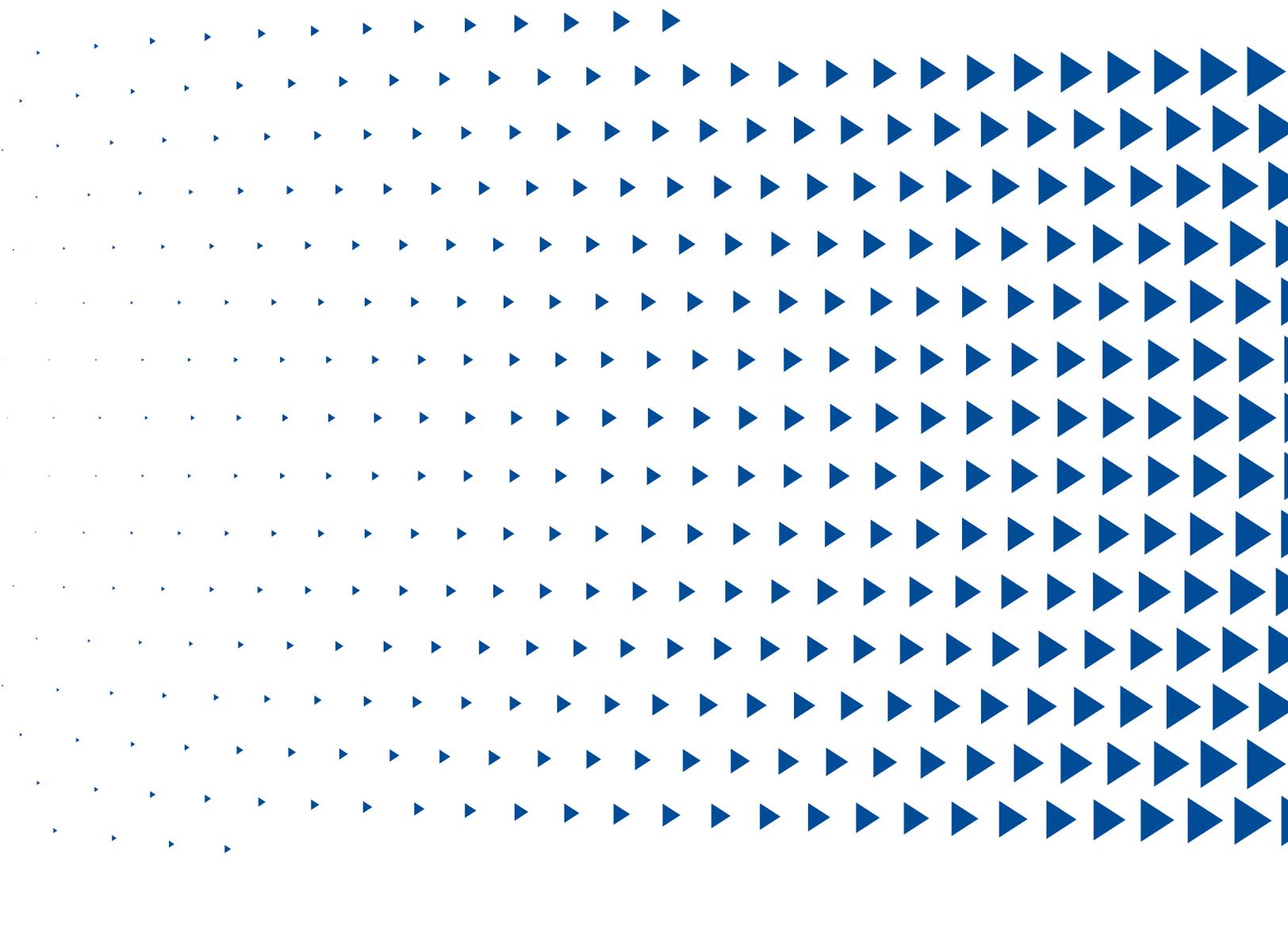


C M Holdings PLC

Annual Report 2021/2022



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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 110th Annual General Meeting and present you the Annual Report and Audited Financial Statements of the Company for the year ended 31st March 2022.

The Sri Lankan economy witnessed gradual recovery from the Covid 19 pandemic which accelerated in the fourth quarter of the financial year. Although disruptions from the pandemic eased out the economy faced multiple challenges in the form of macro-economic pressures with the extensive depreciation of the rupee and rapidly deteriorating foreign reserves leading to shortages in essential commodities and power disruptions, further exacerbated by political uncertainties. A general slowdown in the economy was expected as a result followed by tighter monetary policy measures by the end of the financial year.

The Group recorded a revenue of Rs. 306 million for the year under review, a drop of 14% from the previous year's achievement of Rs. 356 million. This is mainly attributable to the significant decline in the sale of motor vehicles due to continuous import restrictions imposed by the Government to mitigate the foreign currency crisis faced by the Country. However, the motor segment of the Group shifted its resources towards the sale of spare parts and the servicing of motor vehicles which witnessed an increase in revenue during the year by 16% in comparison to the previous year. Further direct costs were minimised by the motor segment adding value to overall performance, which combined with the steady rental income of the property segment helped the Group achieve a Gross profit of Rs. 163 million for the year, an increase of 3% from the year before.

The Group ended the year with a pre-tax profit of Rs. 109 million in comparison to Rs. 399 million in the preceding year. The decline is attributable to the fall in the recorded fair value gains from the equity portfolio of the Investment segment of the Group which dropped to Rs 79 million in comparison to Rs. 365 million recorded in 2020/2021. The easing of the pandemic and investor momentum resulted in the all-share price index of the Colombo Stock Exchange crossing the 13,000-index mark in January 2022, however the following 2 months witnessed negative investor sentiment in the Colombo Stock Exchange owing to the expected downturn of the economy and forecasted interest rate revisions resulting in significant decline in the All-share price index which dropped to 8,904 points by the end of the reporting period. However, the index gained 25% overall in comparison to the previous year end of 7,121 points, much lower from the projected upward trajectory.

The Company continued to thrive with the rental incomes generated even amidst difficult economic conditions from its existing long term rental agreements. Rental income increased by 9% compared to 2020/2021. The Company continues to look at available options to maximise utility of its investment properties whilst catering to its current tenants. The Company paid an interim dividend of LKR 5.00 per share in March 2022.

I wish to convey my gratitude to Mr. Alagarajah Rajaratnam, who relinquished his position as Chairman in June this year, for his leadership and valuable contribution to the Company during the tenure of his service. The Company has benefited from his foresight, mature judgement, skill and experience.

I also wish to extend my sincere appreciation to my colleagues on the Board for their expertise and guidance and thank our valued shareholders and all business stakeholders for their trust and confidence placed in our business as we look ahead in these challenging times.

S. D. R. Arudpragasam

Chairman

29th August 2022.

Management Review and Analysis

Operating Environment

The Sri Lankan economy recorded a growth of 3.7% for the year 2021 compared to a contraction of 3.6% in 2020 affected by the Covid 19 pandemic. The negative impact of the pandemic continued to hinder economic activities during the first half of 2021/2022 but easing out in stages during the second half with the successful vaccination program implemented by the health authorities. The domestic economy faced additional challenges in the fourth quarter of 2021/2022 with surging inflation, rapid depreciation of the rupee, significant drop in foreign reserves and balance of payment crisis coupled with political instability. Inflationary pressure heightened due to surge in energy prices and volatile commodity prices aggravated by the Ukrainian conflict. Record depreciation of the rupee also contributed towards inflation with price increases in imported items including certain essential goods and input material. Year on year headline inflation was recorded at 21.5% in March 2022 in comparison to 5.1% in March 2021. The Central Bank of Sri Lanka tightened its monetary policy by increasing interest rates by 200 basis points during the year 2021/2022 to curb inflationary pressures with plans to tighten policy rates continuously with the expectation of rising inflation in the first and second quarters of 2022/2023. Gross official reserves declined to an estimated USD 1.9Billion by March 2022 leading to severe shortages in fuel and other essentials. Due to extremely limited foreign currency reserves several imports were restricted and the importers faced multiple challenges in securing foreign currency and opening LCs which significantly affected import dependant businesses.

Sector Review

Motor Sector

The ban imposed on the import of motor vehicles in April 2020 continued during the year under review and resulted in the loss of revenue from the sale of brand-new motor vehicles. The Motor segment of the Group had to adapt and shift its focus to motor vehicle servicing and sale of spare parts at its dedicated service centres parallel to minimizing cost of operations to negate the loss of revenue from the sale of motor vehicles. Revenue from servicing of vehicles increased by 10% and revenue from the sale of spare parts increased by 32% during the year. The ban imposed on Motor vehicles is expected to prolong for a further period given the present state of foreign reserves. The foreign currency crisis is expected to alleviate in stages depending on the progress made with the ongoing discussions with the International Monetary Fund and the forecasted rebound of tourism during 2022/2023, although will be a challenging endeavour to achieve. The Group's

subsidiary Colonial Motors (Ceylon) Limited which engages in motor related trade is actively seeking alternative measures to mitigate the business risk if the import ban is to be prolonged further than expected over the coming years.

Investment and Property Sector

The investment portfolio of the Group consists predominantly listed shares spanning multiple sectors. The benchmark all-share price index of the Colombo Stock Exchange performed well during the year 2021 with the all-share price index reaching new heights surpassing past records. The index reached record levels crossing the 13,000-index point mark in January 2022 due to investor confidence returning to the market from the easing of the pandemic and the low interest rate environment. However, market momentum reversed in the fourth quarter of 2021/2022 due to predictions of a looming economic crisis supported by strong external indicators and expected tightening of policy rates in the forthcoming period. The preceding events lead to a rapid selloff in the market which resulted in the index closing at 8,903 points at the end of the financial year. The drop in fair value gains to 79 million (Investments held at fair value through profit or loss) in 2021/2022 from 365 million in 2020/2021 is a result of the index settling at 8,903 points which would have been significantly higher if the market trend continued on a positive note consistent to the first 3 quarters of the financial year. However, these investments have been held by the Group without major disposals with the confidence of a rebound in the market as soon as economic pressures ease out in the coming years. Dividend income for the year increased by 121% compared to the previous year adding to the Group's bottom line.

The property segment of the Group continued its business of renting out commercial office space at its prime property at Union Place. The market value of the property was estimated at Rs 3.4 billion based on the latest independent valuation dated 31st March 2022. Long term rental agreements secured with the tenants helped the rental business to actively contribute to the top line with a year-on-year growth of 9%. The Company continues to seek avenues to improve and augment the property in the future to increase the rentable space along with added facilities to use the strategic location of the property at the heart of Colombo to generate additional rental income. Rental rates are expected to grow in line with rising demand for prime locations to conduct and expand business activities. Even though demand for commercial property space has declined during the year due to the pandemic followed by the economic crisis faced by the Country, the Company expects a recovery once economic conditions improve, and business activities start to accelerate.

Management Review and Analysis

Financial Performance

Group recorded a revenue of Rs 306 million for the year under review a decline of 14 % from the previous year's Rs. 356 million. The decline was due to the loss of revenue from the sale of motor vehicles. Group EBITDA was recorded at Rs. 214 million a drop of 53% from previous years Rs. 456 million. The decline in EBITDA was attributable to the drop in fair value gains recognized on financial assets classified as Fair Value through Profit or Loss from the previous year. Fair value gains recorded for the year amounted to Rs. 79 million a drop of 79% from the preceding years record gain of Rs. 365 million. Fair value gains in 2020/2021 propelled due to the All-share price index reaching 7,121 points at the end of March 2021 in comparison to the previous close of 4,571 index points in March 2020 severely contracted by the pandemic. The index moved by 56% in 2020/2021 in comparison to 25% in 2021/2022. The total investment portfolio of the Group was recorded at Rs. 1.88 billion (FVTPL and FVOCI) for the year under review compared to Rs 2.03 billion in 2020/2021. Group Gearing ratio was recorded at 20.08% in comparison to 17.57% In the preceding year. All Borrowings were attributable to the motor segment and there were no borrowings in the property and investment segments. The Company distributed Rs. 76,000,000/- in Dividends for 2021/2022 at Rs. 5 per share.

Board of Directors

S. D. R. Arudpragasam

Chairman

FCMA (UK)

Mr. S.D.R. Arudpragasam joined the Board of C M Holdings PLC in 1999 and was appointed Deputy Chairman in November, 2012 and as Chairman effective 1st July 2022. Further, whilst being associated with The Colombo Fort Land & Building Group of companies since 1982 and having served on the Board of The Colombo Fort Land & Building PLC (CFLB) since the year 2000 and as Deputy Chairman up to end June 2022 was appointed Chairman CFLB with effect from 1st July 2022. He also serves as Chairman, Lankem Ceylon PLC and Chairman/Managing Director of E.B. Creasy & Company PLC in addition to holding other Directorships within the CFLB Group.

A. Rajaratnam

Former Chairman

FCA

Mr. A. Rajaratnam joined the Board in 1998 and was appointed Chairman in the year 2004. He relinquished his position as Chairman of the Company on 30th June 2022 whilst continuing to serve on the Board. Mr. Rajaratnam also relinquished his position as Chairman of The Colombo Fort Land & Building PLC (CFLB) at the end of June 2022. He also continues to serve on the Board of CFLB in addition to holding other Directorships within the CFLB Group.

Dr. J. M. Swaminathan

Director

Attorney-at-Law, LLB (Ceylon), LLM, M. Phil. (Colombo) and LLD (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 LLM 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 is at present the Group Managing Director of The Colombo Fort Land & Building PLC (CFLB). In addition, he serves on the Boards 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. S. D. R. Arudpragasam | - Chairman - Non-Executive (Appointed Chairman with effect from 1st July 2022). |
| Mr. A. Rajaratnam | - Former Chairman - Non Executive (Relinquished his position as Chairman with effect from 30th June 2022). |
| 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.

Each Non-Executive Director has submitted a declaration of independence/non-independence for the year. The Board makes a determination annually as to the independence/non-independence of each Non-Executive Director.

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. The Board however having considered that Dr.J.M.Swaminathan is not directly involved in the management of the Company and 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 Parent Company 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. The Board however having considered that Mr. A.M.de S. Jayaratne is not directly involved in the management of the Company and 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

Chief Executive Officer (CEO)

Mr. Arosh Azariah was appointed Chief Executive Officer of the Company on 1st January 2022 and is in charge/ responsible for the operational matters of the Company.

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 Judgement

The Board is committed to exhibit high standards of integrity and independence of Judgement. 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 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 and any changes 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 9 of this Report.

Disclosures

Aggregate remuneration paid to Directors is disclosed in Note 25 to the Financial Statements on page 86.

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 11 to 13 in this Report. The Auditors' Report on the Financial Statements is given on pages 16 to 20 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 8 of this Report.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee Report is set out on page 10 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 04 occasions during the financial year ended 31st March, 2022 and the attendance was as follows:

| | |
|-------------------------------------|-------|
| Mr. A. M. de S. Jayaratne- Chairman | - 3/4 |
| Dr. J. M. Swaminathan | - 4/4 |
| Mr. S. D. R. Arudpragasam | - 4/4 |

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

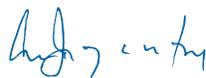
Other members of the Board the Chief Executive Officer and Managers from Corporate Managers & Secretaries (Private) Limited are invited to attend meetings as and when required. The proceedings of the Audit Committee are regularly reported to the Board.

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, 2023 subject to the approval of the Shareholders at the Annual General Meeting of the Company.



A.M. de S. Jayaratne
Chairman

Audit Committee

29th August 2022

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 Remuneration Committee met once during the financial year and all the Members were present at the meeting.

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.



Dr. J. M. Swaminathan
Chairman

Remuneration Committee

29th August 2022

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 four occasions in respect of C M Holdings PLC during the financial year ended 31st March, 2022 and the said Meetings were held once in every quarter. The attendance at the Meetings were as follows:

| | |
|-------------------------------|-------|
| Mr. R. Seevaratnam - Chairman | - 4/4 |
| Mr. A. M. de S. Jayaratne | - 3/4 |
| Mr. S. D. R. Arudpragasam | - 3/4 |

Further during the said period, the RPTRC has also reviewed and recommended Related Party Transactions in respect of C M Holdings PLC by Resolutions in writing.

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

Policies , Procedures and Functions of the Committee

The Policies and Procedures adopted by the Related Party Transactions Review Committee when reviewing and recommending transactions are consistent with Section 9 of the Listing Rules of the Colombo Stock Exchange.

The functions of the committee are as follows,

- 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.



R. Seevaratnam
Chairman

Related Party Transactions Review Committee

29th August 2022

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, 2022.

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 26. 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 and Management Review & Analysis 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 21 to 93.

Auditors' Report

The Auditors' Report on the Financial Statements is given on pages 16 to 20.

Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 26 to 44.

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 89 to 92.

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 and Chief Executive Officer direct shareholdings are set out below:

| Name of the Director / CEO | No. of Shares As at 31.03.2022 | No. of Shares As at 31.03.2021 |
|----------------------------|--------------------------------------|--------------------------------------|
| 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 | - | - |
| Mr. Anushman Rajaratnam | - | - |
| Mr. A. Azariah - CEO | - | N/A |

Directors' Remuneration

Directors' remuneration in respect of the Company and the Group for the financial year 2021/2022 is given in Note 25 to the financial statements on page 86.

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 5.

Mr. S.D.R. Arudpragasam - Chairman - (Appointed Chairman with effect from 1st July 2022).

Mr. A. Rajaratnam - Former Chairman - (Relinquished his position as Chairman with effect from 30th June 2022)

Dr. J. M. Swaminathan - Director

Mr. A. M. de S. Jayaratne - Director

Mr. S. Rajaratnam - Director

Mr. Anushman Rajaratnam - Director

Mr. S.D.R. Arudpragasam served as Deputy Chairman until 30th June 2022 and was appointed Chairman of the Company with effect from 1st July 2022.

Mr. A Rajaratnam relinquished his position as Chairman with effect from 30th June 2022. He however continues to serve on the Board of the Company as a Non-Executive Director.

In terms of Article Nos. 88 and 89 of the Articles of Association, Mr. Anushman 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, 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.

Corporate Donations

No donations were made by the Company for the financial year 2021/2022. (2020/2021) Nil.

Chief Executive Officer

Mr. Arosh Azariah was appointed Chief Executive Officer of the Company with effect from 1st January 2022.

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 02nd November 2021.

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 86.

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. 306 Mn. (2020/2021 - Rs. 356 Mn)

Results

The Group made a profit before tax of Rs. 109 Mn. against a profit of Rs. 399 Mn. in the previous year. The detailed results are given in the Statement of profit or loss on page 22.

Dividends

An Interim Dividend of Rs. 5/- per share for the year ended 31st March, 2022 was paid on 15th March 2022 to the Shareholders registered as at the end of trading on 25th February 2022 being the Record date (Entitlement Date).

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 51 to 77.

Property, Plant & Equipment

During 2021/2022 the Group invested Rs. 3.1 Mn. in Property, Plant & Equipment (2020/2021 - Rs. 0.49 Mn.). 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, 2022.

Stated Capital

The Stated Capital of the Company as at 31st March, 2022 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 81 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 87.

Related Party Transactions

During the financial year there were no recurrent nor non recurrent 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 89 to 92.

Share Information

Information relating to earnings, dividend, net assets, market value per share and share trading is given on pages 94 to 95.

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 93.

Contingent Liabilities and Capital Commitment

Contingent liabilities and capital commitments as at the reporting date are disclosed in Notes 35 and 36 on page 93.

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. The Company and management annually reviews 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,



S. D. R. Arudpragasam
Chairman



J. M. Swaminathan
Director

By Order of the Board,



Corporate Managers & Secretaries (Private) Limited
Secretaries

29th August 2022

Financial Reports

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Independent Auditors' Report



To the Shareholders of C M Holdings PLC

Report on the audit of the financial statements

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 2022, 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 2022;
- 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 Company and the Group in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (“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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Partners D T S H Mudalige FCA, C S Manoharan FCA, Ms S Perera ACA, Ms S Hadgie FCA, N R Gunasekera FCA
T U Jayasinghe FCA, H P V Lakdeva FCA, M D B Boyagoda FCA, Ms W D A S U Perera ACA, Ms L A C Tillekeratne ACA

PricewaterhouseCoopers is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

To the Shareholders of C M Holdings PLC (Contd.)

Report on the audit of the financial statements (Contd.)

Key audit matters (Contd.)

The Company:

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| <p>Investments in unquoted equity instruments (Refer Notes 12 (d), 12 (f) and 2.9 to the financial statements)</p> <p>Investment in unquoted equity instruments amounting to LKR 211.52 Mn, included under financial assets at fair value through other comprehensive income in the statement of financial position, represented 10% of the Company's total assets as at 31 March 2022.</p> <p>During the year ended 31 March 2022, the Company recognised a fair value gain of LKR 20.9 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, Financial Instruments.</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 91% of the investee's total assets.</p> <p>In deriving the fair value of the investments made by the investee, the Company relied on the experts engaged by management of the respective subsidiary companies including independent property valuation experts who had valued the respective investments using 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. 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 investments 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"> • 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; • relative significance of the investments in unquoted equity instruments to the financial statements; and • nature and extent of audit procedures involved. | <p>Our procedures to test the valuation of investment in the unquoted equity instruments included the following:</p> <ul style="list-style-type: none"> • Evaluated the competence, independence and objectivity of the valuation experts engaged by the management of the respective subsidiaries; • Assessed the reasonableness of cash flows projections, prepared by the experts engaged by management of the respective subsidiary companies of the investee, by comparing the cash flow projections with recent historical results; • Checked the reasonability of assumptions used by the experts such as sales growth rates, gross profit margins, discount rate, terminal growth rate used to arrive at the subsidiary companies' adjusted net assets values, the basis on which the investee's investments in subsidiary companies operating in the leisure sector have been fair valued; • Assessed the reasonableness of the assumptions used by the valuation expert in the property valuations performed, in deriving at the fair value of investments in subsidiaries of the investee company where the adjusted net asset value method had been adopted; • Tested the mathematical accuracy of the discounted cash flow projections done by the experts of the respective subsidiary companies and property valuation done by the independent external valuer; and • Assessed the adequacy of relevant disclosures in the financial statements. |

Independent Auditors' Report

To the Shareholders of C M Holdings PLC (Contd.)

