>-</b>	<b>-</b>
<b>(b) Fair value reserve</b>				
At beginning of the year	173,160,673	403,567,160	39,060,803	127,644,609
Change in fair value of financial assests at FVOCI	616,452,307	(230,406,487)	203,186,866	(88,583,806)
<b>At end of the year</b>	<b>789,612,980</b>	<b>173,160,673</b>	<b>242,247,669</b>	<b>39,060,803</b>
<b>(c) Retained earnings</b>				
At beginning of the year	1,921,224,384	1,866,545,502	1,632,248,880	1,151,514,613
Profit / (loss) for the year	368,812,004	(220,017,084)	82,913,869	511,134,267
Remeasurement of post employment benefits	(1,016,763)	272,721	-	-
Equity adjustment on KIA sale	-	304,823,245	-	-
Dividend to equity holders (Note 30)	(76,000,000)	(30,400,000)	(76,000,000)	(30,400,000)
Reversal of unclaimed dividend	6,043,668	-	6,043,668	-
<b>At end of the year</b>	<b>2,219,063,293</b>	<b>1,921,224,384</b>	<b>1,645,206,417</b>	<b>1,632,248,880</b>
<b>(d) Other reserves</b>				
Revaluation reserve	114,303,082	114,303,082	-	-
Fair value reserve	789,612,980	173,160,673	242,247,669	39,060,803
<b>At end of the year</b>	<b>903,916,062</b>	<b>287,463,755</b>	<b>242,247,669</b>	<b>39,060,803</b>

The Revaluation reserve relates to revaluation surplus arising from freehold lands which have been revalued by the Group.

Fair value reserve is the amount set aside out of retained profits for the changes in the fair value of investments classified as FVOCI.

## 19. Trade and other payables

	Group		Company	
	2021	2020	2021	2020
Trade payables	53,017,303	17,028,327	-	-
Amounts due to related parties [Note 33(b)]	2,799,213	1,791,403	-	-
Other payables	83,600,743	81,875,334	54,123,854	40,803,695
Contract liabilities	6,770,728	5,792,803	-	-
Accrued expenses and provisions	29,801,869	26,765,705	-	-
	<b>175,989,856</b>	<b>133,253,572</b>	<b>54,123,854</b>	<b>40,803,695</b>
Less: Non-current portion	(26,243,510)	(8,309,000)	(26,243,510)	(8,309,000)
<b>Current Portion</b>	<b>149,746,346</b>	<b>124,944,572</b>	<b>27,880,344</b>	<b>32,494,695</b>

Trade and other payables consist of advances received from customers amounting to Rs. 23,587,673 (2020 - Rs. 12,464,012) for the Group and Company.

## 20. Borrowings

	Group		Company	
	2021	2020	2021	2020
<b>Current</b>				
Bank overdrafts (Note 16)	90,401,126	103,115,863	-	-
Bank borrowings	453,385,874	486,531,427	-	-
	543,787,000	589,647,290	-	-
<b>Non-current</b>				
Bank borrowings	153,671,000	155,148,000	-	-
	153,671,000	155,148,000	-	-
<b>Total borrowings</b>	<b>697,458,000</b>	<b>744,795,290</b>	<b>-</b>	<b>-</b>

The carrying amounts of the Group's borrowings is denominated in Sri Lanka Rupees.

### 20.1 Details of assets pledged as securities by each subsidiary are as follows:

#### COLONIAL MOTORS (CEYLON) LIMITED

Institution and Facility	Principal Amount	Amount Outstanding	Interest Rate	Security Offered
<b>Commercial Bank of Ceylon PLC</b>				
Short Term Loan	103,000,000	32,797,730	Interest-AWPLR + 1.75% p.a	} (i)
Long Term Loan				
• Diribala - 1903944	20,000,000	5,244,000	8.5% p.a	
• Diribala - 1851271	26,000,000	5,230,000	8.5% p.a	
• EIB - 1859449	65,000,000	25,725,000	8.5% p.a	
Saubagya WIC loan	15,000,000	15,000,000	4%p.a	
Finance Lease	4,387,500	1,781,976	-	
<b>Hatton National Bank PLC</b>				
Short Term Loan	160,000,000	168,117,538	Interest rate AWPLR + 1.25%	Demand Promissory Note for Rs. 245.0 Mn
Long Term Loan	45,000,000	29,250,000	Interest rate AWPLR + 2%	
<b>Sampath Bank PLC</b>				
Short Term Loan	300,000,000	112,294,758	Interest rate AWPLR + 2%	
<b>National Development Bank PLC</b>				
Short Term Loan	50,000,000	66,522,848	Interest rate 15% p.a	Primary Mortgage over stocks and book debts for Rs. 210.0 Mn
Medium Short Term Loan	150,000,000	146,875,000	Interest rate 16%	

(i) Facilities obtained by Commercial Bank of Ceylon PLC for Short Term Loans and Long Term Loans are securitized against the following; Floating Primary Mortgage Bond No. 3639 - No. 41/35, Nagahamulla Road, Thalagama South and more fully depicted as Lot A in plan No. 1706A dated 30.09.2004 drawn by Mr. K M A H Bandara (L/S) in extent of 133.0 Perches owned by M/s.Colonial Motors (Ceylon) Ltd for Rs. 185.0 Mn.

Floating Primary Mortgage Bond No. CTY/VM/14/05 dated 25/02/2015 for Rs. 66.0 Mn. Obtained over the Stocks of "Mazda" brand Vehicles and spare parts (Mazda/Tata/Land Rover) and/or other movable assets.