Report on the audit of the financial statements (Contd.)

Key audit matters (Contd.)

The Group and Company:

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>Investments in quoted equity instruments and unit trusts (Refer Notes 12 (c), 12 (d), 12 (e), 12 (f) and 2.9 to the financial statements)</p> <p>As at 31 March 2021, the Group's and Company's investments in quoted equity instruments and unit trusts amounted to LKR 1,670.92 Mn and Rs. 268.85 Mn respectively, and represented 39% and 13% of the Group and Company's total assets.</p> <p>Out of Group's total investments in quoted equity instruments and unit trusts, LKR 939.59 Mn was classified under financial assets at fair value through profit or loss and the remaining LKR 731.33 Mn was classified under financial assets at fair value through other comprehensive income.</p> <p>Out of Company's total investments in quoted equity instruments and unit trusts, LKR 73.64 Mn was classified under financial assets at fair value through profit or loss and the remaining LKR 195.21 Mn was classified under financial assets at fair value through other comprehensive income.</p> <p>Investments in listed equity and unit trusts are measured based on quoted market prices.</p> <p>Due to the prevailing uncertain and volatile macro-economic environment, the market prices of listed equity and units in unit trusts have significantly fluctuated compared to the prior period and with the current economic downturn the country is experiencing, there is uncertainty regarding market conditions and consequently the market prices.</p> <p>Due to the materiality of the investments in quoted equity instruments and unit trusts to the financial statements, and measurement uncertainty created due to the economic downturn, we considered valuation of investments in quoted equity instruments and unit trusts as a Key Audit Matter.</p> | <p>Our procedures to test the valuation of investments in the quoted equity instruments and unit trusts included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of and assessed the design, implementation and operating effectiveness of management's key controls in relation to the investment valuation process; • Checked the Central Depository System (CDS) statements to verify the existence, completeness and accuracy of the number of quoted equity shares and agreed the market prices as of 31st March 2022 with the CSE prices; • Checked the number of units and the unit prices as at 31st March 2022 with the external confirmations received from the Unit Trust Management Companies to verify the existence, accuracy and completeness of investments in units; • Assessed the adequacy of disclosure in the financial statements in relation to the fair valuation of the investments financial instruments as required by the Accounting Standards. |

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

To the Shareholders of C M Holdings PLC (Contd.)

Report on the audit of the financial statements (Contd.)

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 scepticism 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.
- 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.

Independent Auditors' Report

To the Shareholders of C M Holdings PLC (Contd.)

Report on the audit of the financial statements (Contd.)

Auditor's responsibilities for the audit of the financial statements (Contd.)

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.



PricewaterhouseCoopers

CHARTERED ACCOUNTANTS

CA Sri Lanka membership number 3015

COLOMBO

29 August 2022

Statement of Financial Position

(all amounts in Sri Lanka Rupees unless otherwise stated)

| | Note | Group | | Company | |
|---|------|----------------------|----------------------|----------------------|----------------------|
| | | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 6 | 403,440,854 | 346,819,829 | 1,465,922 | 1,571,244 |
| Investment property | 8 | 1,061,377,259 | 1,067,880,344 | 1,061,377,259 | 1,067,880,344 |
| Intangible assets | 9 | 4,870,824 | 4,870,824 | - | - |
| Right of use assets | 10 | 68,285,498 | 84,043,688 | - | - |
| Investment in subsidiaries | 11 | - | - | 14,000,000 | 14,000,000 |
| Deferred income tax assets | 13 | - | 17,392,690 | - | - |
| Financial Assets at FVOCI | 12 | 943,561,135 | 1,219,401,983 | 406,734,128 | 520,168,787 |
| | | 2,481,535,570 | 2,740,409,358 | 1,483,577,309 | 1,603,620,375 |
| Current assets | | | | | |
| Inventories | 14 | 185,467,603 | 192,882,160 | - | - |
| Trade and other receivables | 15 | 557,035,524 | 583,604,851 | 511,184,039 | 568,023,771 |
| Financial assets at fair value through profit or loss | 12 | 939,592,298 | 824,066,890 | 73,642,632 | 64,398,439 |
| Income tax receivables | | 1,860,965 | 1,110,941 | 750,026 | - |
| Cash and cash equivalents | 16 | 71,285,064 | 27,215,637 | 40,150,433 | 11,097,115 |
| | | 1,755,241,454 | 1,628,880,479 | 625,727,130 | 643,519,325 |
| Total assets | | 4,236,777,024 | 4,369,289,837 | 2,109,304,439 | 2,247,139,700 |
| EQUITY | | | | | |
| Stated capital | 17 | 288,386,885 | 288,386,885 | 288,386,885 | 288,386,885 |
| Other reserves | 18 | 685,368,593 | 903,916,062 | 128,813,010 | 242,247,669 |
| Retained earnings | 18 | 2,223,504,674 | 2,219,063,293 | 1,626,169,374 | 1,645,206,417 |
| | | 3,197,260,152 | 3,411,366,240 | 2,043,369,269 | 2,175,840,971 |
| Non-controlling interest | | 1,296,447 | 1,253,435 | - | - |
| Total equity | | 3,198,556,599 | 3,412,619,675 | 2,043,369,269 | 2,175,840,971 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Borrowings | 20 | 104,574,579 | 153,671,000 | - | - |
| Deferred income tax liabilities | 13 | 9,931,340 | 10,356,823 | 9,855,461 | 10,356,823 |
| Defined benefit obligations | 21 | 7,291,524 | 6,556,877 | - | - |
| Lease liability | 10 | 41,374,156 | 49,623,596 | - | - |
| Trade and other payables | 19 | 21,645,020 | 26,243,510 | 21,645,020 | 26,243,510 |
| | | 184,816,619 | 246,451,806 | 31,500,481 | 36,600,333 |
| Current liabilities | | | | | |
| Trade and other payables | 19 | 119,741,241 | 149,746,346 | 34,434,689 | 27,880,344 |
| Current income tax liabilities | | 4,486,263 | 9,071,322 | - | 6,818,052 |
| Lease liability | 10 | 18,072,000 | 7,613,688 | - | - |
| Borrowings | 20 | 711,104,302 | 543,787,000 | - | - |
| | | 853,403,806 | 710,218,356 | 34,434,689 | 34,698,396 |
| Total liabilities | | 1,038,220,425 | 956,670,162 | 65,935,170 | 71,298,729 |
| Total equity and liabilities | | 4,236,777,024 | 4,369,289,837 | 2,109,304,439 | 2,247,139,700 |
| Net Asset Value per share | 32 | 210.35 | 224.43 | 134.43 | 143.15 |

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



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

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:



S. D. R. Arudpragasam
Chairman



J. M. Swaminathan
Director

Date: 29th August 2022

The accounting policies and notes as set out in pages 26 to 93 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 | |
| | | 2022 | 2021 | 2022 | 2021 |
| Revenue | 22 | 305,664,737 | 356,484,427 | 57,686,176 | 52,728,923 |
| Cost of sales | 25 | (142,691,784) | (198,264,895) | - | - |
| Gross profit | | 162,972,953 | 158,219,532 | 57,686,176 | 52,728,923 |
| Distribution costs | 25 | (9,541,122) | (3,221,132) | - | - |
| Administrative expenses | 25 | (152,166,189) | (172,326,620) | (55,669,676) | (36,286,152) |
| Other income | 23 | 97,104,269 | 67,849,665 | 18,509,988 | 5,412,251 |
| Other gains - net | 24 | 80,909,749 | 365,893,758 | 8,645,696 | 24,407,155 |
| Operating profit | | 179,279,660 | 416,415,203 | 29,172,184 | 46,262,177 |
| Finance income | 27 | 40,457,411 | 52,586,848 | 42,732,317 | 54,892,209 |
| Finance costs | 27 | (110,716,801) | (69,576,606) | - | - |
| Finance costs / income - net | | (70,259,390) | (16,989,758) | 42,732,317 | 54,892,209 |
| Profit before income tax | | 109,020,270 | 399,425,445 | 71,904,501 | 101,154,386 |
| Income tax expense | 28 | (28,814,401) | (30,629,707) | (14,941,544) | (18,240,517) |
| Profit for the year | | 80,205,869 | 368,795,738 | 56,962,957 | 82,913,869 |
| Attributable to : | | | | | |
| Owners of the parent | | 80,201,099 | 368,812,004 | 56,962,957 | 82,913,869 |
| Non - controlling interests | | 4,770 | (16,266) | - | - |
| | | 80,205,869 | 368,795,738 | 56,962,957 | 82,913,869 |
| Earnings per share attributable to owners of the parent during the year | | | | | |
| Basic/ Diluted earnings per share | 29 | 5.28 | 24.26 | 3.75 | 5.45 |

The accounting policies and notes as set out in pages 26 to 93 form an integral part of these financial statements.

Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees unless otherwise stated)

| | Note | Group | | Company | |
|--|--------|----------------------|--------------------|----------------------|--------------------|
| | | Year ended 31 March | | Year ended 31 March | |
| | | 2022 | 2021 | 2022 | 2021 |
| Profit for the year | | 80,205,869 | 368,795,738 | 56,962,957 | 82,913,869 |
| Other comprehensive income: | | | | | |
| Items that will not be reclassified to profit or loss | | | | | |
| Remeasurements of post employment benefit obligations | | 316,161 | (1,337,844) | - | - |
| Income tax effect on remeasurements of post employment benefit obligations | | (75,879) | 321,081 | - | - |
| Change in fair value of financial assets at FVOCI | 12 (d) | (275,779,398) | 616,815,902 | (113,434,659) | 203,186,866 |
| Revaluation surplus | 18(a) | 67,000,000 | - | - | - |
| Income tax effect on revaluation surplus | | (9,729,829) | - | - | - |
| Other comprehensive (loss) / income for the year | | (218,268,945) | 615,799,139 | (113,434,659) | 203,186,866 |
| Total comprehensive (loss) / income for the year | | (138,063,076) | 984,594,877 | (56,471,702) | 286,100,735 |
| Attributable to : | | | | | |
| Owners of the parent | | (138,106,088) | 984,247,548 | (56,471,702) | 286,100,735 |
| Non - controlling interests | | 43,012 | 347,329 | - | - |
| Total comprehensive (loss) / income for the year | | (138,063,076) | 984,594,877 | (56,471,702) | 286,100,735 |

The accounting policies and notes as set out in pages 26 to 93 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 (Note 17) | Retained earnings (Note 18 (c)) | Other reserves (Note 18 (d)) | Total | Non - controlling interest | Total |
|--|------|--------------------------------|---------------------------------------|------------------------------------|----------------------|----------------------------------|----------------------|
| 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) |
| Balance at 31 March 2021 | | 288,386,885 | 2,219,063,293 | 903,916,062 | 3,411,366,240 | 1,253,435 | 3,412,619,675 |
| Balance at 1 April 2021 | | 288,386,885 | 2,219,063,293 | 903,916,062 | 3,411,366,240 | 1,253,435 | 3,412,619,675 |
| Profit for the year | | - | 80,201,099 | - | 80,201,099 | 4,770 | 80,205,869 |
| Other comprehensive income/(loss) | | - | 240,282 | (218,547,469) | (218,307,187) | 38,242 | (218,268,945) |
| Total comprehensive income/(loss) for the year | | - | 80,441,381 | (218,547,469) | (138,106,088) | 43,012 | (138,063,076) |
| Dividends | 30 | - | (76,000,000) | - | (76,000,000) | - | (76,000,000) |
| Balance at 31 March 2022 | | 288,386,885 | 2,223,504,674 | 685,368,593 | 3,197,260,152 | 1,296,447 | 3,198,556,599 |

(b) Company

| | Note | Stated capital (Note 17) | Retained earnings (Note 18 (c)) | Other reserves (Note 18 (d)) | Total |
|--|------|--------------------------------|---------------------------------------|------------------------------------|----------------------|
| 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) |
| Balance at 31 March 2021 | | 288,386,885 | 1,645,206,417 | 242,247,669 | 2,175,840,971 |
| Balance at 1 April 2021 | | 288,386,885 | 1,645,206,417 | 242,247,669 | 2,175,840,971 |
| Profit for the year | | - | 56,962,957 | - | 56,962,957 |
| Other comprehensive loss | | - | - | (113,434,659) | (113,434,659) |
| Total comprehensive income/(loss) for the year | | - | 56,962,957 | (113,434,659) | (56,471,702) |
| Dividends | 30 | - | (76,000,000) | - | (76,000,000) |
| Balance at 31 March 2022 | | 288,386,885 | 1,626,169,374 | 128,813,010 | 2,043,369,269 |

The accounting policies and notes as set out in pages 26 to 93 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 | |
| | | 2022 | 2021 | 2022 | 2021 |
| Cash flows from operating activities | | | | | |
| Cash generated from operating activities | 31 | 63,023,188 | 171,180,128 | 84,653,594 | 35,616,678 |
| Interest paid | | (104,485,951) | (62,578,916) | - | - |
| Defined benefit obligations paid | 21 | (918,440) | (3,750,750) | - | - |
| Income tax paid | | (26,987,985) | (11,854,811) | (23,010,983) | (11,854,811) |
| Net cash (used in) / generated from operating activities | | (69,369,188) | 92,995,651 | 61,642,611 | 23,761,867 |
| Cash flows from investing activities | | | | | |
| Purchase of property, plant and equipment | 6 | (3,144,068) | (494,024) | (351,000) | (40,875) |
| Proceeds from sale of property, plant and equipment | | 3,000,008 | 4,872,500 | - | - |
| Purchase of Investment property | 8 | - | (2,851,238) | - | (2,851,238) |
| Purchase of investments | | (41,994,804) | (80,676,554) | (631,414) | (420,264) |
| Disposal of investments | | 7,332,326 | 31,996,575 | 121,057 | - |
| Interest received | | 24,991,573 | 34,701,343 | 26,349,576 | 34,701,343 |
| Dividends received | 23 | 85,054,677 | 27,822,946 | 17,922,488 | 4,430,826 |
| Net cash generated from investing activities | | 75,239,712 | 15,371,548 | 43,410,707 | 35,819,792 |
| Cash flows from financing activities | | | | | |
| Proceeds from borrowings | | 384,427,665 | 241,876,458 | - | - |
| Repayment of borrowings | | (274,643,102) | (276,328,763) | - | - |
| Principal elements of lease payments | | (4,021,977) | (14,320,306) | - | - |
| Dividends paid | 30 | (76,000,000) | (76,000,000) | (76,000,000) | (76,000,000) |
| Net cash generated from / (used in) financing activities | | 29,762,586 | (124,772,611) | (76,000,000) | (76,000,000) |
| Increase / (decrease) in cash and cash equivalents | | 35,633,110 | (16,405,412) | 29,053,318 | (16,418,341) |
| Movement in cash and cash equivalents | | | | | |
| At 1 April | | (63,185,489) | (46,780,077) | 11,097,115 | 27,515,456 |
| Increase / (decrease) | | 35,633,110 | (16,405,412) | 29,053,318 | (16,418,341) |
| At 31 March | 16 | (27,552,379) | (63,185,489) | 40,150,433 | 11,097,115 |

The accounting policies and notes as set out in pages 26 to 93 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 were 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. 07 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 2022 is as follows:

| Name of the Company | Relationship | Holding | Proportion of voting power interest | |
|-------------------------------------|--------------|-----------------|-------------------------------------|--------|
| | | | 2022 | 2021 |
| 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% |

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 Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2021:

- » COVID-19-Related Rent Concessions - amendments to IFRS 16, and
- » Interest Rate Benchmark Reform - Phase 2 - amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

- (b) New accounting standards, amendments and interpretations issued but not yet adopted

The following standards and interpretations had been issued by IASB (not yet adopted by CA Sri Lanka except for SLFRS 17, Amendments to IAS 16, Amendments to IFRS 3, Amendments to IAS 37, Amendments to IFRS 9, Amendments to IFRS 1 and Amendments to IAS 41) but not mandatory for annual reporting periods ending 31 March 2022.

- » SLFRS 17, 'Insurance contracts'
- » Classification of Liabilities as Current or Non-current - Amendments to IAS 1
- » Property, Plant and Equipment: Proceeds before intended use - Amendments to IAS 16

- » Reference to the Conceptual Framework - Amendments to IFRS 3
- » Onerous Contracts - Cost of Fulfilling a Contract Amendments to IAS 37
- » Disclosure Initiative: Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- » Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction
- » Definition of Accounting Estimates (Amendments to IAS 8)
- » Initial Application of IFRS 17 and IFRS 9-Comparative Information (Amendment to IFRS 17)

2.3 Comparative information

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

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.

(b) 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.

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

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 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.

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.

2.9.3 Subsequent measurement (Contd)

(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.

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

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

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.

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 & 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.

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

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

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.

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.

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(all amounts in Sri Lanka Rupees unless otherwise stated)

2.24 Leases (contd)

(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.

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.

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

| | 31 March 2022 | | 31 March 2021 | |
|--|----------------------------------|-------------|----------------------------------|-------------|
| | Weighted average interest rate % | Balance | Weighted average interest rate % | Balance |
| Bank Loans | 8.14 | 402,131,248 | 7.35 | 342,460,019 |
| Net exposure to cash flow interest rate risk | | 402,131,248 | | 342,460,019 |

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 2022, 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 | 465,093 |
| United State Dollar | 556,869 |
| Japanese Yen | 393,609 |

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:

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

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 | |
|---------------------------------|-------------|-------------|
| | 2022 | 2021 |
| Interest rates - increase by 1% | (4,026,489) | (3,431,882) |
| Interest rates - decrease by 1% | 4,016,135 | 3,417,318 |

There were no loans in the Company as at the reporting year end.

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 (FVOCI).

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 2022 and 31 March 2021:

| | Group | |
|---|---------------|-------------|
| | 2022 | 2021 |
| Financial assets at fair value through profit or Loss (FVTPL) - increase by 14% (2021 increased by 80%) | 78,772,951 | 365,247,315 |
| Financial assets at fair value through other comprehensive income (FVOCI) - decrease by 23% (2021 increased by 115%) | (275,779,398) | 616,815,902 |

| | Company | |
|--|---------------|-------------|
| | 2022 | 2021 |
| Financial assets at fair value through profit or Loss (FVTPL) - increase by 13% (2021 increased by 62%) | 8,645,696 | 24,407,155 |
| Financial assets at fair value through other comprehensive income (FVOCI) - decrease by 22% (2021 increased by 64%) | (113,434,659) | 203,186,866 |

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 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.

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 2022 or 01 April 2022 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 2022 and 31 March 2021 was determined as follows for trade receivables:

| | Group | | Company | |
|-------------------------|------------|------------|---------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| 0 day to 30 days | 5,757,718 | 10,654,123 | 15,305 | 1,594,506 |
| 31 days to 90 days | 18,909,468 | 11,473,715 | - | - |
| 91 days above | 23,857,993 | 24,185,934 | - | - |
| Total trade receivables | 48,525,179 | 46,313,772 | 15,305 | 1,594,506 |

The closing loss allowances for trade receivables as at 31 March 2022 and 31 March 2021 reconcile to the opening loss allowances as follows:

| | Group | | Company | |
|---|------------------|------------------|----------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| Opening loss allowance at 1 April | 1,703,693 | 2,273,134 | - | - |
| Increase in loss allowance recognised in profit or loss | 7,130,873 | - | - | - |
| Unused amount reversed | - | (569,441) | - | - |
| Closing loss allowance at 31 March | 8,834,566 | 1,703,693 | - | - |

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.

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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 | 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 2022

| | | | | | |
|--------------------------|-------------|-------------|-------------|------------|---|
| Borrowings | 98,837,443 | 612,266,859 | 104,574,579 | - | - |
| Trade and other payables | 110,387,551 | 9,353,689 | 5,647,962 | 15,997,058 | - |
| Lease liabilities | 7,689,229 | 10,382,771 | 18,501,722 | 22,872,434 | - |

As at 31 March 2021

| | | | | | |
|--------------------------|-------------|-------------|-------------|------------|---|
| 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 | 5,893,688 | 11,352,000 | 38,271,596 | - |

| Company | 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 2022

| | | | | | |
|--------------------------|------------|-----------|-----------|------------|---|
| Borrowings | - | - | - | - | - |
| Trade and other payables | 30,198,717 | 4,235,972 | 5,647,962 | 15,997,058 | - |

As at 31 March 2021

| | | | | | |
|--------------------------|-----------|------------|-----------|------------|---|
| Borrowings | - | - | - | - | - |
| Trade and other payables | 3,699,724 | 24,180,618 | 5,707,692 | 20,535,820 | - |

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.

3.6 Capital risk management (Contd)

The gearing ratio as at 31 March were as follows:

| Group | 2022 | 2021 |
|---------------------------------|---------------|---------------|
| Total borrowings and leases | 875,125,037 | 754,695,284 |
| Less: Cash and cash equivalents | (71,285,064) | (27,215,637) |
| Net debt | 803,839,973 | 727,479,647 |
| Total equity | 3,198,556,599 | 3,412,619,675 |
| Total capital | 4,002,396,572 | 4,140,099,322 |
| Gearing ratio | 20.08% | 17.57% |

| Company | 2022 | 2021 |
|---------------------------------|---------------|---------------|
| Total borrowings and leases | - | - |
| Less: Cash and cash equivalents | (40,150,433) | (11,097,115) |
| Net debt | - | - |
| Total equity | 2,043,369,269 | 2,175,840,971 |
| Total capital | 2,043,369,269 | 2,175,840,971 |
| Gearing ratio | - | - |

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 |
|--|----------------------|----------|--------------------|----------------------|
| 31 March 2022 | | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Investment in unit trusts | 8,445,570 | - | - | 8,445,570 |
| Investment in equity shares | 931,146,728 | - | - | 931,146,728 |
| Financial Assets at FVOCI | | | | |
| Investment in equity shares | 731,330,187 | - | 212,230,948 | 943,561,135 |
| | 1,670,922,485 | - | 212,230,948 | 1,883,153,433 |

31 March 2021

Assets

Financial assets at fair value through profit or loss

| | | | | |
|-----------------------------|-------------|---|---|-------------|
| Investment in unit trusts | 8,420,234 | - | - | 8,420,234 |
| Investment in equity shares | 815,646,656 | - | - | 815,646,656 |

Financial Assets at FVOCI

| | | | | |
|-----------------------------|----------------------|----------|--------------------|----------------------|
| Investment in equity shares | 1,028,828,930 | - | 190,573,053 | 1,219,401,983 |
| | 1,852,895,820 | - | 190,573,053 | 2,043,468,873 |

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(all amounts in Sri Lanka Rupees unless otherwise stated)

3.7 Fair value estimation (Contd)

| Company | Level 1 | Level 2 | Level 3 | Total |
|--|--------------------|----------|--------------------|--------------------|
| 31 March 2022 | | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Investment in unit trusts | 7,300,026 | - | - | 7,300,026 |
| Investment in equity shares | 66,342,606 | - | - | 66,342,606 |
| Financial Assets at FVOCI | | | | |
| Investment in equity shares | 195,211,298 | - | 211,522,830 | 406,734,128 |
| | 268,853,930 | - | 211,522,830 | 480,376,760 |

31 March 2021

Assets

Financial assets at fair value through profit or loss

| | | | | |
|-----------------------------|------------|---|---|------------|
| Investment in unit trusts | 7,325,518 | - | - | 7,325,518 |
| Investment in equity shares | 57,072,921 | - | - | 57,072,921 |

Financial Assets at FVOCI

| | | | | |
|-----------------------------|--------------------|----------|--------------------|--------------------|
| Investment in equity shares | 329,614,004 | - | 190,554,783 | 520,168,787 |
| | 394,012,443 | - | 190,554,783 | 584,567,226 |

(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 2022 and 31 March 2021:

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

| | Unlisted equity securities FVOCI | |
|---|----------------------------------|--------------|
| | Group | Company |
| Opening balance 1 April 2020 | 220,839,116 | 220,186,185 |
| Loss recognised in other comprehensive income | (30,266,063) | (29,631,402) |
| Closing balance 31 March 2021 | 190,573,053 | 190,554,783 |
| Opening balance 1 April 2021 | 190,573,053 | 190,554,783 |
| Gain recognised in other comprehensive income | 21,657,895 | 20,968,047 |
| Closing balance 31 March 2022 | 212,230,948 | 211,522,830 |

3.7 Fair value estimation (Contd)

(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:

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 (0.924) Mn and LKR 0.718 Mn respectively.
- » Increase / decrease in the expected growth rate by 50 basis points would increase / decrease the fair value by LKR 0.160 Mn and (0.388) 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 0.382 Mn and (0.382) 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 2022 and 2021:

| | 2022 | 2021 |
|--------------------------------|------|------|
| EBITDA margin (1) | 37% | 17% |
| Free cash flow growth rate (2) | 19% | 8% |
| Pre-tax discount rate (3) | 13% | 5% |
| 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 2022.

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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 and current economic downturn

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. Furthermore, current economic downturn has caused to significant fluctuations in market values of investments, interest rates, foreign exchange rates and other economic indicators. Accordingly, in preparing the financial statement, the management has considered the impact of COVID-19 and current economic downturn 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 and current economic downturn.
- » 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 and current economic downturn.
- » The Group has not determined any impairment of goodwill as at reporting date due to the COVID-19 pandemic and current economic downturn.

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 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.

The segment results for the year ended 31 March 2022 are as follows:

| | Motor vehicle sales | Repair & maintenance services | Investment & property & holding | Group |
|--------------------------------|---------------------------|-------------------------------------|---------------------------------------|--------------------|
| Total segmental revenue | 1,908,177 | 246,070,384 | 57,686,176 | 305,664,737 |
| | 1,908,177 | 246,070,384 | 57,686,176 | 305,664,737 |
| Operating profit | (118,807) | (11,600,864) | 190,999,331 | 179,279,660 |
| Finance income | - | 255,693 | 40,201,718 | 40,457,411 |
| Finance costs | - | (108,128,862) | (2,587,939) | (110,716,801) |
| Finance (costs) / income - net | - | (107,873,169) | 37,613,779 | (70,259,390) |
| Profit before income tax | (118,807) | (119,474,033) | 228,613,110 | 109,020,270 |
| Income tax expense | (71,615) | (7,089,885) | (21,652,901) | (28,814,401) |
| Net profit | (190,422) | (126,563,918) | 206,960,209 | 80,205,869 |

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

| | Motor vehicle sales | Repair & maintenance services | Investment & property & holding | Group |
|--------------------------------|---------------------------|-------------------------------------|---------------------------------------|--------------------|
| Total segmental revenue | 91,351,744 | 212,403,760 | 52,728,923 | 356,484,427 |
| | 91,351,744 | 212,403,760 | 52,728,923 | 356,484,427 |
| Operating profit | (7,933,816) | (18,365,707) | 442,714,726 | 416,415,203 |
| Finance income | - | - | 52,586,848 | 52,586,848 |
| Finance costs | (19,597,595) | (45,365,771) | (4,613,240) | (69,576,606) |
| Finance (costs) / income - net | (19,597,595) | (45,365,771) | 47,973,608 | (16,989,758) |
| Profit before income tax | (27,531,411) | (63,731,478) | 490,688,334 | 399,425,445 |
| Income tax expense | (3,057,718) | (7,078,202) | (20,493,787) | (30,629,707) |
| Net profit | (30,589,129) | (70,809,680) | 470,194,547 | 368,795,738 |

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(all amounts in Sri Lanka Rupees unless otherwise stated)

Other segment items included in the income statement are as follows -

| year ended 31 March 2022 are as follows: | Motor vehicle sales | Repair & maintenance services | Investment & property holding | Group |
|--|---------------------|-------------------------------|-------------------------------|------------|
| Depreciation of property, plant & equipment, investment property and right of use assets | 274,990 | 27,224,321 | 6,959,408 | 34,458,719 |
| Amortisation | - | - | - | - |
| year ended 31 March 2021 are as follows: | Motor vehicle sales | Repair & maintenance services | Investment & property holding | Group |
| Depreciation of property, plant & equipment, investment property and right of use assets | 9,651,332 | 22,440,497 | 6,890,324 | 38,982,153 |
| Amortisation | 183,047 | - | - | 183,047 |

The segment assets and liabilities at 31 March 2022 and capital expenditure for the year then ended are as follows:

| year ended 31 March 2022 are as follows: | Motor vehicle sales | Repair & maintenance services | Investment & property holding | Group |
|--|---------------------|-------------------------------|-------------------------------|---------------|
| Assets | 7,166,107 | 709,444,590 | 3,520,166,327 | 4,236,777,024 |
| Liabilities | 9,370,499 | 927,755,327 | 101,094,599 | 1,038,220,425 |
| Capital expenditure | - | 2,793,068 | 351,000 | 3,144,068 |
| year ended 31 March 2021 are as follows: | Motor vehicle sales | 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 |

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 two business segments operate in one main geographical area, hence they do not qualify for secondary reporting.

6. Property, plant, and equipment

| Group | Plant, machinery & other equipment | | | | Total |
|---------------------------------|------------------------------------|-------------------|-------------------|------------------|--------------------|
| | Freehold land | Buildings | | Motor vehicles | |
| Year ended 31 March 2021 | | | | | |
| 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 | - | (7,094,869) | (6,801,139) | (2,058,909) | (15,954,917) |
| Depreciation on disposal | - | - | - | 5,724,371 | 5,724,371 |
| Closing net book amount | 226,000,000 | 98,177,612 | 20,417,089 | 2,225,128 | 346,819,829 |
| At 31 March 2021 | | | | | |
| Cost | 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) |
| Net book amount | 226,000,000 | 98,177,612 | 20,417,089 | 2,225,128 | 346,819,829 |
| Year ended 31 March 2022 | | | | | |
| Opening net book amount | 226,000,000 | 98,177,612 | 20,417,089 | 2,225,128 | 346,819,829 |
| Additions | - | 48,100 | 917,150 | 2,178,818 | 3,144,068 |
| Disposals | - | - | - | (4,875,000) | (4,875,000) |
| Revaluation surplus | 67,000,000 | - | - | - | 67,000,000 |
| Depreciation charge | - | (7,096,873) | (4,225,111) | (875,460) | (12,197,444) |
| Depreciation on disposal | - | - | - | 3,549,401 | 3,549,401 |
| Closing net book amount | 293,000,000 | 91,128,839 | 17,109,128 | 2,202,887 | 403,440,854 |
| At 31 March 2022 | | | | | |
| Cost | 293,000,000 | 138,228,300 | 77,855,510 | 35,005,597 | 544,089,407 |
| Accumulated depreciation | - | (47,099,461) | (60,746,382) | (32,802,710) | (140,648,553) |
| Net book amount | 293,000,000 | 91,128,839 | 17,109,128 | 2,202,887 | 403,440,854 |

Property, plant and equipment in use of the Group include fully depreciated assets, which amounted to Rs. 104,696,392 (2021 - Rs. 81,355,862) as of reporting period end.

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

| Company | Freehold land | Buildings | Plant, machinery & other equipment | Motor vehicles | Total |
|---------------------------------|---------------|----------------|------------------------------------|----------------|------------------|
| Year ended 31 March 2021 | | | | | |
| Opening net book amount | - | 994,851 | 951,511 | - | 1,946,362 |
| Additions | - | - | 40,875 | - | 40,875 |
| Depreciation charge | - | (56,048) | (359,945) | - | (415,993) |
| Closing net book amount | - | 938,803 | 632,441 | - | 1,571,244 |
| At 31 March 2021 | | | | | |
| Cost | - | 1,120,959 | 8,848,591 | - | 9,969,550 |
| Accumulated depreciation | - | (182,156) | (8,216,150) | - | (8,398,306) |
| Net book amount | - | 938,803 | 632,441 | - | 1,571,244 |
| Year ended 31 March 2022 | | | | | |
| Opening net book amount | - | 938,803 | 632,441 | - | 1,571,244 |
| Additions | - | - | 351,000 | - | 351,000 |
| Depreciation charge | - | (56,047) | (400,275) | - | (456,322) |
| Closing net book amount | - | 882,756 | 583,166 | - | 1,465,922 |
| At 31 March 2022 | | | | | |
| Cost | - | 1,120,959 | 9,199,591 | - | 10,320,550 |
| Accumulated depreciation | - | (238,203) | (8,616,425) | - | (8,854,628) |
| Net book amount | - | 882,756 | 583,166 | - | 1,465,922 |

Property, plant and equipment in use of the Company include fully depreciated assets, which amounted to Rs. 7,717,891 (2021 - Rs. 7,401,646) as of reporting period end.

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, Thalagama South | 293,000,000 | 6 | Direct comparison method of valuation | Price per Perch | 53.45 Perch of Land @ Rs. 2,500,000/- per perch. 79.55 perch under high-tension line @Rs. 2,000,000/- per perch. | Level - 03 | Positivity Correlated Sensitivity | 30.03.2022 | Mr. N.B.S.A Nanayakkara |

If freehold land and buildings were stated on the historical cost basis, the amounts would be as follows:

| | 2022 | 2021 |
|--------------------------|-------------------|-------------------|
| Freehold land | | |
| Cost | 67,245,720 | 67,245,720 |
| Accumulated depreciation | - | - |
| Net book amount | 67,245,720 | 67,245,720 |

The fair value of land and buildings was determined by means of a revaluation during the financial year ending 31st March 2022. 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 | |
|---|----------|-------------|----------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| At 1 April | - | 3,253,664 | - | 3,253,664 |
| Transferred to investment property (note 8) | - | (3,253,664) | - | (3,253,664) |
| At 31 March | - | - | - | - |

8. Investment property

| | Group | | Company | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| At 1 April - Opening balance | 1,067,880,344 | 1,068,249,773 | 1,067,880,344 | 1,068,249,773 |
| Additions | - | 2,851,238 | - | 2,851,238 |
| Transferred from capital work-in-progress (note 7) | - | 3,253,664 | - | 3,253,664 |
| Depreciation charge | (6,503,085) | (6,474,331) | (6,503,085) | (6,474,331) |
| At 31 March | 1,061,377,259 | 1,067,880,344 | 1,061,377,259 | 1,067,880,344 |
| At 31 March | | | | |
| Cost | | | | |
| - Land | 997,610,249 | 997,610,249 | 997,610,249 | 997,610,249 |
| - Building | 130,061,700 | 130,061,700 | 130,061,700 | 130,061,700 |
| | 1,127,671,949 | 1,127,671,949 | 1,127,671,949 | 1,127,671,949 |
| Accumulated depreciation | (66,294,690) | (59,791,605) | (66,294,690) | (59,791,605) |
| At 31 March | 1,061,377,259 | 1,067,880,344 | 1,061,377,259 | 1,067,880,344 |

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 Repairs and maintenance expenditures, utilities, business running expenses and non - refundable government taxes as disclosed in Note 25 - Expenses by nature.

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 | 3,372,500,000 |
| Number of Buildings | 3 |
| Location | No. 297, Dr. Colvin R. De Silva Mawatha, Colombo 02 |
| Date of valuation | 31st March 2022 |
| Valuation Technique | Market comparable method |
| Estimates for observable Inputs | 1A-1R-03.46 Perches @ Rs.16,000,000/- per perch for land, 18,600 sq.ft @Rs.4,000/- per sq.ft and 13,157 sq.ft @Rs.3,250/-for buildings |
| Level of Fair Value Hierarchy | Level 2 |

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(all amounts in Sri Lanka Rupees unless otherwise stated)

| b. Property at Pelawatta | |
|---------------------------------------|---|
| Total extent of land | 109.2 perches |
| Total valuation for land and building | 354,900,000 |
| Number of Buildings | - |
| Location | 479/G Pannipitiya Road, Pelawatta |
| Date of valuation | 31st March 2022 |
| Valuation Technique | Market comparable method |
| Estimates for observable Inputs | 109.2 Perches @ Rs. 3,250,000/- 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 |
|---------------------------------|------------------|----------------|------------------|
| At 31 March 2020 | | | |
| Cost | 4,870,824 | 8,141,013 | 13,011,837 |
| Accumulated amortisation | - | (7,957,966) | (7,957,966) |
| Net book amount | 4,870,824 | 183,047 | 5,053,871 |
| Year ended 31 March 2021 | | | |
| Opening net book amount | 4,870,824 | 183,047 | 5,053,871 |
| Amortisation charge | - | (183,047) | (183,047) |
| Closing net book amount | 4,870,824 | - | 4,870,824 |
| At 31 March 2021 | | | |
| Cost | 4,870,824 | 8,141,013 | 13,011,837 |
| Accumulated amortisation | - | (8,141,013) | (8,141,013) |
| Net book amount | 4,870,824 | - | 4,870,824 |
| Year ended 31 March 2022 | | | |
| Opening net book amount | 4,870,824 | - | 4,870,824 |
| Amortisation charge | - | - | - |
| Closing net book amount | 4,870,824 | - | 4,870,824 |
| At 31 March 2022 | | | |
| Cost | 4,870,824 | 8,141,013 | 13,011,837 |
| Accumulated amortisation | - | (8,141,013) | (8,141,013) |
| Net book amount | 4,870,824 | - | 4,870,824 |

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

Amortization is included under Note 25 - Expenses by nature.

Intangible assets include the cost of software and website in use owned by Colonial Motors (Ceylon) Limited and are 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 Asset

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 Group'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 is as follows,

Year ended 31 March 2021

| At Gross Value | Balance as at 31.03.2020 | Additions | Adjustment on termination | Balance as at 31.03.2021 |
|--|-----------------------------|-----------|------------------------------|-----------------------------|
| 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) | 3,267,138 | - | (3,267,138) | - |
| | 118,827,212 | - | (3,267,138) | 115,560,074 |

| Accumulation Depreciation | Balance as at 31.03.2020 | Charge for the Year | Adjustment on termination | Balance as at 31.03.2021 |
|--|-----------------------------|------------------------|------------------------------|-----------------------------|
| 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) | - |
| | 16,817,804 | 16,552,905 | (1,854,323) | 31,516,386 |

Year ended 31 March 2022

| At Gross Value | Balance as at 31.03.2021 | Additions | Adjustment on termination | Balance as at 31.03.2022 |
|--|-----------------------------|-----------|------------------------------|-----------------------------|
| 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 |
| | 115,560,074 | - | - | 115,560,074 |

| Accumulation Depreciation | Balance as at 31.03.2021 | Charge for the Year | Adjustment on termination | Balance as at 31.03.2022 |
|--|-----------------------------|------------------------|------------------------------|-----------------------------|
| Property at Peliyagoda (Plan no: 2921) | 9,279,310 | 4,639,656 | - | 13,918,966 |
| Property at Peliyagoda (Plan no: 3179) | 4,965,002 | 2,482,501 | - | 7,447,503 |
| Property at Peliyagoda (Plan no: 2006/299) | 17,272,074 | 8,636,033 | - | 25,908,107 |
| | 31,516,386 | 15,758,190 | - | 47,274,576 |

| Net Book Values | Balance as at | |
|--|-------------------|-------------------|
| | 31.03.2022 | 31.03.2021 |
| Property at Peliyagoda (Plan no: 2921) | 20,105,175 | 24,744,831 |
| Property at Peliyagoda (Plan no: 3179) | 10,757,503 | 13,240,004 |
| Property at Peliyagoda (Plan no: 2006/299) | 37,422,820 | 46,058,853 |
| | 68,285,498 | 84,043,688 |

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(all amounts in Sri Lanka Rupees unless otherwise stated)

10. Right of use assets and Leases (Contd)

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 can not be readily determined, the Group'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 liabilities | 2,482,899 | 253,384 | (954,306) | - | 1,781,977 |
| | 66,589,902 | 7,167,938 | (14,320,306) | (2,200,250) | 57,237,284 |

| | 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 |
| | 5,831,711 | 49,623,596 | 55,455,307 |
| Other lease liabilities | 1,781,977 | - | 1,781,977 |
| | 7,613,688 | 49,623,596 | 57,237,284 |

| | Balance as at 31.03.2021 | Interest expense recognized in profit or loss | Repayment of liability | Adjustment on termination | Balance as at 31.03.2022 |
|--|-----------------------------|---|---------------------------|------------------------------|-----------------------------|
| Property at Peliyagoda (Plan no: 2921) | 28,451,404 | 3,352,058 | (2,240,000) | - | 29,563,461 |
| Property at Peliyagoda (Plan no: 3179) | 18,813,338 | 1,794,230 | - | - | 20,607,568 |
| Property at Peliyagoda (Plan no: 2006/299) | 8,190,565 | 1,084,562 | - | - | 9,275,127 |
| Other lease liabilities | 1,781,977 | - | (1,781,977) | - | - |
| | 57,237,284 | 6,230,850 | (4,021,977) | - | 59,446,156 |

| | Amount repayable within 1 year | Amount repayable after 1 year | Total |
|--|--------------------------------------|-------------------------------------|-------------------|
| Property at Peliyagoda (Plan no: 2921) | 7,392,000 | 22,171,461 | 29,563,461 |
| Property at Peliyagoda (Plan no: 3179) | 3,960,000 | 16,647,568 | 20,607,568 |
| Property at Peliyagoda (Plan no: 2006/299) | 6,720,000 | 2,555,127 | 9,275,127 |
| | 18,072,000 | 41,374,156 | 59,446,156 |

10. Right of use assets and Leases (Contd)

| Lease Liability | As at | |
|-----------------------------|-------------------|-------------------|
| | 31.03.2022 | 31.03.2021 |
| Less than 3 months | 7,689,229 | 1,720,000 |
| Between 3 months and 1 year | 10,382,771 | 5,893,688 |
| Between year 1 and year 2 | 18,501,722 | 11,352,000 |
| Between year 2 and year 5 | 22,872,434 | 38,271,596 |
| | 59,446,156 | 57,237,284 |

The total cash outflow for leases in 2021/2022 is Rs. 4,021,977 (2020/2021- Rs. 14,320,306).

11. Investments in subsidiaries

The Group has the following principal subsidiary undertakings as at 31 March 2022

| 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 (Pvt) Ltd | - | 99.99% | - |

| | 31 March | |
|---|-------------------|-------------------|
| | 2022 | 2021 |
| Investments at cost | | |
| 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 |
| | 230,999,980 | 230,999,980 |
| Impairment of investments | | |
| Colonial Motors (Ceylon) Limited | (216,999,980) | (216,999,980) |
| Net investments | 14,000,000 | 14,000,000 |
| | | |
| | 2022 | 2021 |
| At beginning of and at end of the year | 14,000,000 | 14,000,000 |

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.

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

(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.