Floating Secondary Mortgage Bond No. CTY/15/04 dated 20.08.2015 for Rs. 20.0 Mn over stocks obtained.

The maturity analysis based on the remaining period at the statement of financial position date to the contractual maturity date is given below.

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## Group

As at 31 March 2021	Less than 3 months	Between 3 months and 1 year	Between year 1 and year 2
Borrowings	90,401,126	453,385,874	153,671,000

As at 31 March 2020	Less than 3 months	Between 3 months and 1 year	Between year 1 and year 2
Borrowings	103,115,863	486,531,427	155,148,000

There are no borrowings in the Company for the period 2020 and 2021.

## 21. Defined benefit obligations

The amount recognised in the statement of financial position has been valued according to the following methods:

	Group		Company	
	2021	2020	2021	2020
Present value of the unfunded obligations	6,556,877	7,187,632	-	-
<b>Liability in the statement of financial position date</b>	<b>6,556,877</b>	<b>7,187,632</b>	-	-
<i>statement of financial position obligations for:</i>				
Defined benefits (gratuity)	6,556,877	7,187,632	-	-
<i>Income statement charge / (release)</i>				
Defined benefits (gratuity)	1,782,149	2,320,167	-	-
<i>Remeasurements for:</i>				
Defined benefits (gratuity)	1,337,846	(378,779)	-	-

The income statement charge included within operating profit includes current service cost and interest expense.

The defined benefit plan of each subsidiary of the Group is unfunded, where each subsidiary meets the benefit payment obligation as it falls due. Accordingly, the liability in the Statement of Financial Position represents the present value of unfunded obligations.

	Group		Company	
	2021	2020	2021	2020
<b>Amounts recognised in the statement of financial position are as follows:</b>				
At beginning of the year	7,187,632	46,517,023	-	-
Interest expense	575,010	694,739	-	-
Current service cost	1,207,139	1,625,428	-	-
Benefits paid	(3,750,750)	(1,701,125)	-	-
Disposal of Subsidiary	-	(39,569,654)	-	-

	Group		Company	
	2021	2020	2021	2020
Actuarial gains/losses	1,337,846	(378,779)	-	-
<b>At end of the year</b>	<b>6,556,877</b>	<b>7,187,632</b>	-	-
<b>Amounts recognised in the profit or loss are as follows:</b>				
Interest expense	575,010	694,739	-	-
Current service cost	1,207,139	1,625,428	-	-
Effect of transfer of employees	-	-	-	-
	<b>1,782,149</b>	<b>2,320,167</b>	-	-
Remeasurements losses/ (gains)	1,337,846	(378,779)	-	-
	<b>1,337,846</b>	<b>(378,779)</b>	-	-

Defined benefit obligation of Colonial Motors (Ceylon) Limited is determined through an actuarial valuation carried out internally for the year ended 31 March 2021.

The below sensitivity analysis is based on a change in an assumption while holding all other constant although in practice it is unlikely to occur and changes in assumptions could be correlated. The same method has been applied when calculating the defined benefit obligation to significant actuarial assumptions. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The Principal Assumptions used are as follows:

	Staff Turnover rate	Salary Escalation rate for future years	Discount rate
31 March 2021	15%	0%	8%
31 March 2020	27%	8%	10%

A quantitative sensitivity analysis for significant assumptions as at 31st March is shown below:

Impact on Present Value of Defined Benefit Obligation	Salary Escalation Rate		Discount Rate		Staff Turnover Rate	
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
31 March 2021	335,985	-	(295,682)	313,558	104,161	(110,737)
31 March 2020	183,860	(179,541)	(174,745)	182,153	11,102	(11,886)

Maturity profile of the defined benefit obligation is as follows:

	Group	
	2021	2020
Less than 1 year	-	3,092,729
Between 1-2 years	-	-
Between 2-5 years	2,837,853	-
Over 5 years	3,719,024	4,094,903
	<b>6,556,877</b>	<b>7,187,632</b>

## Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

### 22. Revenue

Revenue of the Group consists of revenue earned from the sale of spare parts, repairing and servicing motor vehicles, sale of motor vehicles and income earned from renting out of property as follows:

	Group		Company	
	2021	2020	2021	2020
Rent income	52,728,923	51,970,839	52,728,923	57,171,464
Sale of spares and repair work	212,403,760	487,067,478	-	-
Sale of motor vehicles	91,351,744	274,571,113	-	-
	<b>356,484,427</b>	<b>813,609,430</b>	<b>52,728,923</b>	<b>57,171,464</b>

### 23. Other income - net

	Group		Company	
	2021	2020	2021	2020
<b>Dividend income</b>				
- Subsidiaries	-	-	-	-
- Financial assets at fair value through profit or loss	35,172,452	20,678,907	3,319,998	1,615,794
- Financial assets at FVOCI	4,950,947	5,898,708	1,800,000	1,032,215
Profit on sale of subsidiary	-	70,441,078	-	628,689,680
Sundry Income	1,581,081	4,652,247	292,253	1,029,022
Profit on sale of property, plant and equipment	4,312,878	2,525,000	-	-
Reversal of impairment of other receivables	-	421,659	-	-
Profit on equity trading	21,832,307	252,683	-	-
	<b>67,849,665</b>	<b>104,870,282</b>	<b>5,412,251</b>	<b>632,366,711</b>