12. Financial Instruments

(a) Financial instruments by category

Group

| 31 March 2022 | Fair value through profit or loss | Fair value through OCI | Amortized Cost | Total |
|--|-----------------------------------|------------------------|--------------------|----------------------|
| Assets as per statement of financial position | | | | |
| Investments in unit trust | 8,445,570 | - | - | 8,445,570 |
| Equity investment | 931,146,728 | 943,561,135 | - | 1,874,707,863 |
| Trade and other receivables(excluding pre-payments) | - | - | 553,296,284 | 553,296,284 |
| Cash and cash equivalents | - | - | 71,285,064 | 71,285,064 |
| Total | 939,592,298 | 943,561,135 | 624,581,348 | 2,507,734,781 |

| | Amortized Cost | Total |
|---|----------------------|----------------------|
| Liabilities as per statement of financial position | | |
| Borrowings | 815,678,881 | 815,678,881 |
| Trade and other payables | 141,386,261 | 141,386,261 |
| Lease liabilities | 59,446,156 | 59,446,156 |
| Total | 1,016,511,298 | 1,016,511,298 |

12. Financial Instruments (Contd)

(a) Financial instruments by category (Contd)

Group

| 31 March 2021 | Fair value through profit or loss | Fair value through OCI | Amortized Cost | Total |
|--|---|------------------------------|--------------------|----------------------|
| Assets as per statement of financial position | | | | |
| Investments in unit trust | 8,420,234 | - | - | 8,420,234 |
| Equity investment | 815,646,656 | 1,219,401,983 | - | 2,035,048,639 |
| Trade and other receivables(excluding pre-payments) | - | - | 577,841,106 | 577,841,106 |
| Cash and cash equivalents | - | - | 27,215,637 | 27,515,637 |
| Total | 824,066,890 | 1,219,401,983 | 605,356,743 | 2,648,825,616 |

| | Amortized Cost | Total |
|---|--------------------|--------------------|
| Liabilities as per statement of financial position | | |
| 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 |
| Total | 930,685,140 | 930,685,140 |

Company

| 31 March 2022 | Fair value through profit or loss | Fair value through OCI | Amortized Cost | Total |
|--|---|------------------------------|--------------------|----------------------|
| Assets as per statement of financial position | | | | |
| Investments in unit trust | 7,300,026 | - | - | 7,300,026 |
| Equity investment | 66,342,606 | 406,734,128 | - | 473,076,734 |
| Trade and other receivables(excluding pre-payments) | - | - | 509,541,651 | 509,541,651 |
| Cash and cash equivalents | - | - | 40,150,433 | 40,150,433 |
| Total | 73,642,632 | 406,734,128 | 549,692,084 | 1,030,068,844 |

| | Amortized Cost | Total |
|---|-------------------|-------------------|
| Liabilities as per statement of financial position | | |
| Borrowings | - | - |
| Trade and other payables | 56,079,709 | 56,079,709 |
| Total | 56,079,709 | 56,079,709 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

12. Financial Instruments (Contd)

(a) Financial instruments by category (Contd)

Company

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

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

(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

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Trade receivables | | |
| <i>Counterparties without external credit rating</i> | | |
| Group 1 | 27,580,847 | 22,931,401 |
| Group 2 | 12,109,766 | 21,678,678 |
| Group 3 | - | - |
| Total | 39,690,613 | 44,610,079 |

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Cash at bank and short-term bank deposits (Fitch ratings) | | |
| AAA Ika | - | - |
| AA+ Ika | - | - |
| AA Ika | - | - |
| AA- Ika | 70,408,569 | 26,102,399 |
| A+Ika to A-Ika | - | - |
| Below A | - | - |
| Counterparties without external credit rating, and cash in hand | 876,495 | 1,113,238 |
| Total | 71,285,064 | 27,215,637 |

12. Financial Instruments (Contd)

Company

| | 2022 | 2021 |
|--|---------------|------------------|
| Trade receivables | | |
| <i>Counterparties without external credit rating</i> | | |
| Group 1 | 15,305 | 1,594,506 |
| Group 2 | - | - |
| Group 3 | - | - |
| Total | 15,305 | 1,594,506 |

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Cash at bank and short-term bank deposits (Fitch ratings) | | |
| AAA Ika | - | - |
| AA+ Ika | - | - |
| AA Ika | - | - |
| AA- Ika | 40,150,433 | 11,097,115 |
| A+Ika to A-Ika | - | - |
| Below A | - | - |
| Counterparties without external credit rating, and cash in hand | - | - |
| Total | 40,150,433 | 11,097,115 |

Group 1 - new customers and existing 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 | |
|--------------------------|--------------------|--------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Investment in unit trust | 8,445,570 | 8,420,234 | 7,300,026 | 7,325,518 |
| Equity investment | 931,146,728 | 815,646,656 | 66,342,606 | 57,072,921 |
| | 939,592,298 | 824,066,890 | 73,642,632 | 64,398,439 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

12. Financial Instruments (Contd)

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

| | Group | | Company | |
|--|--------------------|---------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| 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 |
| | 824,066,890 | 455,636,761 | 64,398,439 | 39,571,020 |
| Additions | | | | |
| Investment in unit trusts | - | - | - | - |
| Equity investment | 41,971,096 | 13,347,082 | 631,414 | 420,264 |
| | 41,971,096 | 13,347,082 | 631,414 | 420,264 |
| Disposals | | | | |
| Equity investment | (5,218,639) | (10,164,268) | (32,917) | - |
| | (5,218,639) | (10,164,268) | (32,917) | - |
| Market fair value changes - to comprehensive income statement | | | | |
| Investment in unit trusts (Note 24) | 25,336 | 2,752,058 | (25,492) | 2,520,437 |
| Equity investment (Note 24) | 78,747,615 | 362,495,257 | 8,671,188 | 21,886,718 |
| | 78,772,951 | 365,247,315 | 8,645,696 | 24,407,155 |
| At the end of the year | | | | |
| Investment in unit trusts | 8,445,570 | 8,420,234 | 7,300,026 | 7,325,518 |
| Equity investment | 931,146,728 | 815,646,656 | 66,342,606 | 57,072,921 |
| | 939,592,298 | 824,066,890 | 73,642,632 | 64,398,439 |

(d) Fair value through other comprehensive income

| | Group | | Company | |
|---------------------------------|--------------------|----------------------|--------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Opening balance | 1,219,401,983 | 535,256,609 | 520,168,787 | 316,981,921 |
| Investment made during the year | 23,708 | 67,329,472 | - | - |
| Disposals made during the year | (85,158) | - | - | - |
| Change in fair value | (275,779,398) | 616,815,902 | (113,434,659) | 203,186,866 |
| As at 31 March | 943,561,135 | 1,219,401,983 | 406,734,128 | 520,168,787 |

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|---|------------------|--------------------|--------------------|------------------|--------------------|-------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| AUTOMOBILES & COMPONENTS | | | | | | |
| Kelani Tyres PLC | 160 | 9,264 | 934 | 160 | 12,480 | 934 |
| | 160 | 9,264 | 934 | 160 | 12,480 | 934 |
| BANKS | | | | | | |
| Commercial Bank of Ceylon PLC | 1,147,580 | 71,953,266 | 41,837,379 | 1,047,922 | 89,597,331 | 37,468,696 |
| Commercial Bank of Ceylon PLC (Non Voting) | 130,000 | 7,917,000 | 5,080,907 | 116,955 | 9,192,663 | 4,325,001 |
| Development Finance Corporation of Ceylon PLC | 117,159 | 5,623,632 | 7,812,494 | 111,482 | 6,644,327 | 7,498,457 |
| Hatton National Bank PLC | 343,023 | 37,475,263 | 18,254,208 | 313,070 | 39,446,820 | 15,135,173 |
| Hatton National Bank PLC (Non-voting) | 60,554 | 6,358,170 | 2,501,943 | 58,601 | 5,696,017 | 2,496,714 |
| National Development Bank PLC | 33,726 | 1,878,537 | 1,806,733 | 23,116 | 1,867,773 | 1,033,918 |
| Nations Trust Bank PLC | 122,525 | 5,525,878 | 2,682,169 | 115,331 | 6,377,804 | 2,278,535 |
| Pan Asia Bank PLC | 209,000 | 2,257,200 | 2,107,054 | 467,100 | 6,539,400 | 4,703,226 |
| Sampath Bank PLC | 409,260 | 18,744,108 | 14,096,717 | 364,260 | 19,597,188 | 11,697,959 |
| Seylan Bank PLC (Non Voting) | 417,885 | 10,642,056 | 8,163,540 | 412,380 | 18,043,905 | 8,141,096 |
| Union Bank of Colombo PLC | 55,000 | 412,500 | 2,500 | 100 | 1,040 | 2,500 |
| | 3,045,712 | 168,787,610 | 104,345,644 | 3,030,317 | 203,004,268 | 94,781,275 |
| CAPITAL GOODS | | | | | | |
| ACL Cables PLC | 144,000 | 8,208,000 | 1,485,020 | 144,000 | 5,169,600 | 1,485,020 |
| Colombo Dockyard PLC | 14,880 | 1,090,704 | 841,962 | 16,380 | 1,171,170 | 926,832 |
| Hayleys PLC | 1,000,160 | 76,912,304 | 2,372,698 | 1,000,160 | 60,809,728 | 2,372,698 |
| Hemas Holdings PLC | 21,653 | 1,000,369 | 431,821 | 21,653 | 1,805,860 | 431,821 |
| | 1,180,693 | 87,211,377 | 5,131,501 | 1,182,193 | 68,956,358 | 5,216,371 |
| Balance carried forward | 4,226,565 | 256,008,251 | 109,478,079 | 4,212,670 | 271,973,106 | 99,998,580 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|--|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 4,226,565 | 256,008,251 | 109,478,079 | 4,212,670 | 271,973,106 | 99,998,580 |
| CAPITAL GOODS | | | | | | |
| John Keells Holdings PLC | 69,137 | 10,024,865 | 5,685,686 | 69,137 | 10,266,845 | 5,685,686 |
| Kelani Cables PLC | 400 | 116,300 | 6,557 | 400 | 44,700 | 6,557 |
| Lanka Tiles PLC | 125,000 | 7,462,500 | 629,625 | 25,000 | 4,643,750 | 629,625 |
| Lanka Walltiles PLC | 500,000 | 34,850,000 | 3,946,907 | 100,000 | 18,850,000 | 3,946,907 |
| Richard Peiris & Company PLC | 4,740 | 63,042 | 11,121 | 4,740 | 79,632 | 11,121 |
| Sierra Cables PLC | 824,000 | 5,603,200 | 1,515,337 | 824,000 | 4,696,800 | 1,515,337 |
| Brown & Company PLC | 28,900 | 3,858,150 | 2,744,783 | 28,900 | 4,486,725 | 2,744,783 |
| Lankem Ceylon PLC | 222,800 | 6,238,400 | 7,506,060 | 12,000 | 325,200 | 309,125 |
| Vallibel One PLC | 109,012 | 4,382,282 | 2,600,000 | 109,012 | 5,134,465 | 2,600,000 |
| | 1,883,989 | 72,598,739 | 24,646,076 | 1,173,189 | 48,528,117 | 17,449,141 |
| CONSUMER DURABLES & APPERAL | | | | | | |
| Dankotuwa Porcelain PLC | 42,500 | 420,750 | 348,589 | 52,500 | 540,750 | 414,489 |
| Hayleys Fabric PLC | 17,180 | 499,938 | 194,121 | 17,180 | 242,238 | 194,121 |
| Hayleys Fibre PLC | 1,467 | 80,832 | 21,022 | 1,467 | 69,829 | 21,022 |
| Regnis (Lanka) PLC | 275,706 | 15,025,977 | 2,464,335 | 275,706 | 13,537,165 | 2,464,335 |
| Teejay Lanka PLC | 10,000 | 398,000 | 150,000 | 10,000 | 400,000 | 150,000 |
| Hela Apperal PLC | 6,000 | 77,400 | 90,000 | - | - | - |
| Singer Industries PLC | 165,360 | 6,333,288 | 844,420 | 165,360 | 7,391,592 | 844,420 |
| | 518,213 | 22,836,185 | 4,112,487 | 522,213 | 22,181,574 | 4,088,387 |
| Balance carried forward | 6,628,767 | 351,443,175 | 138,236,642 | 5,908,072 | 342,682,797 | 121,536,108 |

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|------------------------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 6,628,767 | 351,443,175 | 138,236,642 | 5,908,072 | 342,682,797 | 121,536,108 |
| CONSUMER SERVICES | | | | | | |
| Aitken Spence Hotel Holdings PLC | 100,625 | 3,572,188 | 1,855,824 | 100,625 | 3,038,875 | 1,855,824 |
| Amaya Leisure PLC | 134,886 | 2,185,153 | 2,335,378 | 134,886 | 2,400,970 | 2,335,378 |
| Asian Hotels Properties PLC | 72,000 | 2,664,000 | 988,895 | 72,000 | 2,692,800 | 988,895 |
| Dolphin Hotels PLC | 20,000 | 602,000 | 275,131 | 20,000 | 490,000 | 275,131 |
| Renuka City Hotels PLC | 12,740 | 3,745,560 | 896,879 | 12,740 | 2,882,425 | 896,879 |
| Tangerine Beach Hotels PLC | 11,400 | 502,740 | 348,343 | 11,400 | 460,560 | 348,343 |
| Ceylon Hotel Corporation PLC | 10,478 | 95,350 | 253,714 | 10,478 | 111,067 | 253,714 |
| Eden Hotel Lanka PLC | 350,000 | 4,585,000 | 7,005,939 | 350,000 | 3,640,000 | 7,005,939 |
| Galadari Hotels PLC | 7,000 | 101,500 | 60,075 | 7,000 | 53,900 | 60,075 |
| Citrus Hikkaduwa PLC | 33,742 | 192,329 | 674,840 | 33,742 | 178,833 | 674,840 |
| John Keells Hotels PLC | 530,416 | 6,205,867 | 8,907,235 | 530,416 | 5,038,952 | 8,907,235 |
| Marawila Resorts PLC | 6,681,037 | 12,693,970 | 11,356,338 | 6,681,037 | 12,693,970 | 11,356,338 |
| Pegasus Hotels of Ceylon PLC | 22,666 | 770,644 | 499,202 | 22,666 | 661,847 | 499,202 |
| Royal Palms Beach PLC | 15,700 | 255,910 | 628,738 | 15,700 | 224,510 | 628,738 |
| Serendib Hotels PLC (Non - voting) | 31,250 | 293,750 | 296,268 | 31,250 | 278,125 | 296,268 |
| Taj Lanka Hotels PLC | 19,500 | 257,400 | 182,097 | 19,500 | 239,850 | 182,097 |
| The Light House Hotel PLC | 114,800 | 3,157,000 | 1,947,676 | 114,800 | 3,248,840 | 1,947,676 |
| The Fortress Resorts PLC | 50 | 625 | 866 | 50 | 560 | 866 |
| Palm Garden Hotels PLC | 15,164 | 623,240 | 710,548 | 15,164 | 389,715 | 710,548 |
| | 8,183,454 | 42,504,226 | 39,223,986 | 8,183,454 | 38,725,799 | 39,223,986 |
| Balance carried forward | 14,812,221 | 393,947,401 | 177,460,628 | 14,091,526 | 381,408,596 | 160,760,094 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|---|------------------|--------------------|-------------------|------------------|--------------------|-------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 14,812,221 | 393,947,401 | 177,460,628 | 14,091,526 | 381,408,596 | 160,760,094 |
| DIVERSIFIED FINANCIALS | | | | | | |
| Alliance Finance Company PLC | 80,000 | 5,632,000 | 352,690 | 80,000 | 3,960,000 | 352,690 |
| Central Finance PLC | 40,318 | 2,745,656 | 821,367 | 39,728 | 3,206,050 | 820,654 |
| Ceylon Guardian Investments Trust PLC | 152,189 | 11,946,837 | 1,573,798 | 151,420 | 18,170,400 | 1,517,846 |
| Ceylon Investments PLC | 607,159 | 22,525,598 | 2,944,395 | 607,159 | 38,676,028 | 3,308,441 |
| Lanka Orix Leasing Company Holdings PLC | 399,000 | 238,402,500 | 3,282,937 | 399,000 | 116,508,000 | 3,282,937 |
| Lanka Ventures PLC | 339,700 | 15,286,500 | 11,404,583 | 339,700 | 16,509,420 | 11,404,583 |
| Lanka Orix Finance PLC | 99,250 | 1,409,350 | 619,623 | 99,250 | 555,800 | 619,623 |
| People's Merchant Bank PLC | 1,500 | 8,100 | 27,005 | 1,500 | 10,800 | 27,005 |
| Merchant Bank of Sri Lanka PLC | 124,879 | 636,883 | 8,170,229 | 124,879 | 874,153 | 8,170,229 |
| Guardian Capital Partners PLC | 113,000 | 2,768,500 | 8,252,675 | 113,000 | 3,220,500 | 8,252,675 |
| Nation Lanka Finance PLC | - | - | - | 11,250 | 7,875 | 67,500 |
| | 1,956,995 | 301,361,924 | 37,449,302 | 1,966,886 | 201,699,026 | 37,824,183 |
| ENERGY | | | | | | |
| Lanka IOC PLC | 174,600 | 5,377,680 | 5,417,806 | 174,600 | 3,317,400 | 5,417,806 |
| | 174,600 | 5,377,680 | 5,417,806 | 174,600 | 3,317,400 | 5,417,806 |
| FOOD & STAPLES RETAILING | | | | | | |
| Cargills (Ceylon) PLC | 146,057 | 26,655,403 | 4,386,183 | 146,057 | 34,323,395 | 4,386,183 |
| | 146,057 | 26,655,403 | 4,386,183 | 146,057 | 34,323,395 | 4,386,183 |
| FOOD BEVERAGE & TOBACCO | | | | | | |
| Bukit Darah PLC | 896 | 324,128 | 250,317 | 548 | 180,703 | 121,470 |
| Carson Cumberbatch PLC | 664 | 179,280 | 80,980 | 664 | 184,924 | 80,980 |
| Ceylon Cold Stores PLC | 93,200 | 3,625,480 | 177,516 | 9,320 | 5,794,710 | 177,516 |
| Ceylon Grain Elevators PLC | 30,000 | 1,830,000 | 301,978 | 30,000 | 3,540,000 | 301,978 |
| Ceylon Tobacco Company PLC | 3,500 | 2,016,875 | 140,004 | 3,500 | 3,429,125 | 140,004 |
| Lanka Milk Foods PLC | 133 | 17,656 | 3,830 | 133 | 19,983 | 3,830 |
| MELSTACORP PLC | 10,000 | 411,000 | 652,469 | 10,000 | 440,000 | 652,469 |
| | 138,393 | 8,404,419 | 1,607,094 | 54,165 | 13,589,445 | 1,478,247 |
| Balance carried forward | 17,228,266 | 735,746,827 | 226,321,013 | 16,433,234 | 634,337,862 | 209,866,513 |

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|---|------------------|-------------------|------------------|------------------|-------------------|-------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 17,228,266 | 735,746,827 | 226,321,013 | 16,433,234 | 634,337,862 | 209,866,513 |
| FOOD BEVERAGE & TOBACCO | | | | | | |
| Nestle Lanka PLC | 4,700 | 4,412,125 | 404,444 | 4,700 | 5,388,550 | 404,444 |
| Renuka Agrifoods PLC | 31,560 | 113,616 | 105,641 | 91,560 | 320,460 | 306,641 |
| Renuka Foods PLC (Non voting) | - | - | - | 1,914 | 19,905 | 23,925 |
| Renuka Foods PLC (voting) | 25,000 | 335,000 | 316,563 | 23,770 | 301,879 | 294,669 |
| Sunshine Holdings PLC | 2,136 | 78,177 | 23,736 | 2,136 | 56,604 | 23,736 |
| Three Acre Farms PLC | 25,000 | 4,712,500 | 215,528 | 25,000 | 4,987,500 | 215,528 |
| Watawala Plantations PLC | 364,201 | 33,979,953 | 494,532 | 364,201 | 20,795,877 | 494,532 |
| Browns Investments PLC | 706,000 | 5,295,000 | 1,932,938 | 706,000 | 3,883,000 | 1,932,938 |
| Hatton Plantations PLC | 432,000 | 3,625,944 | - | 432,000 | 3,758,400 | - |
| Keells Food Products PLC | 3,570 | 593,513 | 174,451 | 3,570 | 580,125 | 174,451 |
| Ceylon Tea Services PLC | 1,428 | 1,428,000 | 86,333 | 1,428 | 909,280 | 86,333 |
| Lankem Development PLC | 2,400,000 | 9,120,000 | 6,137,104 | 2,500,000 | 8,250,000 | 6,467,104 |
| | 3,995,595 | 63,693,828 | 9,891,270 | 4,156,279 | 49,251,580 | 10,424,301 |
| HEALTH CARE EQUIPMENT & SERVICES | | | | | | |
| Asiri Hospitals PLC | 353,000 | 13,237,500 | 894,671 | 353,000 | 9,001,500 | 894,671 |
| Asiri Surgical PLC | 112,500 | 1,687,500 | 277,419 | 112,500 | 1,552,500 | 277,419 |
| Ceylon Hospitals PLC | 13,330 | 1,095,726 | 300,144 | 13,330 | 1,187,703 | 300,144 |
| The Lanka Hospital Corporation PLC | 33,000 | 1,656,600 | 488,930 | 33,000 | 1,435,500 | 488,930 |
| | 511,830 | 17,677,326 | 1,961,164 | 511,830 | 13,177,203 | 1,961,164 |
| INSURANCE | | | | | | |
| HNB Assurance PLC | 300,000 | 12,990,000 | 1,307,990 | 300,000 | 17,790,000 | 1,307,990 |
| Amana Takaful PLC | 75,000 | 750,000 | 753,490 | 75,000 | 525,000 | 753,490 |
| Softlogic Life Insurance PLC | 100,000 | 4,340,000 | 284,446 | 100,000 | 3,050,000 | 284,446 |
| | 475,000 | 18,080,000 | 2,345,926 | 475,000 | 21,365,000 | 2,345,926 |
| Balance carried forward | 22,210,691 | 835,197,981 | 240,519,373 | 21,576,343 | 718,131,645 | 224,597,904 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|---|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 22,210,691 | 835,197,981 | 240,519,373 | 21,576,343 | 718,131,645 | 224,597,904 |
| MATERIALS | | | | | | |
| Chemax PLC | 17,700 | 1,323,960 | 1,557,813 | 17,700 | 1,361,130 | 1,557,813 |
| Chevron Lubricants PLC | 47,460 | 4,133,766 | 3,481,563 | 20,000 | 1,800,000 | 387,253 |
| Dipped Products PLC | 350,240 | 11,382,800 | 1,561,838 | 350,240 | 16,251,136 | 1,561,838 |
| Tokyo Cement Company (Lanka) PLC | 108,319 | 3,672,014 | 545,391 | 102,208 | 6,817,274 | 1,209,835 |
| Tokyo Cement Company (Lanka) PLC (Non Voting) | 455,500 | 11,979,650 | 4,099,162 | 455,500 | 27,603,300 | 4,099,162 |
| Union Chemicals Lanka PLC | 100 | 78,050 | 1,000 | 100 | 71,500 | 1,000 |
| Haycarb PLC | 3,450 | 173,190 | 10,090 | 3,450 | 320,850 | 10,090 |
| Bogala Graphite Lanka PLC | 11,200 | 505,120 | 37,270 | 11,200 | 266,560 | 37,270 |
| Rich Pieris Exports PLC | 39,600 | 24,116,400 | 692,400 | 40,600 | 15,184,400 | 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 |
| | 1,043,569 | 57,377,450 | 12,121,472 | 1,010,998 | 69,688,650 | 10,065,606 |
| REAL ESTATE | | | | | | |
| Colombo Land & Development PLC | 522,460 | 13,009,254 | 4,782,685 | 522,460 | 12,539,040 | 4,782,685 |
| East West Properties PLC | 48,000 | 350,400 | 338,143 | 48,000 | 475,200 | 338,143 |
| York Arcade Holdings PLC | 35 | 5,373 | 38 | 35 | 5,005 | 38 |
| Property Development PLC | 8,000 | 1,060,000 | 132,712 | 8,000 | 934,000 | 132,712 |
| Equity Two PLC | 25,200 | 957,600 | 217,016 | 25,200 | 1,365,840 | 217,016 |
| C T Land Development PLC | 3,333 | 85,991 | 13,740 | 3,333 | 89,991 | 13,740 |
| Touchwood Investments PLC | 600,000 | - | 10,602,116 | 600,000 | - | 10,602,116 |
| | 1,207,028 | 15,468,618 | 16,086,450 | 1,207,028 | 15,409,076 | 16,086,450 |
| RETAILING | | | | | | |
| United Motors Lanka PLC | 34,881 | 1,921,943 | 334,361 | 34,881 | 2,012,633 | 334,361 |
| ODEL PLC | 1,500 | 28,650 | 22,500 | 1,500 | 28,050 | 22,500 |
| Singer Sri Lanka PLC | 6,000 | 84,000 | 2,989 | 6,000 | 104,400 | 2,989 |
| John Keells PLC | 20,000 | 1,370,000 | 382,531 | 20,000 | 1,400,000 | 382,531 |
| | 62,381 | 3,404,593 | 742,381 | 62,381 | 3,545,083 | 742,381 |
| Balance carried forward | 24,523,669 | 911,448,642 | 269,469,676 | 23,856,750 | 806,774,454 | 251,492,341 |

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|---|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 24,523,669 | 911,448,642 | 269,469,676 | 23,856,750 | 806,774,454 | 251,492,341 |
| TRANSPOTATION | | | | | | |
| Expolanka PLC | 55,000 | 11,426,250 | 13,309,566 | 20,000 | 894,000 | 1,134,566 |
| | 55,000 | 11,426,250 | 13,309,566 | 20,000 | 894,000 | 1,134,566 |
| TELECOMMUNICATION SERVICES | | | | | | |
| Dialog Axiata PLC | 15,000 | 150,000 | 224,453 | 15,000 | 195,000 | 224,453 |
| | 15,000 | 150,000 | 224,453 | 15,000 | 195,000 | 224,453 |
| UTILITIES | | | | | | |
| Panasian Power PLC | 29,200 | 108,040 | 87,600 | 29,200 | 105,120 | 87,600 |
| Resus Energy PLC | 148,887 | 2,903,298 | 2,813,207 | 148,887 | 3,603,065 | 2,813,207 |
| Vallibel Power Erathna PLC | 39,017 | 280,922 | 85,634 | 39,017 | 288,726 | 85,634 |
| Vidullanka PLC | 652,053 | 4,629,576 | 1,029,836 | 652,053 | 3,586,291 | 1,029,836 |
| | 869,157 | 7,921,836 | 4,016,277 | 869,157 | 7,583,202 | 4,016,277 |
| Total listed shares | 25,462,826 | 930,946,728 | 287,019,972 | 24,760,907 | 815,446,656 | 256,867,637 |
| Unlisted shares | | | | | | |
| Bartleet Transcapital (Pvt) Ltd | 10,000 | 200,000 | 200,000 | 10,000 | 200,000 | 200,000 |
| Total Unlisted shares | 10,000 | 200,000 | 200,000 | 10,000 | 200,000 | 200,000 |
| Unit trust | | | | | | |
| NDB Wealth Growth & Income Fund | 15,826 | 725,308 | 290,768 | 15,826 | 710,116 | 290,768 |
| National Equity Fund | 12,000 | 420,236 | 120,000 | 12,000 | 384,600 | 120,000 |
| Ceybank Unit Trust | 318,639 | 7,300,026 | 5,037,138 | 318,639 | 7,325,518 | 5,037,138 |
| | 346,465 | 8,445,570 | 5,447,906 | 346,465 | 8,420,234 | 5,447,906 |
| Financial assets at at fair value through profit or loss | 25,819,291 | 939,592,298 | 292,667,878 | 25,117,372 | 824,066,890 | 262,515,543 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

12. Financial Instruments (Contd)

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

Listed shares

| | Company | | | | | |
|---|------------------|-------------------|------------------|------------------|-------------------|------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| AUTOMOBILES & COMPONENTS | | | | | | |
| Kelani Tyres PLC | 160 | 9,264 | 934 | 160 | 12,480 | 934 |
| | 160 | 9,264 | 934 | 160 | 12,480 | 934 |
| BANKS | | | | | | |
| Commercial Bank of Ceylon PLC | 15,080 | 945,516 | 587,242 | 14,744 | 1,260,612 | 586,566 |
| Development Finance Corporation of Ceylon PLC | 6,424 | 308,352 | 322,817 | 6,113 | 364,335 | 324,889 |
| Hatton National Bank PLC | 58,721 | 6,415,269 | 3,118,280 | 57,251 | 7,213,626 | 3,113,898 |
| Hatton National Bank PLC (Non-voting) | 25,768 | 2,705,640 | 1,240,223 | 24,937 | 2,423,876 | 1,237,997 |
| National Development Bank PLC | 7,019 | 390,958 | 362,572 | 4,811 | 388,729 | 219,907 |
| Pan Asia Bank PLC | 9,000 | 97,200 | 95,298 | 9,000 | 126,000 | 95,298 |
| Sampath Bank PLC | 19,689 | 901,757 | 379,564 | 19,689 | 1,059,268 | 379,564 |
| Seylan Bank PLC (Non Voting) | 40,957 | 1,294,241 | 543,987 | 39,498 | 1,935,402 | 523,000 |
| | 182,658 | 13,058,933 | 6,649,983 | 176,043 | 14,771,848 | 6,481,119 |
| CAPITAL GOODS | | | | | | |
| ACL Cables PLC | 40,000 | 2,280,000 | 419,041 | 40,000 | 1,436,000 | 419,041 |
| Hayleys PLC | 160 | 12,304 | 1,446 | 160 | 9,728 | 1,446 |
| Hemas Holding PLC | 777 | 35,897 | 16,311 | 777 | 64,802 | 16,311 |
| Richard Peiris & Company PLC | 195 | 2,594 | 486 | 195 | 3,276 | 486 |
| Sierra Cables PLC | 2,500 | 17,000 | 6,177 | 2,500 | 14,250 | 6,177 |
| | 43,632 | 2,347,795 | 443,461 | 43,632 | 1,528,056 | 443,461 |
| CONSUMER DURABLES & APPERAL | | | | | | |
| Dankotuwa Porcelain PLC | 22,500 | 222,750 | 216,647 | 22,500 | 231,750 | 216,647 |
| Regnis (Lanka) PLC | 26,506 | 1,444,577 | 221,568 | 26,506 | 1,301,445 | 221,568 |
| Hela Apperal PLC | 3,000 | 38,700 | 45,000 | - | - | - |
| | 52,006 | 1,706,027 | 483,215 | 49,006 | 1,533,195 | 438,215 |
| Balance carried forward | 278,456 | 17,122,019 | 7,577,593 | 268,841 | 17,845,579 | 7,363,729 |

12. Financial Instruments (Contd)

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

Listed shares

| | Company | | | | | |
|---|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 278,456 | 17,122,019 | 7,577,593 | 268,841 | 17,845,579 | 7,363,729 |
| CONSUMER SERVICES | | | | | | |
| Asian Hotels Properties PLC | 20,000 | 740,000 | 277,228 | 20,000 | 748,000 | 277,228 |
| Ceylon Hotel Corporation PLC | 10,478 | 95,350 | 253,714 | 10,478 | 111,066 | 253,714 |
| Eden Hotel Lanka PLC | 100,000 | 1,310,000 | 1,960,345 | 100,000 | 1,040,000 | 1,960,345 |
| John Keells Hotels PLC | 76,030 | 889,551 | 456,180 | 76,030 | 722,285 | 456,180 |
| Palm Garden Hotels PLC | 15,164 | 623,240 | 710,548 | 15,164 | 389,715 | 710,548 |
| Pegasus Hotels of Ceylon PLC | 2,400 | 81,600 | 49,144 | 2,400 | 70,080 | 49,144 |
| Light House Hotel PLC | 24,800 | 682,000 | 259,528 | 24,800 | 701,840 | 259,528 |
| | 248,872 | 4,421,741 | 3,966,687 | 248,872 | 3,782,986 | 3,966,687 |
| DIVERSIFIED FINANCIALS | | | | | | |
| Ceylon Guardian Investments PLC | 12,887 | 1,011,630 | 368,776 | 12,887 | 1,546,440 | 370,402 |
| Ceylon Investments PLC | 39,167 | 1,453,096 | 279,492 | 39,167 | 2,494,938 | 313,496 |
| Lanka Orix Leasing Company Holdings PLC | 27,000 | 16,132,500 | 138,639 | 27,000 | 7,884,000 | 138,639 |
| Lanka Ventures PLC | 60,000 | 2,700,000 | 2,777,356 | 60,000 | 2,916,000 | 2,777,356 |
| Merchant Bank of Sri Lanka PLC | 124,879 | 636,883 | 8,170,229 | 124,879 | 874,153 | 8,170,229 |
| Guardian Capital Partners PLC | 2,000 | 49,000 | 445,989 | 2,000 | 57,000 | 445,989 |
| | 265,933 | 21,983,108 | 12,180,481 | 265,933 | 15,772,531 | 12,216,111 |
| ENERGY | | | | | | |
| Lanka IOC PLC | 15,800 | 486,640 | 665,931 | 15,800 | 300,200 | 665,931 |
| | 15,800 | 486,640 | 665,931 | 15,800 | 300,200 | 665,931 |
| Balance carried forward | 809,061 | 44,013,508 | 24,390,692 | 799,446 | 37,701,296 | 24,212,458 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

12. Financial Instruments (Contd)

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

Listed shares

| | Company | | | | | |
|---|------------------|-------------------|----------------|------------------|-------------------|----------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 809,061 | 44,013,508 | 24,390,692 | 799,446 | 37,701,296 | 24,212,458 |
| FOOD BEVERAGE & TOBACCO | | | | | | |
| Ceylon Cold Stores PLC | 36,000 | 1,400,400 | 52,293 | 3,600 | 2,238,300 | 52,293 |
| Ceylon Tobacco Company PLC | 2,000 | 1,152,500 | 80,028 | 2,000 | 1,959,500 | 80,028 |
| Watawala Plantations PLC | 143,320 | 13,371,756 | 174,201 | 143,320 | 8,183,572 | 174,201 |
| Ceylon Tea Services PLC | 1,428 | 1,428,000 | 86,333 | 1,428 | 909,279 | 86,333 |
| Hatton Plantations PLC | 170,000 | 1,425,144 | - | 170,000 | 1,479,000 | - |
| | 352,748 | 18,777,800 | 392,855 | 320,348 | 14,769,651 | 392,855 |
| HEALTH CARE EQUIPMENT & SERVICES | | | | | | |
| Ceylon Hospital PLC | 6,000 | 493,200 | 139,509 | 6,000 | 534,600 | 139,509 |
| The Lanka Hospital Corporation PLC | 3,000 | 150,600 | 46,505 | 3,000 | 130,500 | 46,505 |
| | 9,000 | 643,800 | 186,014 | 9,000 | 665,100 | 186,014 |
| MATERIALS | | | | | | |
| Dipped Products PLC | 50,000 | 1,625,000 | 405,750 | 50,000 | 2,320,000 | 405,750 |
| Haycarb PLC | 1,573 | 173,190 | 10,090 | 3,450 | 320,850 | 10,090 |
| Tokyo Cement Company (Lanka) PLC | 3,450 | 53,325 | 4,450 | 1,573 | 104,919 | 4,450 |
| | 55,023 | 1,851,515 | 420,290 | 55,023 | 2,745,769 | 420,290 |
| REAL ESTATE | | | | | | |
| East West Properties PLC | 24,000 | 175,200 | 117,778 | 24,000 | 237,600 | 117,778 |
| C T Land Development PLC | 3,333 | 85,991 | 13,740 | 3,333 | 89,991 | 13,740 |
| | 27,333 | 261,191 | 131,518 | 27,333 | 327,591 | 131,518 |
| RETAILING | | | | | | |
| Singer Sri Lanka PLC | 3,000 | 42,000 | 1,749 | 3,000 | 52,200 | 1,749 |
| John Keells PLC | 8,000 | 548,000 | 192,783 | 8,000 | 560,000 | 192,783 |
| | 11,000 | 590,000 | 194,532 | 11,000 | 612,200 | 194,532 |
| Balance carried forward | 1,264,165 | 66,137,814 | 25,715,901 | 1,222,150 | 56,821,607 | 25,537,667 |

12. Financial Instruments (Contd)

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

Listed shares

| | Company | | | | | |
|--|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 1,264,165 | 66,137,814 | 25,715,901 | 1,222,150 | 56,821,607 | 25,537,667 |
| TELECOMMUNICATION SERVICES | | | | | | |
| Dialog Axiata PLC | 15,000 | 150,000 | 224,453 | 15,000 | 195,000 | 224,453 |
| | 15,000 | 150,000 | 224,453 | 15,000 | 195,000 | 224,453 |
| UTILITIES | | | | | | |
| Vallibel Power Erathna PLC | 7,610 | 54,792 | 17,150 | 7,610 | 56,314 | 17,150 |
| | 7,610 | 54,792 | 17,150 | 7,610 | 56,314 | 17,150 |
| Total Listed Shares | 1,286,775 | 66,342,606 | 25,957,504 | 1,244,760 | 57,072,921 | 25,779,270 |
| Unit trust | | | | | | |
| Ceybank Unit Trust | 318,639 | 7,300,026 | 5,037,138 | 318,639 | 7,325,518 | 5,037,138 |
| | 318,639 | 7,300,026 | 5,037,138 | 318,639 | 7,325,518 | 5,037,138 |
| Financial assets at fair value through profit or loss | 1,605,414 | 73,642,632 | 30,994,642 | 1,563,399 | 64,398,439 | 30,816,408 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|--|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| AUTOMOBILES & COMPONENTS | | | | | | |
| Kelani Tyres PLC | 360 | 20,844 | 1,594 | 360 | 28,080 | 1,594 |
| | 360 | 20,844 | 1,594 | 360 | 28,080 | 1,594 |
| BANKS | | | | | | |
| Commercial Bank of Ceylon PLC-Voting | 321 | 20,127 | 14,623 | 314 | 26,847 | 13,995 |
| DFCC Bank PLC | 18 | 864 | 596 | 18 | 1,072 | 596 |
| Hatton National Bank PLC-Voting | 10 | 1,093 | 225 | 10 | 1,260 | 225 |
| Housing Development Finance Corporation Bank of Sri Lanka | 100 | 3,120 | 3,650 | 100 | 3,340 | 3,650 |
| National Development Bank PLC | 125 | 6,963 | 7,409 | 86 | 6,948 | 4,484 |
| Nation Trust Bank PLC_Voting | 2,837 | 127,949 | 56,879 | 2,671 | 147,706 | 47,530 |
| Pan Asia Banking Corporation PLC | 3,000 | 32,400 | 23,638 | 3,000 | 42,000 | 23,638 |
| Sampath Bank PLC | 915 | 41,907 | 24,754 | 915 | 49,227 | 24,754 |
| Seylan Bank PLC-Non-Voting | 213 | 5,282 | 5,559 | 206 | 8,899 | 5,449 |
| Seylan Bank PLC-Voting | 8 | 253 | 361 | 8 | 394 | 361 |
| Union Bank of Colombo PLC | 100 | 750 | 2,500 | 100 | 1,040 | 2,500 |
| | 7,647 | 240,707 | 140,193 | 7,428 | 288,733 | 127,182 |
| CAPITAL GOODS | | | | | | |
| ACL Cables PLC | 1,152 | 65,664 | 1,916 | 1,152 | 41,356 | 1,916 |
| Aitken Spence PLC | 555 | 40,904 | 9,852 | 555 | 30,802 | 9,852 |
| Colombo Dockyard PLC | 15 | 1,100 | 413 | 15 | 1,072 | 413 |
| E B Creasy & Company PLC | 26,777,200 | 452,534,680 | 20,122,028 | 26,777,200 | 814,026,880 | 20,122,028 |
| Hayleys PLC | 90 | 6,921 | 1,013 | 90 | 5,474 | 1,013 |
| | 26,779,012 | 452,649,268 | 20,135,222 | 26,779,012 | 814,105,584 | 20,135,222 |
| Balance carried forward | 26,787,019 | 452,910,819 | 20,277,009 | 277,372 | 814,422,397 | 20,263,998 |

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|---|-------------------|--------------------|-------------------|------------------|--------------------|-------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 26,787,019 | 452,910,819 | 20,277,009 | 277,372 | 814,422,397 | 20,263,998 |
| CAPITAL GOODS | | | | | | |
| Hemas Holdings PLC | 719 | 33,218 | 9,968 | 719 | 59,964 | 9,968 |
| John Keells Holdings PLC_JKH | 192 | 27,840 | 10,898 | 192 | 28,512 | 10,898 |
| Lanka Ashok Leyland PLC | 90 | 63,900 | 827 | 90 | 75,532 | 827 |
| Lanka Tiles PLC (Prev.Lanka Floortiles PLC) | 260 | 15,522 | 1,194 | 260 | 48,295 | 1,194 |
| Lanka Walltiles PLC | 165 | 11,501 | 4,432 | 165 | 31,102 | 4,432 |
| Laxapana Battaries PLC | 600 | 9,360 | 6,742 | 600 | 8,340 | 6,742 |
| Renuka Holdings PLC-Voting | 1,180 | 12,508 | 17,256 | 1,180 | 16,992 | 17,256 |
| Renuka Holdings PLC- Non Voting | 164 | 1,886 | 1,470 | 164 | 1,869 | 1,470 |
| Richard Peiris & Company PLC | 3,705 | 49,277 | 2,032 | 3,705 | 62,244 | 2,032 |
| Royal Ceramics Lanka PLC | 60 | 2,442 | 62 | 6 | 1,544 | 62 |
| Sierra Cables PLC | 1,200 | 8,160 | 3,600 | 1,200 | 6,840 | 3,600 |
| The Colombo Fort Land & Building PLC | 5,800,333 | 76,564,396 | 14,173,660 | 5,800,333 | 74,824,295 | 14,173,660 |
| Unisyst_Alufab PLC | 180 | 1,908 | 2,551 | 180 | 1,260 | 2,551 |
| Brown & Company PLC | 100 | 13,350 | 2,945 | 100 | 15,525 | 2,945 |
| Lanka Ceramic PLC | 7 | 859 | 528 | 7 | 770 | 528 |
| Lankem Ceylon PLC | 560,300 | 15,688,400 | 23,478,206 | 560,300 | 15,184,130 | 23,478,206 |
| Touchwood Investments PLC | - | - | 1,221 | 2,400 | - | 1,221 |
| | 6,369,255 | 92,504,526 | 37,717,592 | 6,371,601 | 90,367,214 | 37,717,592 |
| COMMERCIAL & PROFESSIONAL SERVICES | | | | | | |
| Gestetner of Ceylon PLC | 229 | 15,137 | 8,264 | 229 | 19,465 | 8,264 |
| Paragon Ceylon PLC | 100 | 4,200 | 1,017 | 100 | 4,200 | 1,017 |
| | 329 | 19,337 | 9,281 | 329 | 23,665 | 9,281 |
| CONSUMER DURABI & APPERAL | | | | | | |
| Abans Electrical PLC | 240 | 38,820 | 10,341 | 240 | 38,330 | 10,341 |
| Dankotuwa Porcelain PLC | 166 | 1,643 | 2,534 | 166 | 1,709 | 2,534 |
| Hayleys Fabric PLC | 818 | 23,804 | 7,302 | 818 | 11,533 | 7,302 |
| Hayleys Fibre PLC (Prev.Hayleys Exports PLC) | 315 | 17,357 | 1,830 | 315 | 14,946 | 1,830 |
| | 1,539 | 81,624 | 22,007 | 1,539 | 66,518 | 22,007 |
| Balance carried forward | 33,158,142 | 545,516,305 | 58,025,889 | 6,650,841 | 904,879,794 | 58,012,878 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|---|------------------|--------------------|-------------------|------------------|-------------------|-------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 33,158,142 | 545,516,305 | 58,025,889 | 6,650,841 | 904,879,794 | 58,012,878 |
| CONSUMER DURABI & APPERAL | | | | | | |
| Regnis (Lanka) PLC | 60 | 3,270 | 567 | 60 | 2,947 | 567 |
| Ambeon holdings PLC | 1,002 | 38,877 | 1,791 | 1,002 | 17,034 | 1,791 |
| Kelsey Developments PLC | 337 | 10,245 | 4,156 | 337 | 13,985 | 4,156 |
| Singer Industries (Ceylon) PLC | 170 | 6,511 | 891 | 170 | 7,599 | 891 |
| Blue Diamond Jewellery Worldwide PLC | 22 | 11 | 76 | 22 | 19 | 76 |
| | 1,591 | 58,914 | 7,481 | 1,591 | 41,584 | 7,481 |
| CONSUMER SERVICES | | | | | | |
| Aitken Spence Hotel Holdings PLC | 140 | 4,970 | 1,616 | 140 | 7,770 | 1,616 |
| Amaya Leisure PLC | 554 | 8,975 | 2,209 | 554 | 9,861 | 2,209 |
| Asian Hotels Properties PLC | 200 | 7,400 | 616 | 200 | 7,480 | 616 |
| Ceylon Hotels Corporation PLC | 534 | 4,859 | 2,120 | 534 | 5,660 | 2,120 |
| Citrus Leisure PLC | 53 | 307 | 606 | 53 | 439 | 606 |
| Dolphin Hotels PLC (Prev.Stafford Hotels PLC) | 125 | 3,763 | 717 | 125 | 3,062 | 717 |
| The Kingsbury PLC | 1,374 | 10,992 | 3,142 | 1,374 | 8,244 | 3,142 |
| Sigiriya Village Hotels PLC | 2,080,518 | 124,831,080 | 67,322,234 | 2,080,518 | 74,482,545 | 67,322,234 |
| Browns Beach Hotels PLC | 150 | 1,350 | 341 | 150 | 1,530 | 341 |
| Hunas Falls Hotels PLC | 50 | 97,500 | 303 | 50 | 7,600 | 303 |
| Eden Hotel Lanka PLC | 200 | 2,620 | 1,616 | 800 | 8,320 | 1,616 |
| Galadari Hotel (Lanka) PLC | 100 | 1,450 | 241 | 100 | 770 | 241 |
| John Keells Hotels PLC | 1,506 | 17,620 | 5,481 | 1,506 | 14,307 | 5,481 |
| Mahaweli Reach Hotels PLC | 100 | 1,200 | 867 | 100 | 1,300 | 867 |
| Beruwala Resort PLC | 30,000 | 27,000 | 63,000 | 30,000 | 24,000 | 63,000 |
| Marawila Resort PLC | 1,000,640 | 1,901,216 | 7,684,396 | 1,000,640 | 1,901,216 | 7,684,396 |
| Palm Garden Hotels PLC | 56 | 2,302 | 2,826 | 56 | 1,439 | 2,826 |
| Pegasus Hotels of Ceylon PLC | 133 | 4,522 | 1,443 | 133 | 3,886 | 1,443 |
| Royal Palms Beach Hotels PLC | 100 | 1,630 | 892 | 100 | 1,430 | 892 |
| Taj Lanka Hotels PLC | 100 | 1,320 | 316 | 100 | 1,230 | 316 |
| The Lighthouse Hotel PLC | 100 | 2,750 | 742 | 100 | 2,830 | 742 |
| The Fortress Resort PLC | 500 | 6,250 | 4,884 | 500 | 5,600 | 4,884 |
| The Nuwara Eliya Hotels Company PLC | 12 | 13,200 | 3,553 | 12 | 12,300 | 3,553 |
| | 3,117,245 | 126,954,276 | 75,104,161 | 3,117,845 | 76,512,819 | 75,104,161 |
| Balance carried forward | 36,276,978 | 672,529,495 | 133,137,531 | 9,770,277 | 981,434,197 | 133,124,520 |