### 24. Other gains / (losses) - net

	Group		Company	
	2021	2020	2021	2020
<b>Financial assets at fair value through profit or loss (Note 12)</b>				
Fair value of financial assets at FVTPL	824,066,890	175,480,441	64,398,439	14,793,691
Fair value before valuation	(458,819,575)	(310,186,602)	(39,991,284)	(24,744,779)
Fair value gain/ (loss)	365,247,315	(134,706,161)	24,407,155	(9,951,088)
Exchange gain / (losses) - net	646,443	814,741	-	-
	<b>365,893,758</b>	<b>(133,891,420)</b>	<b>24,407,155</b>	<b>(9,951,088)</b>

### 25. Expenses by nature

	Group		Company	
	2021	2020	2021	2020
Cost of Purchases	198,264,895	550,833,282	-	-
Directors' emoluments (Note 33)	7,305,000	9,170,000	4,080,000	4,080,000
Auditor's remuneration	1,328,439	1,291,965	600,000	600,000
Under provision for audit fee in previous years	-	186,788	-	186,788
Fees for other professional services	12,198,410	26,292,365	11,387,842	22,452,178
Staff costs (Note 26)	66,769,927	103,078,918	-	-

	Group		Company	
	2021	2020	2021	2020
<b>Depreciation of</b>				
- Property, plant, and equipment (Note 6)	15,954,917	47,541,787	415,993	1,595,960
- Investment property (Note 8)	6,474,331	5,895,781	6,474,331	5,895,781
- Right of use asset (Note 10)	16,552,905	16,817,804	-	-
Amortisation of intangible assets (Note 9)	183,047	810,257	-	-
<b>Repairs and maintenance expenditure</b>				
- Investment property	4,188,648	7,905,357	4,188,648	7,905,357
- Property, plant, and equipment	7,558,856	23,568,832	-	-
Travelling and transportation expenses	4,055,560	7,120,622	38,778	65,780
Agency costs, commission and Incentives	1,305,724	3,579,293	-	-
Sales & promotional expenses	2,291,527	14,039,137	-	-
Utilities	5,840,526	13,833,333	629,349	642,747
Business running expenses	12,717,257	22,940,261	4,871,798	3,494,923
Non - refundable government taxes	2,231,669	4,005,584	1,861,866	1,814,120
Donations	62,780	104,280	-	-
Stock write off	3,200	-	-	-
Receivables written off	37,940	1,224,530	32,848	-
Other expenses	8,487,089	19,305,620	1,704,699	5,942,246
<b>Total costs of sales, distribution costs, and administrative expenses</b>	<b>373,812,647</b>	<b>879,545,796</b>	<b>36,286,152</b>	<b>54,675,880</b>

## 26. Staff costs

	Group		Company	
	2021	2020	2021	2020
Wages, salaries, and related costs				
- to administrative expenses	55,829,295	88,603,165	-	-
Defined contribution plans	9,158,483	12,155,586	-	-
Defined benefit plans (Note 21)	1,782,149	2,320,167	-	-
	<b>66,769,927</b>	<b>103,078,918</b>	-	-

Permanent Employees - 81  
Contract Employees - 8  
Total Employees - 89

## 27. Finance Income/ (costs) - net

	Group		Company	
	2021	2020	2021	2020
Interest income from loans to related parties	52,454,979	35,155,079	54,760,341	36,514,257
Other interest income	131,869	3,956,316	131,868	2,099,552
Finance income	<b>52,586,848</b>	<b>39,111,395</b>	<b>54,892,209</b>	<b>38,613,809</b>

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

	Group		Company	
	2021	2020	2021	2020
<b>Interest expenses on:</b>				
- Overdraft	(10,423,713)	(16,345,034)	-	(663,658)
- Other loans	(47,371,715)	(136,314,735)	-	-
- Other interest expenses	(4,613,240)	(5,358,757)	-	-
- Interest expense on loans from related parties	-	(177,534)	-	-
- Finance leases (Note 10)	(7,167,938)	(9,427,805)	-	-
Finance costs	(69,576,606)	(167,623,865)	-	(663,658)
<b>Finance (costs) / income - net</b>	<b>(16,989,758)</b>	<b>(128,512,470)</b>	<b>54,892,209</b>	<b>37,950,151</b>

## 28. Income tax expense

	Group		Company	
	2021	2020	2021	2020
Current income tax	20,431,027	11,422,758	18,177,757	11,422,758
Deferred income tax charge	7,622,578	8,698,270	(2,513,341)	(2,100,228)
Under provision in previous years	2,576,102	764,085	2,576,101	764,085
<b>Total current tax</b>	<b>30,629,707</b>	<b>20,885,113</b>	<b>18,240,517</b>	<b>10,086,615</b>

The tax on the profit / (loss) before tax differs from the theoretical amount that would arise using the basic tax rate applicable to the Group and Company as follows:

	Group		Company	
	2021	2020	2021	2020
Profit before tax	399,425,445	(223,469,974)	101,154,386	521,220,882
Tax calculated at a tax rate of 28%	-	(62,528,780)	-	109,456,385
Tax calculated at a tax rate of 24%	1,939,982	(795,411)	23,844,921	31,273,253
Tax calculated at a tax rate of 14%	54,786,830	778,453	252,077	16,160
Tax impact of allowable items/income not subject to tax	(69,367,913)	(189,350,589)	(8,189,140)	(186,141,950)
Aggregate dis-allowable items	26,369,936	253,043,525	2,269,899	56,818,910
tax losses adjusted	6,702,192	10,275,560	-	-
Net adjustment of deferred tax	7,622,578	8,698,270	(2,513,341)	(2,100,228)
Under provision in the previous year	2,576,102	764,085	2,576,101	764,085
	<b>30,629,707</b>	<b>20,885,113</b>	<b>18,240,517</b>	<b>10,086,615</b>
<b>The tax credit / (charge) relating to components of other comprehensive income is as follows:</b>				
Remeasurements of post employment benefit liabilities	321,083	(106,058)	-	-

As per the Notice issued by the Inland Revenue Department Implementation of proposed changes to the Inland Revenue Act No. 24 of 2017 and amendments thereto, the Group and Company are liable to income tax at 24% and Dividend Income received from a resident Company is liable to income tax at 14% w.e.f. 01.01.2020.