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|---|------------------|----------------|----------------|------------------|----------------|---------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 36,276,978 | 672,529,495 | 133,137,531 | 9,770,277 | 981,434,197 | 133,124,520 |
| REAL ESTATE | | | | | | |
| York Arcade Holdings PLC | 28 | 4,298 | 578 | 28 | 4,004 | 578 |
| | 28 | 4,298 | 578 | 28 | 4,004 | 578 |
| DIVERSIFIED FINANCIALS | | | | | | |
| Central Finance Company PLC | 10 | 681 | 206 | 10 | 807 | 206 |
| Ceylon Guardian Investments Trust PLC | 174 | 13,659 | 1,670 | 174 | 20,880 | 1,670 |
| Ceylon Investment PLC | 471 | 17,474 | 2,797 | 471 | 30,002 | 2,907 |
| Lanka Orix Leasing Company Holding PLC | 800 | 478,000 | 917 | 800 | 233,600 | 917 |
| Lanka Ventures PLC | 100 | 4,500 | 767 | 100 | 4,860 | 767 |
| LB Finance PLC | 4,624 | 268,192 | 3,196 | 4,624 | 219,177 | 3,196 |
| Merchant Bank of Sri Lanka PLC | 67 | 342 | 643 | 67 | 469 | 643 |
| SMB Leasing PLC (Prev. Seylan Merchant Bank PLC) , Voting | 3,610 | 1,083 | 2,731 | 3,610 | 1,083 | 2,731 |
| Associated Motor Finance Company PLC | 3,036 | 25,806 | 61,704 | 333 | 59,940 | 11,111 |
| Asia Capital PLC | 100 | 590 | 466 | 100 | 500 | 466 |
| First Capital Holdings PLC | 3,600 | 111,600 | 10,707 | 3,600 | 196,200 | 10,707 |
| The Indo Malay PLC | 5 | 6,633 | 892 | 5 | 5,616 | 892 |
| People's Merchant Finance PLC (Prev. People's Merchant PLC) | 270 | 1,458 | 3,517 | 270 | 1,947 | 3,517 |
| Selinsing PLC | 36 | 21,915 | 9,111 | 36 | 29,421 | 9,111 |
| Colombo Fort Investments PLC | 85 | 5,993 | 2,013 | 84 | 5,527 | 1,913 |
| Colombo Investments Trust PLC | 146 | 16,023 | 2,532 | 145 | 14,427 | 2,358 |
| Nation Lanka Finance PLC | 625 | 437 | 4,641 | 625 | 437 | 4,641 |
| The Finance Company PLC | 20 | - | 336 | 20 | - | 336 |
| Vanik Incorporation PLC-Voting | - | - | 165 | - | - | 165 |
| Vanik Incorporation PLC-Non-Voting | - | - | 25 | - | - | 25 |
| | 17,779 | 974,386 | 109,037 | 15,074 | 824,893 | 58,279 |
| ENERGY | | | | | | |
| Lanka IOC PLC | 800 | 24,640 | 21,600 | 800 | 15,200 | 21,600 |
| | 800 | 24,640 | 21,600 | 800 | 15,200 | 21,600 |
| Balance carried forward | 36,295,585 | 673,532,819 | 133,268,746 | 9,786,179 | 982,278,294 | 133,204,977 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|---|------------------|----------------|---------------|------------------|----------------|---------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 36,295,585 | 673,532,819 | 133,268,746 | 9,786,179 | 982,278,294 | 133,204,977 |
| FOOD & STAPLES RETAILING | | | | | | |
| CT Holdings PLC (Prev.Ceylon Theaters PLC) | 223 | 33,785 | 6,921 | 223 | 37,910 | 6,921 |
| Cargills (Ceylon) PLC | 343 | 62,598 | 8,522 | 343 | 80,606 | 8,522 |
| Ceylon & Foreign Trades PLC_CFT | 10,000 | - | 4,559 | 10,000 | 32,000 | 4,559 |
| Tess Agro PLC_voting | 2,053 | 2,873 | 1,517 | 2,053 | 1,026 | 1,517 |
| | 12,619 | 99,256 | 21,519 | 12,619 | 151,542 | 21,519 |
| FOOD BEVERAGE & TOBACCO | | | | | | |
| Agalawatte Plantations PLC | 100 | 3,080 | 717 | 100 | 2,770 | 717 |
| Bairaha Farms PLC | 100 | 15,125 | 717 | 100 | 13,775 | 717 |
| Balangoda Plantations PLC | 110 | 1,914 | 2,225 | 110 | 1,177 | 2,225 |
| The Bukit Darah PLC | 10 | 3,618 | 3,041 | 10 | 3,297 | 3,041 |
| Carson Cumberbatch PLC | 191 | 51,570 | 10,125 | 191 | 53,193 | 10,125 |
| Ceylon Cold Stores PLC | 640 | 24,896 | 1,097 | 64 | 39,792 | 1,097 |
| Ceylon Grain Elevators PLC | 10 | 610 | 158 | 10 | 1,180 | 158 |
| Ceylon Tobacco Company PLC | 7 | 4,034 | 239 | 7 | 6,858 | 239 |
| Convenience Foods (Lanka) PLC (Prev. Soy Foods PLC) | 90 | 106,403 | 646 | 90 | 112,050 | 646 |
| Horana Plantations PLC | 20 | 438 | 155 | 20 | 464 | 155 |
| Kegalle Plantations PLC | 100 | 13,350 | 817 | 100 | 9,720 | 817 |
| Kelani Valley Plantations PLC | 200 | 11,660 | 993 | 200 | 7,500 | 993 |
| Kotagala Plantations PLC | 1,252 | 5,258 | 3,862 | 279 | 1,478 | 943 |
| Lanka Milk Foods (CWE) PLC | 133 | 17,656 | 3,052 | 133 | 19,983 | 3,052 |
| Malwatte Valley Plantations PLC_voting | 1,000 | 22,700 | 1,221 | 1,000 | 12,500 | 1,221 |
| Melstacorp PLC | 400 | 16,440 | 892 | 400 | 17,600 | 892 |
| Namunukula Plantations PLC | 100 | 39,875 | 717 | 100 | 18,450 | 717 |
| Nestle Lanka PLC | 40 | 37,550 | 3,972 | 40 | 45,860 | 3,972 |
| Renuka Foods PLC Voting | 20 | 266 | 165 | 20 | 257 | 165 |
| Talawakelle Tea Estates PLC | 1,200 | 51,120 | 12,000 | 1,200 | 45,000 | 12,000 |
| Tea Smallholder Factories PLC | 142 | 3,848 | 3,023 | 142 | 5,822 | 3,023 |
| Three Acre Farms PLC | 19 | 3,582 | 301 | 19 | 3,790 | 301 |
| Watawala Plantations PLC | 4,215 | 393,260 | 16,075 | 4,215 | 240,676 | 16,075 |
| | 10,099 | 828,253 | 66,210 | 8,550 | 663,192 | 63,291 |
| Balance carried forward | 36,318,303 | 674,460,328 | 133,356,475 | 9,807,348 | 983,093,028 | 133,289,787 |

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|---|------------------|----------------|---------------|------------------|----------------|---------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 36,318,303 | 674,460,328 | 133,356,475 | 9,807,348 | 983,093,028 | 133,289,787 |
| FOOD BEVERAGE & TOBACCO | | | | | | |
| Distilleries Company of Sri Lanka PLC | 118 | 1,605 | 878 | 118 | 2,348 | 878 |
| Madulsima Plantations PLC | 100 | 920 | 2,500 | 100 | 790 | 2,500 |
| Bogawantalawa Tea Estate PLC | 46 | 460 | 331 | 46 | 545 | 331 |
| Browns Investments PLC | 6,000 | 45,000 | 18,750 | 6,000 | 33,000 | 18,750 |
| Ceylon Beverage Holdings PLC (Prev. Ceylon Brewery PLC) | 50 | 35,338 | 5,217 | 50 | 38,987 | 5,217 |
| Dilmah Ceylon Tea Company PLC | 80 | 79,840 | 3,249 | 80 | 50,940 | 3,249 |
| Hapugastenna Plantations PLC | 200 | 4,460 | 2,892 | 200 | 2,960 | 2,892 |
| Hatton Plantations PLC | 5,000 | 42,000 | - | 5,000 | 43,500 | - |
| Kahawatte Plantations PLC | 266 | 6,065 | 3,631 | 266 | 7,687 | 3,631 |
| Keells Food Products PLC | 219 | 36,409 | 10,808 | 219 | 35,587 | 10,808 |
| Maskeliya Plantations PLC | 1,400 | 13,440 | 29,400 | 1,400 | 15,400 | 29,400 |
| Udapussellawa Plantations PLC | 100 | 3,180 | 892 | 100 | 2,110 | 892 |
| Lankem Developments PLC | 296 | 1,124 | 1,995 | 296 | 976 | 1,995 |
| | 13,875 | 269,841 | 80,543 | 13,875 | 234,830 | 80,543 |
| HEALTH CARE EQUIPMENT & SERVICES | | | | | | |
| Asiri Hospital Holdings PLC | 2,660 | 99,750 | 6,099 | 2,660 | 67,830 | 6,099 |
| Asiri Surgical Hospital PLC | 1,499 | 22,485 | 3,646 | 1,499 | 20,686 | 3,646 |
| Ceylon Hospitals PLC-Non-Voting | 130 | 10,686 | 2,270 | 130 | 11,583 | 2,270 |
| Muller & Phipps (Ceylon) PLC | 500 | 500 | 515 | 500 | 550 | 515 |
| Nawaloka Hospitals PLC | 26,666 | 173,329 | 20,000 | 26,666 | 130,664 | 20,000 |
| The Lanka Hospital Corporation PLC | 100 | 5,020 | 1,500 | 100 | 4,350 | 1,500 |
| E-Channelling PLC | 1,162 | 8,715 | 2,186 | 1,162 | 6,158 | 2,186 |
| Singhe Hospital PLC | 1,000 | 2,200 | 2,500 | 1,000 | 2,000 | 2,500 |
| PC House PLC | 1,000 | - | 11,000 | 1,000 | - | 11,000 |
| | 34,717 | 322,685 | 49,716 | 34,717 | 243,821 | 49,716 |
| Balance carried forward | 36,366,895 | 675,052,854 | 133,486,734 | 9,855,940 | 983,571,679 | 133,420,046 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|--|------------------|----------------|---------------|------------------|----------------|---------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 36,366,895 | 675,052,854 | 133,486,734 | 9,855,940 | 983,571,679 | 133,420,046 |
| INSURANCE | | | | | | |
| Ceylinco Insurance PLC_Voting | 22 | 50,600 | 451 | 22 | 45,919 | 451 |
| HNB Assurance PLC | 600 | 25,980 | 2,655 | 600 | 35,580 | 2,655 |
| Janashakthi Insurance Company PLC | 1,800 | 40,500 | 56,247 | 1,800 | 53,820 | 56,247 |
| Amana Takaful PLC | 402 | 4,020 | 8,775 | 402 | 2,815 | 8,775 |
| Softlogic Life Insurance PLC | 1,000 | 43,400 | 1,120 | 1,000 | 30,500 | 1,120 |
| | 3,824 | 164,500 | 69,248 | 3,824 | 168,634 | 69,248 |
| MATERIALS | | | | | | |
| ACL Plastics PLC | 100 | 36,225 | 3,174 | 100 | 25,450 | 3,174 |
| ACME Printing and Packaging PLC | - | - | - | 300 | 1,950 | 3,116 |
| CIC Holdings PLC - Voting | 108 | 2,700 | 366 | 108 | 4,579 | 366 |
| Chemalex PLC | 177 | 13,240 | 2,143 | 177 | 13,611 | 2,143 |
| Chevron Lanka Lubrications PLC | 400 | 34,840 | 8,395 | 400 | 36,000 | 8,395 |
| Dipped Products PLC | 860 | 27,950 | 1,518 | 860 | 39,904 | 1,518 |
| Haycarb PLC | 270 | 13,554 | 857 | 270 | 25,110 | 857 |
| Industrial Asphalts (Ceylon) PLC | 45,000 | 18,000 | 907 | 45,000 | 18,000 | 907 |
| Lanka Aluminium Industries PLC | 50 | 785 | 118 | 50 | 830 | 118 |
| Piramal Glass Ceylon PLC (Prev.Ceylon Glass CO. PLC) | 3,428 | 39,079 | 5,552 | 3,428 | 38,050 | 5,552 |
| Samson International PLC | 50 | 9,238 | 562 | 50 | 6,715 | 562 |
| Swisstek (Ceylon) PLC (Prev.Parquet Ceylon PLC) | 500 | 11,050 | 366 | 500 | 54,000 | 366 |
| Tokyo Cement Company (Lanka) PLC-Voting | 147 | 4,983 | 455 | 147 | 9,804 | 455 |
| Bogala Graphite Lanka PLC | 200 | 9,020 | 867 | 200 | 4,760 | 867 |
| Richard Peiris Export PLC | 92 | 56,028 | 2,542 | 92 | 34,408 | 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 |
| | 51,842 | 276,942 | 49,995 | 52,142 | 313,421 | 53,111 |
| Balance carried forward | 36,422,561 | 675,494,296 | 133,605,977 | 9,911,906 | 984,053,734 | 133,542,405 |

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|--|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 36,422,561 | 675,494,296 | 133,605,977 | 9,911,906 | 984,053,734 | 133,542,405 |
| REAL ESTATE | | | | | | |
| Colombo Land & Development Company PLC | 1,400 | 34,860 | 2,259 | 1,400 | 33,600 | 2,259 |
| East West Properties PLC | 1,200 | 8,760 | 5,920 | 1,200 | 11,880 | 5,920 |
| Overseas Reality (Ceylon) PLC | 300 | 4,680 | 2,156 | 300 | 4,650 | 2,156 |
| Seylan Developments PLC | 204 | 3,080 | 1,438 | 204 | 3,121 | 1,438 |
| Serendib Land PLC | 33 | 40,095 | 7,466 | 30 | 81,222 | 2,134 |
| C.T. Land Development PLC | 167 | 4,309 | 767 | 167 | 4,509 | 767 |
| Equity Two PLC | 100 | 3,800 | 717 | 100 | 5,420 | 717 |
| On'ally Holding PLC | 155 | 4,263 | 241 | 155 | 4,401 | 241 |
| City Housing & Real Estate CO. PLC | - | - | - | 180 | 648 | 968 |
| Standard Capital PLC | 400 | 24,000 | 16,791 | 400 | 24,000 | 16,791 |
| | 3,959 | 127,847 | 37,755 | 4,136 | 173,451 | 33,391 |
| RETAILING | | | | | | |
| C M Holdings PLC | 185 | 14,578 | 5,020 | 185 | 15,355 | 5,020 |
| Diesel & Motors Engineering PLC | 6 | 2,928 | 195 | 6 | 3,181 | 195 |
| Hunters & Company PLC | 24 | 12,240 | 755 | 24 | 13,944 | 755 |
| The Autodrome PLC | 100 | 11,500 | 2,337 | 100 | 7,010 | 2,337 |
| Odel PLC | 100 | 1,910 | 1,500 | 100 | 1,870 | 1,500 |
| C W Mackie PLC | 1,010,100 | 55,555,500 | 54,220,642 | 1,010,100 | 44,444,400 | 54,220,642 |
| John Keells PLC | 336 | 23,016 | 1,751 | 336 | 23,520 | 1,751 |
| Sathosa Motors PLC | 66 | 12,210 | 2,142 | 66 | 14,850 | 2,142 |
| | 1,010,917 | 55,633,882 | 54,234,342 | 1,010,917 | 44,524,130 | 54,234,342 |
| TELECOMMUNICATION SERVICES | | | | | | |
| Dialog Axiata PLC | 100 | 1,000 | 2,337 | 100 | 1,300 | 2,337 |
| Sri Lanka Telecom PLC | 200 | 6,980 | 3,377 | 200 | 6,540 | 3,377 |
| | 300 | 7,980 | 5,714 | 300 | 7,840 | 5,714 |
| Balance carried forward | 37,437,737 | 731,264,004 | 187,883,788 | 10,927,259 | 1,028,759,155 | 187,815,852 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

12. Financial Instruments (Contd)

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

Listed shares

| | Group | | | | | |
|---|-------------------|--------------------|--------------------|-------------------|----------------------|--------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| Balance brought forward | 37,437,737 | 731,264,004 | 187,883,788 | 10,927,259 | 1,028,759,155 | 187,815,852 |
| UTILITIES | | | | | | |
| Panasian Power PLC | 1,000 | 3,700 | 3,000 | 1,000 | 3,600 | 3,000 |
| Resus Energy PLC (Prev.Hemas Power PLC) | 1,353 | 26,384 | 20,887 | 1,353 | 32,742 | 20,887 |
| Vallibel Power Erathna PLC | 3,000 | 21,600 | 8,000 | 3,000 | 22,200 | 8,000 |
| Vidullanka PLC | 2,042 | 14,499 | 2,335 | 2,042 | 11,233 | 2,335 |
| | 7,395 | 66,183 | 34,222 | 7,395 | 69,775 | 34,222 |
| Total listed shares | 37,445,132 | 731,330,187 | 187,918,010 | 10,934,654 | 1,028,828,930 | 187,850,074 |
| Unlisted shares | | | | | | |
| Metropolitan Resource Holdings PLC | 22 | 618 | 1,243 | 22 | 618 | 1,243 |
| Agarapathana Plantation Limited | 250,000 | 707,500 | 500,521 | 250,000 | 17,652 | 500,521 |
| Colombo Fort Hotels Limited | 19,014,348 | 211,522,830 | 425,358,700 | 19,014,348 | 190,554,783 | 425,358,700 |
| | 19,264,370 | 212,230,948 | 425,860,464 | 19,264,370 | 190,573,053 | 425,860,464 |
| Financial asset at fair value through other comprehensive income | 56,709,502 | 943,561,135 | 613,778,474 | 30,199,024 | 1,219,401,983 | 613,710,538 |

12. Financial Instruments (Contd)

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

Listed shares

| | Company | | | | | |
|--|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| | 31 March 2022 | | | 31 March 2021 | | |
| | Number of shares | Market value | Cost | Number of shares | Market value | Cost |
| CAPITAL GOODS | | | | | | |
| Lankem Ceylon PLC | 160,000 | 4,480,000 | 4,419,581 | 160,000 | 4,336,000 | 4,419,581 |
| | 160,000 | 4,480,000 | 4,419,581 | 160,000 | 4,336,000 | 4,419,581 |
| CONSUMER SERVICES | | | | | | |
| Beruwala Resort PLC | 30,000 | 27,000 | 63,000 | 30,000 | 24,000 | 63,000 |
| Marawila Resort PLC | 1,000,000 | 1,900,000 | 7,681,000 | 1,000,000 | 1,900,000 | 7,681,000 |
| | 1,030,000 | 1,927,000 | 7,744,000 | 1,030,000 | 1,924,000 | 7,744,000 |
| REAL ESTATE | | | | | | |
| York Arcade Holdings PLC | 28 | 4,298 | 578 | 28 | 4,004 | 578 |
| | 28 | 4,298 | 578 | 28 | 4,004 | 578 |
| CAPITAL GOODS | | | | | | |
| E B Creasy & Company PLC | 10,000,000 | 169,000,000 | 19,194,750 | 100,000 | 304,000,000 | 19,194,750 |
| The Colombo Fort Land & Building PLC | 1,500,000 | 19,800,000 | 6,898,740 | 1,500,000 | 19,350,000 | 6,898,740 |
| | 11,500,000 | 188,800,000 | 26,093,490 | 1,600,000 | 323,350,000 | 26,093,490 |
| Total listed shares | 12,690,028 | 195,211,298 | 38,257,649 | 2,790,028 | 329,614,004 | 38,257,649 |
| Unlisted shares | | | | | | |
| Colombo Fort Hotels Limited | 19,014,348 | 211,522,830 | 425,358,700 | 19,014,348 | 190,554,783 | 425,358,700 |
| | 19,014,348 | 211,522,830 | 425,358,700 | 19,014,348 | 190,554,783 | 425,358,700 |
| Financial Assets at Fair Value through Other Comprehensive Income | 31,704,376 | 406,734,128 | 463,616,349 | 21,804,376 | 520,168,787 | 463,616,349 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

13. Deferred income tax (liabilities) / assets

(a) Deferred income tax assets

| | Group | | Company | |
|---|-------------|--------------|---------|------|
| | 2022 | 2021 | 2022 | 2021 |
| At beginning of the year | 17,392,690 | 27,207,526 | - | - |
| Reversal recognized in profit or loss | (7,662,861) | (10,135,919) | - | - |
| (Charge)/ Reversal recognized in other comprehensive income | (9,805,708) | 321,083 | - | - |
| At end of the year | (75,879) | 17,392,690 | - | - |

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.