## 29. Earnings / (loss) per share

Basic earnings / (loss) per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	2021	2020	2021	2020
Profit / (loss) attributable to owners of the parent	368,812,004	(220,017,084)	82,913,869	511,134,267
Weighted average number of ordinary shares in issue	15,200,000	15,200,000	15,200,000	15,200,000
Basic earnings / (loss) per share	24.26	(14.47)	5.45	33.63

The diluted earnings / (loss) per share is same as the basic earnings / (loss) per share.

## 30. Dividends

The Board of Directors of the Company, resolved on 12th March, 2021 to propose an interim dividend of Rs. 5.00 per share (2020 - Rs. 2.00) amounting to Rs. 76,000,000 and the dividend was paid on 30th March, 2021 (2020 - Rs.30,400,000).

## 31. Cash generated from / (used in) operations

Reconciliation of profit / (loss) before tax to cash generated from / (used in) operations.

	Group		Company	
	2021	2020	2021	2020
Profit / (loss) before tax	399,425,445	(223,469,974)	101,154,386	521,220,882
Depreciation	38,982,153	70,255,372	6,890,323	7,491,741
Amortization of intangible assets	183,047	810,257	-	-
Dividend income (Note 23)	(40,123,399)	(26,577,615)	(5,119,998)	(2,648,009)
Interest expense/(income) (Note 27)	16,989,758	128,512,470	(54,892,209)	(37,950,151)
(Profit) / loss on sale of investments (Note 23)	(21,832,307)	(252,683)	-	-
Profit on sale of property, plant and equipment (Note 23)	(4,312,878)	-	-	-
Provision/ (Reversal of provision) for bad and doubtful debts	-	(129,770)	-	-
Gain on sale of subsidiary (Note 23)	-	(70,441,078)	-	(628,689,680)
Debtors/creditors written off/written back	-	839,292	-	-
Impairment of Investment	-	-	-	141,640,476
Defined benefit obligations (Note 21)	1,782,149	2,320,167	-	-
Changes in fair value of financial assets at FVTPL (Note 24)	(365,247,315)	134,706,161	(24,407,155)	9,951,088
<b>Changes in working capital</b>				
- trade and other receivables	50,326,850	(424,268,101)	(1,328,828)	(401,405,212)
- inventories	54,470,594	174,790,684	-	-
- trade and other payables	40,536,031	(153,188,629)	13,320,159	14,555,824
<b>Cash generated from / (used in) operations</b>	<b>171,180,128</b>	<b>(386,093,447)</b>	<b>35,616,678</b>	<b>(375,833,041)</b>

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 32. Net assets value per share

	Group		Company	
	2021	2020	2021	2020
Stated capital	288,386,885	288,386,885	288,386,885	288,386,885
Reserves	3,122,979,355	2,208,688,139	1,887,454,086	1,671,309,683
Net assets	3,411,366,240	2,497,075,024	2,175,840,971	1,959,696,568
Number of shares	15,200,000	15,200,000	15,200,000	15,200,000
<b>Net assets per share</b>	<b>224.43</b>	<b>164.28</b>	<b>143.15</b>	<b>128.93</b>

## 33. Related parties

The Group is controlled by Colombo Fort Land and Building PLC which owns 63% of the Company's shares. The remaining 37% of shares are widely held. Colombo Fort Land and Building PLC is also the ultimate parent of the Group.

### (a) Common directorships

The Directors of the Company are also Directors of the following companies with which the Group and/ or Company had business transactions in the ordinary course of business:

	Mr. A. Rajaratnam	Mr. S. Rajaratnam	Mr. S. D. R. Arudpragasam	Dr. J. M. Swaminathan	Mr. A. M. de. S. Jayaratne	Mr. Anushman Rajaratnam
C M Holdings PLC	X	X	X	X	X	X
Union Investments (Pvt) Limited	X	X	X	X	X	X
Colonial Motors (Ceylon) Limited	-	X	X	X	X	X
The Colombo Fort Land & Building PLC	X	X	X	-	X	X
Colombo Fort Hotels Limited	-	X	X	-	-	X
Lankem Ceylon PLC	-	-	X	-	-	X
Colombo Fort Group Services (Private) Ltd	-	-	X	-	-	X
Colombo Fort Properties (Private) Limited	X	-	-	-	-	-
Lankem Developments PLC	-	-	X	-	-	X
Mortor Mart Ceylon (Private) Limited	-	X	X	-	-	X
Agarapatana Plantations Limited	-	-	X	-	-	X
C W Mackie PLC	-	-	X	-	X	X
Darley Butler & Company Limited	-	X	X	-	X	-
Candy Delights Limited	-	X	X	-	X	-
Marawila Resorts PLC	-	X	X	-	-	X
Beruwala Resorts PLC	-	X	X	-	-	X
E B Creasy & Company PLC	X	X	X	-	X	-
Kotagala Plantations PLC	-	-	X	-	X	X
Sigiriya Village Hotels PLC	-	X	X	-	-	X
Union Commodities (Pvt) Ltd	-	-	X	-	-	X
Pettah Pharmacy (Pvt) Ltd	-	X	X	-	-	-

**(b) Year - end balances arising in the ordinary course of business**

Amounts due from related parties

		Group		Company	
		2021	2020	2021	2020
The Colombo Fort Land & Building PLC	Parent	231,828,495	254,003,293	222,219,323	224,394,121
Union Investments (PVT) Ltd	Subsidiary	-	-	38,000,000	15,000,000
Union Commodities (PVT) Ltd	Sub - CFLB	277,311,054	278,533,511	277,311,054	278,533,511
Colonial Motors (Ceylon) Limited	Subsidiary	-	-	20,435,864	20,435,864
Agarapatana Plantations Limited	Sub - CFLB	782,916	2,177,883	-	-
Beruwala Resorts PLC	Sub - CFLB	27,700	19,545	-	-
Candy Delights Limited	Sub - CFLB	-	14,450	-	-
E B Creasy & Company PLC	Sub - CFLB	7,100	128,536	-	-
Kotagala Plantations PLC	Sub - CFLB	1,267,894	325,048	-	-
C W Mackie PLC	Sub - CFLB	32,774	44,995	-	-
Lankem Ceylon PLC	Sub - CFLB	5,391,474	372,095	5,236,981	-
		<b>516,649,407</b>	<b>535,619,356</b>	<b>563,203,222</b>	<b>538,363,496</b>

Amounts due from related parties includes receivables from:

- » The Colombo Fort Land & Buildings PLC due to C M Holdings PLC amounting to Rs. 179,500,000/- on which interest is charged at AWPLR+2% per annum and Rs. 35,000,000/- at 12% per annum until 31st December 2020, and thereafter at AWPLR+2% per annum.
- » Union Commodities (PVT) Ltd due to C M Holdings PLC amounting to Rs. 275,500,000/- on which interest is charged at 13% until 31st December 2020 and AWPLR+2% per annum thereafter.
- » Union Investment (Pvt) Ltd due to C M Holdings PLC amounting Rs. 38,000,000/- on which interest is charged at AWPLR+2% per annum.

Amounts due to related parties

		Group		Company	
		2021	2020	2021	2020
Colombo Fort Group Services (Private) Ltd	Affiliate - CFLB	2,799,213	1,791,403	-	-
		<b>2,799,213</b>	<b>1,791,403</b>	<b>-</b>	<b>-</b>

Transactions with Related Parties are carried out in the ordinary course of business on an arm's length basis. Related Party balances at the year end are unsecured and repayable on demand.

**(c) Key management compensation**

Key management includes the board of directors (executive and non - executive) of the company. The compensation paid or payable to key management for employee service is shown below:

	Group		Company	
	2021	2020	2021	2020
Salaries and short term employee benefits	17,883,268	18,821,273	4,080,000	4,080,000
The post-employment benefits	2,690,732	3,092,727	-	-

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

(d) The details of transactions carried out by the Group with related parties are as stated below

	Relationship	Repair services supplied/ (received)		Dividends (paid)/received		Rent (paid)/received		Fees (paid)/received		Interest (paid)/received		Loans received / (given)		Investment in / (transfer of) shares		Other	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Lankem Ceylon PLC	Sub - CFLB	154,492	927,341	(1,657,735)	(628,650)	-	-	-	-	236,981	-	-	-	-	-	-	-
The Colombo Fort Land & Building PLC	Parent	-	-	(48,249,250)	(17,918,868)	-	-	-	-	19,927,360	15,549,942	(30,000,000)	(152,500,000)	-	-	-	-
Colombo Fort Hotels Limited	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agarapatana Plantations Limited	Sub - CFLB	782,916	7,692,584	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lankem Developments PLC	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C W Mackie PLC	Sub - CFLB	32,775	742,903	-	-	-	-	-	-	(177,534)	-	-	-	-	-	-	-
Darley Butler & Company Limited	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Beruwala Resorts PLC	Sub - CFLB	27,700	69,919	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E B Creasy & Company PLC	Sub - CFLB	7,100	395,939	4,819,896	2,763,241	-	-	-	-	-	-	-	-	-	-	-	-
Kotagala Plantations PLC	Sub - CFLB	1,267,894	2,343,374	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sigiriya Village Hotels PLC	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	-	67,322,234	-	-
Lankem Tea & Rubber Plantations (Private) Limited	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Candy Delights Ltd	Sub - CFLB	-	107,382	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Colombo Fort Group Services Ltd	Affiliate - CFLB	-	-	-	-	-	-	(2,847,103)	(1,402,643)	-	-	-	-	-	-	-	-
Corporate Holdings (Pvt) Ltd	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marawila Resorts PLC	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Colombo Fort Properties (Private) Limited	Sub - CFLB	-	-	-	-	-	-	(3,000,000)	(3,000,000)	-	-	-	-	-	-	-	-
Union Commodities (Pvt) Limited	Sub - CFLB	-	258,724	-	-	-	-	-	-	32,241,801	19,605,137	-	(275,500,000)	-	-	-	-
Pettah Pharmacy (Pvt) Ltd	Sub - CFLB	-	-	-	-	-	-	-	-	48,837	-	(9,000,000)	-	-	-	-	-
		2,272,877	12,538,166	(45,087,089)	(15,784,277)	-	-	(5,847,103)	(4,402,643)	52,454,979	34,977,545	(39,000,000)	(428,000,000)	67,322,234	-	-	-

(d) The details of transactions carried out by the Company with related parties are as stated below:

Relationship	Repair services supplied/ (received)		Dividends (paid)/ received		Rent (paid)/ received		Fees (paid)/received		Interest (paid)/ received		Loans received / (given)		Investment in / (transfer of) shares		Other	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Guardian Asset Management Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KIA Motors (Lanka) Limited	-	-	925	-	-	-	-	-	-	-	-	-	-	-	-	-
Lankem Ceylon PLC	-	-	-	-	5,200,625	-	-	-	-	-	-	-	-	-	-	-
The Colombo Fort Land & Building PLC	-	-	(1,657,735)	(628,650)	-	-	236,981	-	-	-	-	-	-	-	-	-
Kotagala Plantations PLC	-	-	-	-	-	-	-	-	19,927,360	15,549,942	(50,000,000)	(152,500,000)	-	-	-	-
E B Creasy & Company PLC	-	-	1,800,000	1,032,216	-	-	-	-	-	-	-	-	-	-	-	-
Colonial Motors (Ceylon) Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marawila Resorts PLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Union Investments (Private) Limited	-	-	-	-	-	-	-	-	2,305,362	1,359,178	(40,000,000)	(15,000,000)	-	-	-	-
Colombo Fort Group Services (Pvt) Ltd	-	-	-	-	(56,260)	(44,853)	-	-	-	-	-	-	-	-	-	-
Colombo Fort Properties (Pvt) Ltd	-	-	-	-	(3,000,000)	(3,000,000)	-	-	-	-	-	-	-	-	-	-
Colombo Fort Hotels Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Union Commodities (Pvt) Ltd	-	-	-	-	-	-	-	-	32,241,801	19,605,137	(275,500,000)	-	-	-	-	-
Pettah Pharmacy (Pvt) Ltd	-	-	-	-	-	-	-	-	48,837	-	(9,000,000)	-	-	-	-	-
	-	-	(48,106,060)	(17,515,302)	-	5,200,625	(3,056,260)	(3,044,853)	54,760,341	36,514,257	(79,000,000)	(443,000,000)	-	-	-	-

# Notes to the Consolidated Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 34. Events after the reporting period

There were no significant events after the reporting period.

## 35. Contingencies

### Contingent liabilities

There were no material contingent liabilities as at the end of the reporting period

## 36. Capital and operating commitments

There were no other material financial commitments outstanding as at the end of the reporting period

## 37. Impact of Covid-19 Pandemic

The Government restrictions placed on the import of motor vehicles due to the events led by the Covid 19 crisis has been continuing to have a significant impact on the performance of the Company's Subsidiary Colonial Motors (Ceylon) Limited. Until the restrictions are lifted the Group will not have any significant revenue from this sector.

C M Holdings PLC has entered into long term rental agreements with its tenants for the property it owns at Union Place. In these difficult circumstances due to Covid 19, the Company negotiated temporary rent waivers for a short period of time with some of its tenants during the first half of 2020/2021.

The Group/Company's Investment portfolio which includes investments in the Colombo Stock Exchange was impacted by the prolonged closure of the exchange and broader decline in the market in 2019/2020. However, the listed investments have gradually increased in value during 2020/2021 in line with the market indices with limited impact from Covid 19.

# Share Information

## Distribution of Shareholding

Shareholdings	As at 31st March 2021			As at 31st March 2020		
	No of Shareholders	Total Holding	Holding %	No of Shareholders	Total Holding	Holding %
1 - 1,000	637	117,719	0.77	674	126,771	0.84
1,001 - 10,000	207	699,218	4.60	233	810,816	5.33
10,001 - 100,000	87	2,619,360	17.23	82	2,376,039	15.63
100,001 - 1,000,000	9	2,113,853	13.91	10	2,236,524	14.71
Over 1,000,000	1	9,649,850	63.49	1	9,649,850	63.49
	941	15,200,000	100.00	1,000	15,200,000	100.00

## Categories of Shareholders

	31st March 2021			31st March 2020		
	No of Shareholders	Total Holdings	%	No of Shareholders	Total Holdings	%
Individuals	846	2,571,261	16.92%	901	2,749,536	18.09%
Institutions	95	12,628,739	83.08%	99	12,450,464	81.91%
	941	15,200,000	100.00%	1,000	15,200,000	100.00%

Market Prices of the Year	31.03.2021	31.03.2020
Highest	125.00	90.00
Lowest	38.30	25.00
Market Value as at the year end	83.00	42.50

## Public Holding

The percentage of shares held by the public as at 31st March 2021 was 29.13 % ( 31.03. 2020 - 28.74% ).

## Public Shareholders

The Number of Public Shareholders as at 31st March 2021 were 926 (31.03. 2020 -985).

The applicable option under Colombo Stock Exchange Rule 7.13.1 on Minimum Public Holding is Option 5 and the Float Adjusted Market Capitalization as at 31.03.2021 was Rs. 367.50 Mn. (31.03.2020- Rs. 185.66 Mn).