(b) Deferred income tax liabilities

| | Group | | Company | |
|-------------------------------------|-------------|-------------|-------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| At beginning of the year | 10,356,823 | 12,870,164 | 10,356,823 | 12,870,164 |
| Income statement (release) / charge | (501,362) | (2,513,341) | (501,362) | (2,513,341) |
| At end of the year | 9,855,461 | 10,356,823 | 9,855,461 | 10,356,823 |
| Net deferred tax (liability)/asset | (9,931,340) | 7,035,867 | (9,855,461) | (10,356,823) |

(c) Deferred Tax Composition

| | Group | | | |
|--|-------------------------|--------------|------------------------------|--------------|
| | Net deferred tax assets | | Net deferred tax liabilities | |
| | 2022 | 2021 | 2022 | 2021 |
| Composition of deferred tax assets | | | | |
| Defined benefit obligations | 1,674,087 | 1,573,650 | - | - |
| Unclaimed right of use asset rental | 11,305,707 | 13,309,272 | - | - |
| Tax losses carried forward | 67,854,671 | 77,972,311 | - | - |
| Total deferred tax assets before offsetting | 80,834,465 | 92,855,233 | - | - |
| Offsetting deferred tax liability on: | | | | |
| Property, plant & equipment | (16,983,287) | (15,355,440) | (9,855,461) | (10,356,823) |
| Lease liability | (9,746,030) | (15,655,905) | - | - |
| Revaluation surplus | (54,181,027) | (44,451,198) | - | - |
| Total deferred tax liabilities before offsetting | (80,910,344) | (75,462,543) | (9,855,461) | (10,356,823) |
| Deferred tax assets/(liabilities) after offsetting | (75,879) | 17,392,690 | (9,855,461) | (10,356,823) |

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

| | Company | | | |
|------------------------------------|-------------------------|------|------------------------------|--------------|
| | Net deferred tax assets | | Net deferred tax liabilities | |
| | 2022 | 2021 | 2022 | 2021 |
| Composition of deferred tax | | | | |
| Property, plant & equipment | - | - | (9,855,461) | (10,356,823) |
| Deferred tax assets/(liabilities) | - | - | (9,855,461) | (10,356,823) |

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.

14. Inventories

The amounts attributable to the different categories are as follows:

| | Group | | Company | |
|------------------------|--------------------|--------------------|---------|------|
| | 2022 | 2021 | 2022 | 2021 |
| Spares and consumables | 183,713,437 | 189,637,908 | - | - |
| Motor vehicles | - | 1,394,375 | - | - |
| Repair job-in-progress | 276,240 | 222,492 | - | - |
| Goods-in-transit | 1,477,926 | 1,627,385 | - | - |
| | 185,467,603 | 192,882,160 | - | - |

15. Trade and other receivables

| | Group | | Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Trade receivables | 48,525,179 | 46,313,772 | 15,305 | 1,594,506 |
| Provision for impairment of debtors | (8,834,566) | (1,703,693) | - | - |
| Trade receivables - net | 39,690,613 | 44,610,079 | 15,305 | 1,594,506 |
| Amounts due from related parties [note 33(b)] | 493,183,085 | 516,649,407 | 507,150,095 | 563,203,222 |
| Prepayments | 3,739,240 | 5,763,745 | 1,642,388 | 1,355,534 |
| Other receivables | 20,422,586 | 16,581,620 | 2,376,251 | 1,870,509 |
| | 557,035,524 | 583,604,851 | 511,184,039 | 568,023,771 |
| Aging Analysis of Trade Receivables | | | | |
| 0 days to 30 days | 5,757,718 | 10,654,123 | 15,305 | 1,594,506 |
| 31 days to 90 days | 18,909,468 | 11,473,715 | - | - |
| 91 days above | 23,857,993 | 24,185,934 | - | - |
| | 48,525,179 | 46,313,772 | 15,305 | 1,594,506 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

15. Trade and other receivables (Contd)

(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 3.4.

16. Cash and cash equivalents

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

| | Group | | Company | |
|-----------------|-------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Cash in hand | 876,495 | 1,113,238 | - | - |
| Cash at bank | 52,408,569 | 26,015,064 | 22,150,433 | 11,097,115 |
| Cash in transit | - | 87,335 | - | - |
| Fixed deposits | 18,000,000 | - | 18,000,000 | - |
| | 71,285,064 | 27,215,637 | 40,150,433 | 11,097,115 |

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:

| | Group | | Company | |
|--------------------------|---------------------|---------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Cash and bank balances | 71,285,064 | 27,215,637 | 40,150,433 | 11,097,115 |
| Bank overdraft (note 20) | (98,837,443) | (90,401,126) | - | - |
| | (27,552,379) | (63,185,489) | 40,150,433 | 11,097,115 |

17. Stated capital

| | Number of shares | Stated capital |
|-------------------------|------------------|----------------|
| At 31 March 2022 / 2021 | 15,200,000 | 288,386,885 |

18. Retained earnings

| | Group | | Company | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| (a) Revaluation reserve | | | | |
| At beginning of the year | 114,303,082 | 114,303,082 | - | - |
| Revaluation surplus for the year | 67,000,000 | - | - | - |
| Income tax effect on revaluation surplus | (9,729,829) | - | - | - |
| At end of the year | 171,573,253 | 114,303,082 | - | - |
| (b) Fair value reserve | | | | |
| At beginning of the year | 789,612,980 | 173,160,673 | 242,247,669 | 39,060,803 |
| Change in fair value of financial assests at FVOCI | (275,817,640) | 616,452,307 | (113,434,659) | 203,186,866 |
| At end of the year | 513,795,340 | 789,612,980 | 128,813,010 | 242,247,669 |
| (c) Retained earnings | | | | |
| At beginning of the year | 2,219,063,293 | 1,921,224,384 | 1,645,206,417 | 1,632,248,880 |
| Profit for the year | 80,201,099 | 368,812,004 | 56,962,957 | 82,913,869 |
| Remeasurement of post employment benefits | 240,282 | (1,016,763) | - | - |
| Dividend to equity holders | (76,000,000) | (76,000,000) | (76,000,000) | (76,000,000) |
| Equity adjustments | - | 6,043,668 | - | 6,043,668 |
| At end of the year | 2,223,504,674 | 2,219,063,293 | 1,626,169,374 | 1,645,206,417 |
| (d) Other reserve | | | | |
| Revaluation reserve (note 18 (c)) | 171,573,253 | 114,303,082 | - | - |
| Fair value reserve (note 18 (b)) | 513,795,340 | 789,612,980 | 128,813,010 | 242,247,669 |
| At end of the year | 685,368,593 | 903,916,062 | 128,813,010 | 242,247,669 |

The Revaluation reserve relates to revaluation surplus arising from freehold lands.

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 | |
|---|--------------------|--------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Trade payables | 9,711,377 | 53,017,303 | - | - |
| Amounts due to related parties [note 33(b)] | 3,862,829 | 2,799,213 | - | - |
| Other payables | 88,962,256 | 83,600,743 | 56,079,709 | 54,123,854 |
| Contract liabilities | 5,117,829 | 6,770,728 | - | - |
| Accrued expenses and provisions | 33,731,970 | 29,801,869 | - | - |
| | 141,386,261 | 175,989,856 | 56,079,709 | 54,123,854 |
| Less: Non-current portion | (21,645,020) | (26,243,510) | (21,645,020) | (26,243,510) |
| Current Portion | 119,741,241 | 149,746,346 | 34,434,689 | 27,880,344 |

Trade and other payables consist of advances received from customers amounting to Rs. 17,879,711 (2021 - Rs. 23,587,673) for the Group and Company.

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

20. Borrowings

| | Group | | Company | |
|---------------------------|--------------------|--------------------|----------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| Current | | | | |
| Bank overdrafts (note 16) | 98,837,443 | 90,401,126 | - | - |
| Bank borrowings | 612,266,859 | 453,385,874 | - | - |
| | 711,104,302 | 543,787,000 | - | - |
| Non-current | | | | |
| Bank borrowings | 104,574,579 | 153,671,000 | - | - |
| | 104,574,579 | 153,671,000 | - | - |
| Total borrowings | 815,678,881 | 697,458,000 | - | - |

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

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 |
|--------------------------------------|------------------|--------------------|-------------------|---|
| Commercial Bank of Ceylon PLC | | | | |
| Short Term Loan | 103,000,000 | 54,843,488 | AWPLR + 1.75% p.a | (i) |
| Long Term Loan | | | | |
| - Diribala - 1903944 | 20,000,000 | 4,121,142 | 8.5% p.a | |
| - Diribala - 1851271 | 26,000,000 | 3,354,548 | 8.5% p.a | |
| - EIB - 1859449 | 65,000,000 | 22,825,000 | 8.5% p.a | |
| - Saubagya | 15,000,000 | 12,499,500 | 4% p.a | |
| Hatton National Bank PLC | | | | |
| Short Term Loan | 160,000,000 | 186,155,546 | AWPLR + 1.25% p.a | Demand Promissory Note for Rs. 245 Mn |
| Long Term Loan | 45,000,000 | 29,250,000 | AWPLR + 2% p.a | |
| Sampath Bank PLC | | | | |
| Short Term Loan | 300,000,000 | 10,307,635 | AWPLR + 2% p.a | Primary Mortgage over stocks and book debts |
| Long Term Loan | 133,000,000 | 121,574,579 | AWPLR + 1% p.a | |
| National Development Bank PLC | | | | |
| Short Term Loan | 10,000,000 | 10,000,000 | 15% p.a | Primary Mortgage over stocks and book debts |
| Term Loan 01 | 146,875,000 | 146,875,000 | 12% p.a | |
| Term Loan 02 | 85,125,000 | 85,125,000 | 9% p.a | |
| Term Loan 03 | 29,910,000 | 29,910,000 | 9% p.a | |
| Total | - | 716,841,438 | - | |

(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 Perches owned by M/s.Colonial Motors (Ceylon) Limited.

Floating Primary Mortgage Bond No.CTY/VM/14/05 dated 25/02/2015 for Rs. 66 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 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

20. Borrowings (Contd)

| Group | As at | |
|-----------------------------|--------------------|--------------------|
| | 31.03.2022 | 31.03.2021 |
| Less than 3 months | 98,837,443 | 90,401,126 |
| Between 3 months and 1 year | 612,266,859 | 453,385,874 |
| Between year 1 and year 2 | 104,574,579 | 153,671,000 |
| | 815,678,881 | 697,458,000 |

There are no borrowings in the Company as of 31st March 2022 and 2021

21. Defined benefit obligations

The amount recognised in the balance sheet has been valued according to the following methods:

| | Group | | Company | |
|--|------------------|------------------|---------|------|
| | 2022 | 2021 | 2022 | 2021 |
| Present value of the unfunded obligations | 7,291,524 | 6,556,877 | - | - |
| Liability in the statement of financial position date | 7,291,524 | 6,556,877 | - | - |
| Balance sheet obligations for: | | | | |
| Defined benefits (gratuity) | 7,291,524 | 6,556,877 | - | - |
| Income statement charge / (release) | | | | |
| Defined benefits (gratuity) | 1,969,248 | 1,782,149 | - | - |
| Remeasurements for: | | | | |
| Defined benefits (gratuity) | (316,161) | 1,337,846 | - | - |

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.

Amounts recognised in the Statement of Financial Position are as follows:

| | Group | | Company | |
|---------------------------|------------------|------------------|---------|------|
| | 2022 | 2021 | 2022 | 2021 |
| At beginning of the year | 6,556,877 | 7,187,632 | - | - |
| Interest expense | 983,532 | 575,010 | - | - |
| Current service cost | 985,716 | 1,207,139 | - | - |
| Benefits paid | (918,440) | (3,750,750) | - | - |
| Actuarial (gains)/losses | (316,161) | 1,337,846 | - | - |
| At end of the year | 7,291,524 | 6,556,877 | - | - |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

21. Defined benefit obligations (Contd)

Amounts recognised in the profit or loss are as follows:

| | Group | | Company | |
|----------------------|------------------|------------------|---------|------|
| | 2022 | 2021 | 2022 | 2021 |
| Interest expense | 983,532 | 575,010 | - | - |
| Current service cost | 985,716 | 1,207,139 | - | - |
| | 1,969,248 | 1,782,149 | - | - |
| Remeasurements | (316,161) | 1,337,846 | - | - |
| | (316,161) | 1,337,846 | - | - |

Defined benefit obligation of Colonial Motors (Ceylon) Limited is determined through an actuarial valuation carried out internally for the year ended 31 March 2022.

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:

| Company Name | Staff Turnover rate | Salary Escalation rate for future years | Discount rate |
|---------------|---------------------|---|---------------|
| 31 March 2022 | 39% | 8% | 15% |
| 31 March 2021 | 15% | 0% | 8% |

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 2022 | 226,019 | (351,240) | (690,928) | 606,941 | 74,132 | (78,951) |
| 31 March 2021 | 335,985 | - | (295,682) | 313,558 | 104,161 | (110,737) |

Maturity profile of the defined benefit obligation is as follows:

| | Group | |
|-------------------|------------------|------------------|
| | 2022 | 2021 |
| Between 2-5 years | 4,204,199 | 2,837,853 |
| Over 5 years | 3,087,325 | 3,719,024 |
| | 7,291,524 | 6,556,877 |

Risk exposure

Through its retirement benefit obligation, the group is exposed to a number of risks, the most significant of which is the changes in bond yields resulting in the increase of the liabilities

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 | |
|--------------------------------|--------------------|--------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Rent income | 57,686,176 | 52,728,923 | 57,686,176 | 52,728,923 |
| Sale of spares and repair work | 246,070,384 | 212,403,760 | - | - |
| Sale of motor vehicles | 1,908,177 | 91,351,744 | - | - |
| | 305,664,737 | 356,484,427 | 57,686,176 | 52,728,923 |

23. Other income

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Dividend income | | | | |
| - Financial assets at fair value through profit or loss | 41,355,777 | 35,172,452 | 3,133,556 | 3,319,998 |
| - Financial assets at FVOCI | 47,431,702 | 4,950,947 | 15,000,000 | 1,800,000 |
| Sundry income | 4,613,860 | 1,581,081 | 288,292 | 292,253 |
| Profit on sale of property, plant and equipment | 1,674,401 | 4,312,878 | - | - |
| Profit on equity trading | 2,028,529 | 21,832,307 | 88,140 | - |
| | 97,104,269 | 67,849,665 | 18,509,988 | 5,412,251 |

24 Other (losses) / gains - net

| | Group | | Company | |
|---|-------------------|--------------------|------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net fair value gains on financial assets at fair value through profit or loss | 78,772,951 | 365,247,315 | 8,645,696 | 24,407,155 |
| Exchange gain / (losses) - net | 2,136,798 | 646,443 | - | - |
| | 80,909,749 | 365,893,758 | 8,645,696 | 24,407,155 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

25. Expenses by nature

| | Group | | Company | |
|--|--------------------|--------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Cost of purchases | 142,691,784 | 198,264,895 | - | - |
| Directors' emoluments (Note 33 c) | 6,302,500 | 7,305,000 | 4,080,000 | 4,080,000 |
| Auditor's remuneration | 1,733,394 | 1,328,439 | 1,077,854 | 600,000 |
| Fees for other professional services | 9,507,761 | 12,198,410 | 8,730,688 | 11,387,842 |
| Staff costs (Note 26) | 58,382,842 | 66,769,927 | - | - |
| Depreciation of | | | | |
| - Property, plant, and equipment (Note 6) | 12,197,444 | 15,954,917 | 456,323 | 415,993 |
| - Investment property (Note 8) | 6,503,085 | 6,474,331 | 6,503,085 | 6,474,331 |
| - Right of use asset (Note 10) | 15,758,190 | 16,552,905 | - | - |
| Amortisation of intangible assets (note 9) | - | 183,047 | - | - |
| Repairs and maintenance expenditure | | | | |
| - Investment property | 4,344,596 | 4,188,648 | 4,344,596 | 4,188,648 |
| - Property, plant, and equipment | 7,397,012 | 7,558,856 | - | - |
| Travelling and transportation expenses | 2,667,458 | 4,055,560 | 51,561 | 38,778 |
| Agency costs, commission and Incentives | 928,081 | 1,305,724 | - | - |
| Sales & promotional expenses | 1,397,273 | 2,291,527 | - | - |
| Utilities | 4,883,041 | 5,840,526 | 665,784 | 629,349 |
| Business running expenses | 12,702,566 | 12,717,257 | 6,443,647 | 4,871,798 |
| Non - refundable government taxes | 2,096,852 | 2,231,669 | 1,718,640 | 1,861,866 |
| Donations | 13,500 | 62,780 | - | - |
| Stock write off | 3,760 | 3,200 | - | - |
| Receivables written off | - | 37,940 | 20,435,864 | 32,848 |
| Other expenses | 14,887,956 | 8,487,089 | 1,161,634 | 1,704,699 |
| Total costs of sales, distribution costs, and administrative expenses | 304,399,095 | 373,812,647 | 55,669,676 | 36,286,152 |

26. Staff costs

| | Group | | Company | |
|---|-------------------|-------------------|----------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| Wages, salaries, and related costs | | | | |
| - to administrative expenses | 48,752,366 | 55,829,295 | - | - |
| Defined contribution plans | 7,661,228 | 9,158,483 | - | - |
| Defined benefit plans (Note 21) | 1,969,248 | 1,782,149 | - | - |
| | 58,382,842 | 66,769,927 | - | - |

Permanent Employees - 57

Contract Employees - 10

Total Employees - 67

27. Finance costs - net

| | Group | | Company | |
|--|---------------------|---------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Interest income from loans to related parties | 39,891,329 | 52,454,979 | 42,421,928 | 54,760,341 |
| Other interest income | 566,082 | 131,869 | 310,389 | 131,868 |
| Finance income | 40,457,411 | 52,586,848 | 42,732,317 | 54,892,209 |
| Interest expenses on: | | | | |
| - Overdraft | (10,953,721) | (10,423,713) | - | - |
| - Other loans | (90,930,688) | (47,371,715) | - | - |
| - Other interest expenses | (2,601,542) | (4,613,240) | - | - |
| - Interest expense on loans from related parties | - | - | - | - |
| - Finance leases | (6,230,850) | (7,167,938) | - | - |
| Finance costs | (110,716,801) | (69,576,606) | - | - |
| Finance (costs)/ income - net | (70,259,390) | (16,989,758) | 42,732,317 | 54,892,209 |

28. Income tax expense

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Current income tax | 20,119,053 | 20,431,027 | 13,909,058 | 18,177,757 |
| Deferred income tax charge | 7,161,500 | 7,622,578 | (501,362) | (2,513,341) |
| Under provision for tax in previous years | 1,533,848 | 2,576,102 | 1,533,848 | 2,576,101 |
| Total current tax | 28,814,401 | 30,629,707 | 14,941,544 | 18,240,517 |

The tax on the profit 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 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Profit before tax | 109,020,270 | 399,425,445 | 71,904,501 | 101,154,386 |
| Tax calculated at a tax rate of 24% | (8,520,551) | 1,939,982 | 15,326,013 | 23,844,921 |
| Tax calculated at a tax rate of 14% | 20,204,640 | 54,786,830 | 1,126,456 | 252,077 |
| Tax impact of allowable items/income not subject to tax | (24,975,982) | (69,367,913) | (5,708,046) | (8,189,140) |
| Aggregate dis-allowable items | 14,681,367 | 26,369,936 | 3,164,635 | 2,269,899 |
| tax losses adjusted | 18,729,579 | 6,702,192 | - | - |
| Net adjustment of deferred tax | 7,161,500 | 7,622,578 | (501,362) | (2,513,341) |
| Under provision for tax in previous years | 1,533,848 | 2,576,102 | 1,533,848 | 2,576,101 |
| | 28,814,401 | 30,629,707 | 14,941,544 | 18,240,517 |

The tax credit relating to components of other comprehensive income is as follows:

| | Group | | Company | |
|---|-------------|---------|---------|------|
| | 2022 | 2021 | 2022 | 2021 |
| Deferred tax on Remeasurements of post employment benefit liabilities | (75,879) | 321,083 | - | - |
| Deferred tax on revaluation surplus | (9,729,829) | - | - | - |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

29. Earnings per share

| | Group | | Company | |
|---|------------|-------------|------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Profit attributable to owners of the parent | 80,201,099 | 368,812,004 | 56,962,957 | 82,913,869 |
| Weighted average number of ordinary shares in issue | 15,200,000 | 15,200,000 | 15,200,000 | 15,200,000 |
| Basic earnings per share | 5.28 | 24.26 | 3.75 | 5.45 |

The diluted earnings per share is same as the basic earnings per share.

30. Dividends

The Board of Directors of the Company, resolved on 10th February, 2022 to propose a cash dividend of Rs. 5.00 per share (2021 - Rs. 5.00) amounting to Rs. 76,000,000 and the dividend was paid on 30th March, 2022.