## Share Information

### Top 20 Shareholders as at 31.03.2021

Position	Name of the Shareholder	31st March 2021		31st March 2020	
		No of Ord. Vot. Shares	Percentage	No of Ord. Vot. Shares	Percentage
1	THE COLOMBO FORT LAND AND BUILDING PLC	9,649,850	63.49%	9,649,850	63.49%
2	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	392,076	2.58%	392,076	2.58%
3	MRS AGNES.E DE VOS (DECD)	374,978	2.47%	374,978	2.47%
4	PAN ASIA BANKING CORPORATION PLC/LANKEM CEYLON PLC	331,547	2.18	338,547	2.23%
5	COLOMBO INVESTMENT TRUST PLC	318,000	2.09%	317,718	2.09%
6	PEOPLE'S LEASING & FINANCE PLC/MR.H.M. ABDULHUSSEIN	183,481	1.21%	183,481	1.21%
7	PEOPLE'S LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MRS.G.SOYSA	143,615	0.94%	143,615	0.94%
8	TRUST HOLDINGS & INVESTMENTS (PVT) LIMITED	130,142	0.86%	128,892	0.85%
9	COLOMBO FORT INVESTMENTS PLC	123,000	0.81%	109,400	0.72%
10	GLENFORD INVESTMENTS (PRIVATE) LIMITED	117,014	0.77%	116,214	0.76%
11	MR. WANNAKUWATTAWADUGE DON NIMAL HEMASIRI PERERA	100,000	0.66%	-	-
12	E.B. CREASY CEYLON (PRIVATE) LIMITED	95,640	0.63%	95,640	0.63%
12	DR. SENA YADDEHIGE	90,000	0.59%	90,000	0.59%
14	MR. JAWAHARLAL VIJAYA SRIKUMARADAS COREA	88,328	0.58%	88,328	0.58%
15	MR. SIDATH VIVENDRA KODIKARA	82,934	0.55%	75,001	0.49%
16	BIMPUATH FINANCE PLC	77,000	0.51%	77,000	0.51%
17	MR. WEERAHENNEDIGE SOHAN RAMINAL FERNANDO	75,565	0.50%	75,565	0.50%
18	YORK ARCADE HOLDINGS PLC	71,707	0.47%	71,707	0.47%
19	VINGROWS BUSINESS SOLUTIONS (PVT) LTD	65,558	0.43%	-	-
20	OAKLEY INVESTMENTS (PRIVATE) LIMITED	63,000	0.41%	63,000	0.41%
<b>TOTAL</b>		<b>12,573,435</b>	<b>82.73%</b>	<b>12,391,012</b>	<b>81.52%</b>

## Three Year Summary-Group

	2020/2021	2019/2020	2018/2019
<b>ASSETS EMPLOYED</b>			
Property , plant and equipment	346,819,829	362,840,344	2,183,990,130
Capital work in progress	-	3,253,664	17,051,503
Investment property	1,067,880,344	1,068,249,773	669,530,794
Intangible assets	4,870,824	5,053,871	8,170,717
Right of use assets	84,043,688	102,009,409	-
Financial assets at FVOCI	1,219,401,983	535,256,609	758,719,298
Deferred income tax assets	17,392,690	27,207,526	45,061,859
Trade and other receivables	-	-	-
Current assets	1,628,880,479	1,358,806,494	1,860,057,832
Liabilities net of debt	(201,974,877)	(153,311,368)	(625,823,013)
	4,167,314,960	3,309,366,322	4,916,759,119
<b>CAPITAL EMPLOYED</b>			
Stated capital	288,386,885	288,386,885	288,386,885
Reserves	3,122,979,355	2,208,688,139	2,689,238,989
	3,411,366,240	2,497,075,024	2,977,625,874
Non controlling interest	1,253,435	906,106	363,205,269
Total equity	3,412,619,675	2,497,981,130	3,340,831,143
Total debt	754,695,285	811,385,192	1,575,927,976
	4,167,314,960	3,309,366,322	4,916,759,119
<b>OPERATING RESULTS</b>			
Revenue	356,484,427	813,609,430	1,626,616,327
EBIT	416,415,203	(94,957,504)	(373,379,881)
Finance expenses - net	(16,989,758)	(128,512,470)	(216,973,209)
Profit/ (loss) before tax	399,425,445	(223,469,974)	(590,353,090)
Tax (expense)/ release	(30,629,707)	(20,885,113)	6,740,488
Profit/ (loss) after tax	368,795,738	(244,355,087)	(583,612,602)
<b>CASH FLOW</b>			
Net cash generated from/(used) in operating activities	92,995,651	(552,402,714)	631,454,565
Net cash generated from/(used) in investing activities	15,371,548	433,830,660	(191,254,838)
Net cash generated (used in)/ from financing activities	(124,772,611)	157,397,994	(502,997,219)
(Decrease)/ Increase in cash and cash equivalents	(16,405,412)	38,825,940	(62,797,492)
<b>KEY INDICATORS</b>			
Basic earnings per share (Rs)	24.26	(14.47)	(32.34)
Dividend per share (Rs)	5.00	2.00	2.00
Net asset per share	224.43	164.28	195.89
Debt - Equity ratio	0.22	0.32	0.47
Current ratio (times covered)	2.29	1.87	1.02
Dividend payout ratio	21%	-14%	-6%

## Notice of Meeting

Notice is hereby given that the 109th Annual General Meeting of C M Holdings PLC will be held on Tuesday, 2nd November 2021 at 10.00 a.m. and conducted as a Virtual Meeting from 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1 or 98, Sri Sangaraja Mawatha, Colombo 10, for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March, 2021 with the Report of the Auditors thereon.
2. To re-elect as a Director, Mr. Sanjeev Rajaratnam who retires in accordance with Articles 88 and 89 of the Articles of Association.
3. To reappoint Mr. A.M. de S. Jayaratne who is over seventy years of age as a Director. Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out below in relation to his reappointment ( see Note No.5 ).
4. To reappoint Dr. J.M. Swaminathan who is over seventy years of age as a Director. Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out below in relation to his reappointment (see Note No.6 ).
5. To reappoint Mr. A. Rajaratnam who is over seventy years of age as a Director. Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out below in relation to his reappointment ( see Note No.7 ).
6. To reappoint Mr. S.D.R. Arudpragasam who has attained seventy years of age as a Director. Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out below in relation to his reappointment. ( see Note No. 8 ).
7. To authorize the Directors to determine contributions to charities.
8. To reappoint as Auditors, Messrs. PricewaterhouseCoopers and to authorize the Directors to determine their remuneration.