31. Cash generated from operations

Reconciliation of profit before tax to cash generated from operations.

| | Group | | Company | |
|--|-------------------|--------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Profit before tax | 109,020,270 | 399,425,445 | 71,904,501 | 101,154,386 |
| Depreciation of property, plant and equipment (note 6) | 12,197,444 | 15,954,917 | 456,322 | 415,993 |
| Depreciation of investment property (note 8) | 6,503,085 | 6,474,331 | 6,503,085 | 6,474,331 |
| Depreciation of right of use assets (note 10) | 15,758,190 | 16,552,905 | - | - |
| Amortization of intangible assets | - | 183,043 | - | - |
| Dividend income (note 23) | (88,787,479) | (40,123,399) | (18,133,556) | (5,119,998) |
| Interest expense/ (income) (note 27) | 70,259,390 | 16,989,758 | (42,732,317) | (54,892,209) |
| Profit on sale of investments (note 23) | (2,028,529) | (21,832,307) | (88,140) | - |
| Profit on sale of property, plant and equipment (note 23) | (1,674,401) | (4,312,878) | - | - |
| Defined benefit obligations (note 21) | 1,969,248 | 1,782,149 | - | - |
| Changes in fair value of financial assets at FVTPL (note 24) | (78,772,951) | (365,247,315) | (8,645,696) | (24,407,155) |
| Changes in working capital | | | | |
| - trade and other receivables | 45,767,867 | 50,326,850 | 73,433,540 | (1,328,828) |
| - inventories | 7,414,557 | 54,470,594 | - | - |
| - trade and other payables | (34,603,503) | 40,536,035 | 1,955,855 | 13,320,158 |
| Cash generated from operations | 63,023,188 | 171,180,128 | 84,653,594 | 35,616,678 |

32. Net assets value per share

| | Group | | Company | |
|-----------------------------|---------------|---------------|---------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Stated capital | 288,386,885 | 288,386,885 | 288,386,885 | 288,386,885 |
| Reserves | 2,908,873,267 | 3,122,979,355 | 1,754,982,384 | 1,887,454,086 |
| Net assets | 3,197,260,152 | 3,411,366,240 | 2,043,369,269 | 2,175,840,971 |
| Number of shares | 15,200,000 | 15,200,000 | 15,200,000 | 15,200,000 |
| Net assets per share | 210.35 | 224.43 | 134.43 | 143.15 |

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 | Mr. J. M. Swaminathan | Mr. A. M. de. S. Jayaratne | Mr. Anushman Rajaratnam |
|---|-------------------|-------------------|---------------------------|-----------------------|----------------------------|-------------------------|
| C M Holdings PLC | x | x | x | x | x | x |
| Union Investments (Private) 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) Limited | - | - | x | - | - | x |
| Colombo Fort Properties (Private) Limited | x | - | - | - | - | - |
| Lankem Developments PLC | - | x | x | - | - | x |
| Agarapatana Plantations Limited | - | - | x | - | - | x |
| C W Mackie PLC | - | x | x | - | x | x |
| Darley Butler & Company Limited | - | 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 Comodities (Private) Limited | - | - | x | - | - | x |
| Pettah Pharmacy (Private) Limited | - | x | x | - | - | - |

Mr. S. Rajaratnam was appointed to the Board of C.W. Mackie PLC with effect from 20.04.2021

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

33 Related parties (Contd)

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

Amounts due from related parties

| | | Group | | Company | |
|--------------------------------------|------------|--------------------|--------------------|--------------------|--------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| The Colombo Fort Land & Building PLC | Parent | 201,797,728 | 231,828,495 | 201,797,728 | 222,219,323 |
| Union Investments (Private) Limited | Subsidiary | - | - | 17,172,693 | 38,000,000 |
| Union Commodities (Private) Limited | Sub - CFLB | 282,517,325 | 277,311,054 | 282,517,325 | 277,311,054 |
| Colonial Motors (Ceylon) Limited | Subsidiary | - | - | - | 20,435,864 |
| Agarapatana Plantations Limited | Sub - CFLB | 1,453,403 | 782,916 | - | - |
| Beruwala Resorts PLC | Sub - CFLB | 20,595 | 27,700 | - | - |
| E B Creasy & Company PLC | Sub - CFLB | 36,900 | 7,100 | - | - |
| Kotagala Plantations PLC | Sub - CFLB | 1,069,788 | 1,267,894 | - | - |
| C W Mackie PLC | Sub - CFLB | 177,882 | 32,774 | - | - |
| Lankem Ceylon PLC | Sub - CFLB | 6,109,464 | 5,391,474 | 5,662,349 | 5,236,981 |
| | | 493,183,085 | 516,649,407 | 507,150,095 | 563,203,222 |

Amounts due from related parties includes receivables from:

The Colombo Fort Land & building PLC due to C M Holdings PLC amounting to Rs. 160,000,000/- on which interest is charged at AWPLR+2% per annum.

Union Commodities (Private) Limited due to C M Holdings PLC amounting to Rs. 275,500,000/- on which interest is charged at AWPLR+2% per annum.

Union Investment (Private) Limited due to C M Holdings PLC amounting Rs. 16,000,000/- on which interest is charged at AWPLR+2% per annum

Lankem Ceylon PLC due to C M Holdings PLC amounting Rs. 5,000,000/- on which interest is charged at AWPLR+2% per annum

Amounts due to related parties

| | | Group | | Company | |
|---|------------------|------------------|------------------|----------|----------|
| | | 2022 | 2021 | 2022 | 2021 |
| Colombo Fort Group Services (Private) Limited | Affiliate - CFLB | 3,862,829 | 2,799,213 | - | - |
| | | 3,862,829 | 2,799,213 | - | - |

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 | |
|---|------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Salaries and short term employee benefits | 6,302,500 | 7,305,000 | 4,080,000 | 4,080,000 |
| The post-employment benefits | - | - | - | - |
| | 6,302,500 | 7,305,000 | 4,080,000 | 4,080,000 |

33. Related parties (Contd)

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

Group

| 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 | |
|---------------------------------------|---------------------------------------|-----------|-----------------------------|--------------|------------------------|------|------------------------|-------------|----------------------------|------------|--------------------------|--------------|--------------------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Lankem Ceylon PLC | 566,556 | 154,492 | (1,657,635) | (1,657,735) | - | - | - | - | 425,368 | 236,981 | - | - | - | 7,196,935 |
| The Colombo Fort Land & Building PLC | - | - | (48,249,250) | (48,249,250) | - | - | - | - | 16,028,156 | 19,927,360 | - | (30,000,000) | - | - |
| Colombo Fort Hotels Limited | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Agarapatana Plantations Limited | 6,506,209 | 782,916 | - | - | - | - | - | - | - | - | - | - | - | - |
| Lankem Developments PLC | - | - | - | - | - | - | - | - | - | - | - | - | (330,000) | - |
| CW Mackie PLC | 1,459,685 | 32,775 | 7,070,700 | - | - | - | - | - | - | - | - | - | - | - |
| Darley Butler & Company Limited | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Beruwala Resorts PLC | 50,800 | 27,700 | - | - | - | - | - | - | - | - | - | - | - | - |
| EB Greasy & Company PLC | 70,328 | 7,100 | 40,165,800 | 4,819,896 | - | - | - | - | - | - | - | - | - | - |
| Kotagala Plantations PLC | 2,307,466 | 1,267,894 | - | - | - | - | - | - | - | - | - | - | 2,919 | - |
| Sigiriya Village Hotels PLC | - | - | - | - | - | - | - | - | - | - | - | - | - | 67,322,234 |
| Colombo Fort Group Services (Pvt) Ltd | - | - | - | - | - | - | (1,463,536) | (2,847,103) | - | - | - | - | - | - |
| Colombo Fort Properties (Pvt) Ltd | - | - | - | - | - | - | (3,000,000) | (3,000,000) | - | - | - | - | - | - |
| Union Commodities (Pvt) Ltd | - | - | - | - | - | - | - | - | 23,437,805 | 32,241,801 | - | - | - | - |
| Pettah Pharmacy (Pvt) Ltd | - | - | - | - | - | - | - | - | - | 48,837 | - | (9,000,000) | - | - |
| | 10,961,044 | 2,272,877 | (2,670,385) | (45,087,089) | - | - | (4,463,536) | (5,847,103) | 39,891,329 | 52,454,979 | - | (39,000,000) | 6,869,854 | 67,322,234 |

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

33. Related parties (Contd)

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

Company

| 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 | |
|---------------------------------------|---------------------------------------|------|-----------------------------|--------------|------------------------|------|------------------------|-------------|----------------------------|------------|--------------------------|--------------|--------------------------------------|------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Guardian Asset Management Limited | - | - | (925) | (925) | - | - | - | - | - | - | - | - | - | - |
| Lankem Ceylon PLC | - | - | (1,657,735) | (1,657,735) | - | - | - | - | 425,368 | 236,981 | - | - | - | - |
| The Colombo Fort Land & Building PLC | - | - | (48,249,250) | (48,249,250) | - | - | - | - | 16,028,156 | 19,927,360 | - | (30,000,000) | - | - |
| EB Creasy & Company PLC | - | - | 15,000,000 | 1,800,000 | - | - | - | - | - | - | - | - | - | - |
| Union Investments (Pvt) Ltd | - | - | - | - | - | - | - | - | 2,530,599 | 2,305,362 | - | (40,000,000) | - | - |
| Colombo Fort Group Services (Pvt) Ltd | - | - | - | - | - | - | (66,000) | (56,260) | - | - | - | - | - | - |
| Colombo Fort Properties (Pvt) Ltd | - | - | - | - | - | - | (3,000,000) | (3,000,000) | - | - | - | - | - | - |
| Union Commodities (Pvt) Ltd | - | - | - | - | - | - | - | - | 23,437,805 | 32,241,801 | - | - | - | - |
| Pettiah Pharmacy (Pvt) Ltd | - | - | - | - | - | - | - | - | - | 48,837 | - | (9,000,000) | - | - |
| | | | (34,907,910) | (48,107,910) | | | (3,066,000) | (3,056,260) | 42,421,928 | 54,760,341 | | (79,000,000) | | |

34. Events after the reporting period

Ongoing increase in inflation and other negative economic indicators

Annual inflation rate in Sri Lanka is scaled up to 44.3% in July 2022 and will continue to increase further in coming months due to the inadequate foreign currency reserves and depletion of the Sri Lankan rupee. Further, prolonged power disruptions, a shortage of fuel, medicine and most of the essential goods together with unfavourable political conditions have resulted in significant challenges to the Sri Lankan economy which disrupts the business environment .

Adverse movement of the foreign exchange rate

Since the beginning of this year Sri Lankan rupee has been depreciated severely and still, exchange rate is under pressure due to continuous deterioration of the balance of payments and the depletion of the foreign reserves. The Company and the Group conduct their business locally and there are no major imports as well as forex outflows at the moment accordingly, there won't be any direct consequences of the rupee depreciation on the operations.

Impact on accounting estimates and judgements in reporting

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

Impact on business operations of the Group and going concern assessment

The recent economic downturn is a common deterrent to all industries due to its inherent nature and is a challenge to the Group. The impact is minimal to C M Holdings PLC in terms of revenue as rental income is secured by fixed agreements that are in place for a period of 5 years. The entity along with the investment companies in the cluster will face certain amount of decline in the coming year in respect of its equity portfolio which consists a majority of listed stocks that are subject to market movements. Due to the prevailing uncertain and volatile macro-economic environment, the market prices have significantly fluctuated during the period and with the current economic downturn the country is facing, there is uncertainty with regard to market conditions. During the subsequent period from the reporting date, the Company and the group earned fair value gains from its investments. Even though these significant fluctuations does pose a challenge, the Group has the option to hold these stocks without realising the profits therefore mitigating such risks. The Motor sector will face similar challenges as in the past until import restrictions are removed and will manage with its workshop services whilst minimizing cost.

35. Contingencies

Contingent liabilities

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

36. Commitments

(a) Financial commitments

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

(b) Capital commitments

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

Share Information

Distribution of Shareholding

| Shareholdings | As at 31st March 2022 | | | As at 31st March 2021 | | |
|---------------------|-----------------------|---------------|-----------|-----------------------|---------------|-----------|
| | No of Shareholders | Total Holding | Holding % | No of Shareholders | Total Holding | Holding % |
| 1 - 1,000 | 730 | 144,062 | 0.95 | 637 | 117,719 | 0.77 |
| 1,001 - 10,000 | 214 | 768,331 | 5.05 | 207 | 699,218 | 4.60 |
| 10,001 - 100,000 | 87 | 2,531,904 | 16.66 | 87 | 2,619,360 | 17.23 |
| 100,001 - 1,000,000 | 9 | 2,105,853 | 13.85 | 9 | 2,113,853 | 13.91 |
| Over 1,000,000 | 1 | 9,649,850 | 63.49 | 1 | 9,649,850 | 63.49 |
| | 1,041 | 15,200,000 | 100.00 | 941 | 15,200,000 | 100.00 |

Categories of Shareholders

| | 31st March 2022 | | | 31st March 2021 | | |
|--------------|--------------------|----------------|---------|--------------------|----------------|---------|
| | No of Shareholders | Total Holdings | % | No of Shareholders | Total Holdings | % |
| Individuals | 931 | 2,552,893 | 16.80 | 846 | 2,571,261 | 16.92% |
| Institutions | 110 | 12,647,107 | 83.20 | 95 | 12,628,739 | 83.08% |
| | 1041 | 15,200,000 | 100.00% | 941 | 15,200,000 | 100.00% |

| Market Prices of the Year | 31.03.2022 | 31.03.2021 |
|---------------------------------|------------|------------|
| Highest | 175.00 | 125.00 |
| Lowest | 76.00 | 38.30 |
| Market Value as at the year end | 78.80 | 83.00 |

Public Holding

The percentage of shares held by the public as at 31st March 2022 was 29.11% (31.03. 2021 - 29.13%).

Public Shareholders

The Number of Public Shareholders as at 31st March 2022 were 1026 (31.03. 2021 - 926).

The applicable option under Colombo Stock Exchange Rule 7.14.1 (1) (a) on Minimum Public Holding is Option 5 and the Float Adjusted Market Capitalization as at 31.03.2022 was Rs. 348.67Mn. (31.03.2021 - Rs. 367.50Mn).

20 Major Shareholders

| Position | Full Name of the Shareholder | 31st March 2022 | | 31st March 2021 | |
|----------|---|------------------------|---------------|------------------------|---------------|
| | | No of Ord. Vol. Shares | Percentage | No of Ord. Vol. 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% | 331,547 | 2.18% |
| 5 | COLOMBO INVESTMENT TRUST PLC | 318,000 | 2.09% | 318,000 | 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 | 133,615 | 0.88% | 143,615 | 0.94% |
| 8 | TRUST HOLDINGS & INVESTMENTS (PVT) LIMITED | 132,142 | 0.87% | 130,142 | 0.86% |
| 9 | COLOMBO FORT INVESTMENTS PLC | 123,000 | 0.81% | 123,000 | 0.81% |
| 10 | GLENFORD INVESTMENTS (PRIVATE) LIMITED | 117,014 | 0.77% | 117,014 | 0.77% |
| 11 | 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% |
| 13 | MR. JAWAHARLAL VIJAYA SRIKUMARADAS COREA | 88,328 | 0.58% | 88,328 | 0.58% |
| 14 | MR. SIDATH VIVENDRA KODIKARA | 82,934 | 0.55% | 82,934 | 0.55% |
| 15 | DR. NIRANJAN DEEPAL GUNAWARDENA | 76,433 | 0.50% | 4,773 | 0.03% |
| 16 | MR. WEERAHENNEDIGE SOHAN RAMINAL FERNANDO | 75,565 | 0.50% | 75,565 | 0.50% |
| 17 | YORK ARCADE HOLDINGS PLC | 71,707 | 0.47% | 71,707 | 0.47% |
| 18 | CORPORATE HOLDINGS (PRIVATE)LIMITED A/C NO.01 | 63,508 | 0.42% | 58,508 | 0.38% |
| 19 | OAKLEY INVESTMENTS (PRIVATE) LIMITED | 63,000 | 0.41% | 63,000 | 0.41% |
| 20 | DR. JOSEPH MARIUS RANJAN GOONEWARDENE | 62,235 | 0.41% | 62,235 | 0.41% |
| | | 12,525,053 | 82.40% | 12,456,393 | 81.95% |

Five Year Summary-Group

| | 2021/2022 | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|--|---------------|---------------|---------------|---------------|---------------|
| ASSETS EMPLOYED | | | | | |
| Property, plant and equipment | 403,440,854 | 346,819,829 | 362,840,344 | 2,183,990,129 | 1,583,764,670 |
| Capital work in progress | - | - | 3,253,664 | 17,051,503 | 381,724,424 |
| Investment property | 1,061,377,259 | 1,067,880,344 | 1,068,249,773 | 669,530,794 | 25,947,642 |
| Intangible assets | 4,870,824 | 4,870,824 | 5,053,871 | 8,170,717 | 10,262,546 |
| Right of use assets | 68,285,498 | 84,043,688 | 102,009,409 | - | - |
| Financial assets at FVOCI | 943,561,135 | 1,219,401,983 | 535,256,609 | 758,719,298 | 735,485,385 |
| Deferred income tax assets | - | 17,392,690 | 27,207,526 | 45,061,859 | 72,321,137 |
| Trade and other receivables | - | - | - | - | 11,530,081 |
| Current assets | 1,755,241,454 | 1,628,880,479 | 1,358,806,494 | 1,860,057,832 | 2,837,378,624 |
| Liabilities net of debt | (163,095,388) | (201,974,877) | (153,311,368) | (625,823,013) | (361,086,953) |
| | 4,073,681,636 | 4,167,314,960 | 3,309,366,323 | 4,916,759,119 | 5,297,327,556 |
| CAPITAL EMPLOYED | | | | | |
| Stated capital | 288,386,885 | 288,386,885 | 288,386,885 | 288,386,885 | 288,386,885 |
| Reserves | 2,908,873,267 | 3,122,979,355 | 2,208,688,140 | 2,689,238,989 | 2,795,900,167 |
| | 3,197,260,152 | 3,411,366,240 | 2,497,075,025 | 2,977,625,874 | 3,084,287,052 |
| Non controlling interest | 1,296,447 | 1,253,435 | 906,106 | 363,205,269 | 304,496,385 |
| Total equity | 3,198,556,599 | 3,412,619,675 | 2,497,981,131 | 3,340,831,143 | 3,388,783,437 |
| Total debt | 875,125,037 | 754,695,285 | 811,385,192 | 1,575,927,976 | 1,908,544,119 |
| | 4,073,681,636 | 4,167,314,960 | 3,309,366,323 | 4,916,759,119 | 5,297,327,556 |
| OPERATING RESULTS | | | | | |
| Revenue | 305,664,737 | 356,484,427 | 813,609,430 | 1,626,616,327 | 2,402,414,481 |
| EBIT | 179,279,660 | 416,415,203 | (94,957,504) | (373,379,881) | (27,076,478) |
| Finance expenses - net | (70,259,390) | (16,989,758) | (128,512,469) | (216,973,209) | (184,076,476) |
| Profit before tax | 109,020,270 | 399,425,445 | (223,469,973) | (590,353,090) | (211,152,954) |
| Tax (expense)/ release | (28,814,401) | (30,629,707) | (20,885,113) | 6,740,488 | 47,951,490 |
| Profit after tax | 80,205,869 | 368,795,738 | (244,355,086) | (583,612,602) | (163,201,464) |
| CASH FLOW | | | | | |
| Net cash generated from/(used) in operating activities | (69,369,188) | 92,995,651 | (552,402,714) | 631,454,565 | (907,792,958) |
| Net cash generated from/(used) in investing activities | 75,239,712 | 15,371,548 | 433,830,660 | (191,254,838) | (225,364,391) |
| Net cash generated from/(used) in financing activities | 29,762,586 | (124,772,611) | 157,397,994 | (502,997,219) | 936,821,212 |
| Increase/ (Decrease) in cash and cash equivalents | 35,633,110 | (16,405,412) | 38,825,940 | (62,797,492) | (196,336,137) |
| KEY INDICATORS | | | | | |
| Basic earnings per share (Rs) | 5.28 | 24.26 | (14.47) | (32.26) | (7.14) |
| Dividend per share (Rs) | 5.00 | 5.00 | 2.00 | 2.00 | 6.00 |
| Net asset per share | 210 | 224 | 164 | 196 | 203 |
| Debt - Equity ratio | 0.27 | 0.22 | 0.32 | 0.47 | 0.56 |
| Current ratio (times covered) | 2.06 | 2.29 | 1.87 | 1.02 | 1.38 |
| Dividend payout ratio | 95% | 21% | (14%) | (6%) | (84%) |

Notice of Meeting

C M HOLDINGS PLC (Company No. PQ 169)

Notice is hereby given that the 110th Annual General Meeting of C M Holdings PLC will be held on 30th September 2022 at 11.00 a.m. and conducted as a Virtual Meeting from 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, 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, 2022 with the Report of the Auditors thereon.
2. To re-elect as a Director, Mr. Anushman 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 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. 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
29th August 2022

Notice of Meeting

C M HOLDINGS PLC (Company No. PQ 169)

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 29th August, 2022 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 two 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 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, 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 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.Rajaratnam."

8. 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. S.D.R. Arudpragasam who is seventy 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.S.D.R.Arudpragasam."

Form of Proxy

C M HOLDINGS PLC (Company No. PQ 169)

I/We the undersigned of
 being a member/member of C M Holdings PLC, do hereby appoint
 of
 or failing him

- | | |
|---------------------------------------|---------------------------|
| 1. Sri Dhaman Rajendram Arudpragasam | of Colombo or failing him |
| 2. Alagarajah Rajaratnam | 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 30th September 2022, at 11.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

| | For | Against |
|---|--------------------------|--------------------------|
| 1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March, 2022 with the Report of the Auditors thereon. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To re-elect Mr. Anushman Rajaratnam as a Director. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. To reappoint Mr. A.M. de S. Jayaratne as a Director. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. To reappoint Dr. J.M. Swaminathan as a Director. | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. To reappoint Mr. A. Rajaratnam as a Director. | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. To reappoint Mr. S.D.R. Arudpragasam as a Director. | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. To authorize Directors to determine contributions to Charities. | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. To reappoint as Auditors Messrs. PricewaterhouseCoopers and authorize the Directors to determine their remuneration. | <input type="checkbox"/> | <input type="checkbox"/> |

As witness my/our hand(s) this day of 2022.

.....
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.

C M HOLDINGS PLC
(Company No. PQ 169)

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

S. D. R. Arudpragasam
(Appointed Chairman with effect from 1st July 2022)
FCMA (UK)

Directors

Mr. A. Rajaratnam FCA (Relinquished his position as Chairman with effect from 30th June 2022)
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

Chief Executive Officer

Mr. Arosh Azariah ACCA (UK), ACMA (UK), MBA
(Appointed with effect from 1st January 2022.)

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