By Order of the Board,  
**Corporate Managers & Secretaries (Private) Limited**  
Secretaries

Colombo  
27th September 2021

**Notes:**

1. A member of the Company who is entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of him or her. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed in this Report. The instrument appointing a proxy must reach the Registered Office of the Company's Secretaries, Corporate Managers & Secretaries (Private) Limited, No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01, not less than forty eight (48) hours before the time fixed for the holding of the meeting.
3. Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to represent them and vote on their behalf. Members are advised to complete the Form of Proxy and their voting preferences on the specified resolutions to be taken up at the meeting and submit the same to the Company Secretaries in accordance with the instructions given on the reverse of the Form of Proxy.
4. Please refer the "Circular to Shareholders" dated 27th September, 2021 for further instructions relating to the Annual General Meeting and for joining the Meeting virtually.
5. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting:

**Resolved -**

"that Mr. A.M. de S. Jayaratne who is eighty one years of age be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.7 of 2007 shall not apply to the said Director, Mr. A.M. de S. Jayaratne."

6. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting:

**Resolved -**

"that Dr. J.M. Swaminathan who is eighty years of age be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.7 of 2007 shall not apply to the said Director, Dr. J.M. Swaminathan."

7. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting:

**Resolved -**

"that Mr. A. Rajaratnam who is eighty years of age be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director, Mr. A. Rajaratnam."

8. The Company has received Special Notice from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting :

**Resolved -**

"that Mr. S.D.R. Arudpragasam who has attained seventy years of age, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director Mr. S.D.R. Arudpragasam."

9. In the event the Company is required to take any further action in relation to the meeting due to COVID-19 Pandemic, and / or any communications, guidelines, directives or orders issued by the Government of Sri Lanka, Notice of such action shall be given by way of an announcement to the Colombo Stock Exchange.







## Form of Proxy

I / We the under signed .....  
of .....being a member / members of C M Holdings PLC hereby appoint  
.....  
..... of .....or failing him

- |                                       |                           |
|---------------------------------------|---------------------------|
| 1. Alagarajah Rajaratnam              | of Colombo or failing him |
| 2. Sri Dhaman Rajendram Arudpragasam  | of Colombo or failing him |
| 3. Dr. Jayanta Mootatamby Swaminathan | of Colombo or failing him |
| 4. Ajit Mahendra de Silva Jayaratne   | of Colombo or failing him |
| 5. Sanjeev Rajaratnam                 | of Colombo or failing him |
| 6. Anushman Rajaratnam                | of Colombo                |

as my/our proxy to represent me/us, to speak and to vote on my/our behalf at the Annual General Meeting of the Company to be held on 02nd November, 2021, at 10.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To receive the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March, 2021 with the Report of the Auditors thereon.		
2. To re-elect Mr. S. Rajaratnam as a Director.		
3. To reappoint Mr. A.M. de S. Jayaratne as a Director.		
4. To reappoint Dr. J.M. Swaminathan as a Director.		
5. To reappoint Mr. A. Rajaratnam as a Director.		
6. To reappoint Mr. S.D.R. Arudpragasam as a Director.		
7. To authorize Directors to determine contributions to Charities.		
8. To reappoint as Auditors Messrs. PricewaterhouseCoopers and authorize the Directors to determine their remuneration.		

As witness my/our hand(s) this ..... day of ..... 2021.

.....  
Signature of Shareholder

### Note:

A proxy need not be a member of the Company. If no words are deleted or there is in the view of the proxy doubt (by reason of the manner in which the instructions contained in the Form of Proxy have been completed) as to the way in which the proxy should vote, the proxy may vote as he/she thinks fit.

Instructions as to completion are noted on the reverse hereof.

#### **Instructions as to Completion**

1. Perfect the Form of Proxy, after filling in legibly your full name, address and by signing in the space provided and filling in the date of signature.
2. In the case of corporate members the Form of Proxy must be under the Common Seal of the Company or under the hand of an Authorized Officer or Attorney.
3. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of the same, or a copy certified by a Notary Public must be lodged with the Company's Secretaries, Corporate Managers & Secretaries (Private) Limited along with the Form of Proxy.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company's Secretaries, Corporate Managers & Secretaries (Private) Limited, 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than 48 hours before the time appointed for the meeting.

# Corporate Information

## Board of Directors

### *Chairman*

A. Rajaratnam  
FCA

### *Deputy Chairman*

S.D.R. Arudpragasam  
FCMA (UK)

### *Directors*

Dr. J.M. Swaminathan Attorney-at-Law, LLB (Ceylon),  
LLM, M. Phil. (Colombo) and LLD (Honoris Causa)  
A.M. de S. Jayaratne B.Sc.(Econ.), FCA  
S. Rajaratnam B.Sc., CA  
Anushman Rajaratnam B.Sc. (Hons.), CPA, MBA

## Secretaries

Corporate Managers & Secretaries (Private) Limited  
8-5/2, leyden Bastian Road,  
York Arcade Building,  
Colombo 01.

## Registered Office

297, Union Place, Colombo 02.

## Legal Form

Public Quoted Company with Limited Liability  
Domiciled in Sri Lanka

## Date of Incorporation

09 July 1909

## Company number

PQ 169

## Stock Exchange Listing

The Ordinary Shares of the Company are Listed with the  
Colombo Stock Exchange of Sri Lanka.

## Bankers

People's Bank  
Hatton National Bank PLC  
Commercial Bank of Ceylon PLC

## Lawyers

Messrs. Julius & Creasy

## Auditors

Messrs. PricewaterhouseCoopers

