

The background of the page is an abstract composition of overlapping, semi-transparent blue shapes. On the left side, there are dark blue, almost black, angular forms that transition into lighter, more fluid blue shapes towards the right. The overall effect is a sense of depth and movement, with various shades of blue ranging from deep navy to a pale, almost white light blue.

**C M Holdings PLC**

**Annual Report**  
2022/2023



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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 111th Annual General Meeting and present to you the Annual Report and Audited Financial Statements of the Company for the year ended 31st March 2023.

The Sri Lankan economy witnessed a multitude of challenges during the year with the Country facing one of the worst economic crises in its history as the Government of Sri Lanka was forced to suspend its servicing of external debt due to significant foreign currency shortages early in the financial year. The foreign currency shortages further exacerbated the conditions in the local economy with severe shortages in essential commodities and widespread power outages. Inflation spiked to unbearable levels peaking at 70% during the year in a short time span and the economic pressure led to social and political instability in the Country. Strict policy measures were introduced by the Government of Sri Lanka along with the Central Bank to manage the situation by rapidly increasing policy interest rates to control inflation and seeking assistance from the International Monetary Fund to face the economic challenges ahead. High policy rates led to an increase in borrowing costs with businesses scaling down due to increased finance costs coupled with inflationary pressures and spiralling energy costs.

The economy gradually recovered in the second half of the year with the IMF program and the easing of inflation due to high interest rates. Shortages of essential commodities eased out by the end of the financial year with further improvement expected throughout 2023. With progressive improvements seen in the economy in comparison to the beginning of 2022 the current market interest rates and inflation are expected to further come down to single digits in the forthcoming financial year.

The Group recorded a revenue of Rs. 276 million for the year under review, a drop of 10% from the previous year's achievement of Rs. 306 million. The decline in revenue is attributable to the import ban on motor vehicles being extended throughout the financial year and foreign currency shortages in the first half of the financial year leading to difficulties in importing spare parts. The Gross profit margin increased by 7% supported by a drop in cost of sales and increase in rental income. Spare part sales and vehicle servicing revenue also dropped to Rs. 213 million from the previous year record of Rs. 246 million due to challenges in the importing of spare parts and opening of letters of credit due to the prevalent foreign exchange limitations in 2022 and social unrests during the first half of 2022. The motor segment of the Group continues to thrive with limited capacity and effective cost management until import restrictions for motor vehicles are lifted and is expected to turnaround thereafter.

The economic crisis heavily reflected on the Colombo Stock Exchange trading floor and the share indices. The ASPI ended the year at 9,301.09 points gaining a marginal 4.5% in comparison with the previous financial year index at 8,903.87 points. Uncertainty amongst investors on the macro economy led to severe volatility in the stock market during the financial year. The investment portfolios of the Group witnessed a significant drop in fair value gains in comparison to the previous year due to such volatile price movements. The indices are expected to improve in the next financial year with the expected economic stability combined with a successful IMF program. However, The Group ended the year with a pre-tax profit of Rs. 108 million in comparison to Rs. 109 million in the preceding year amidst a challenging business environment.

The Company earned a rental income of Rs. 62 million which is an increase of 9% in comparison to the previous year's income of 57 million. The Company continues to look at available options to maximise utilization of its investment properties whilst catering to its current tenants. The Company paid an interim dividend of LKR 5.00 per share in March 2023 consistent with prior year dividends.

I 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 venture into another challenging but hopeful financial year.

**S. D. R. Arudpragasam**  
*Chairman*

24th August 2023.

# Management Review and Analysis

## Operating Environment

The economic crisis crippled the country's progress after recovering from the pandemic in 2021/2022. The year under review proved to be one of the most challenging in the history for the Country with the unfolding of the economic crisis and instability. Evaporation of the country's foreign currency reserves led to the Government suspending its external debt servicing to preserve further loss of foreign currency. The depreciation of the rupee and soaring inflation further exacerbated the situation affecting both businesses and consumers. Inflation soared to more than 70% that quickly reflected in prices and limited foreign reserves led to shortages in fuel and other essential commodities impacting daily lives.

The Central Bank of Sri Lanka tightened its monetary policy by increasing interest rates by 700 basis points initially to curb inflationary pressures. Gross official reserves declined to an estimated USD 1.9Billion by March 2022. 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.

The Economy witnessed improvements during the second half of 2022/2023 after actively engaging with the IMF and hopes of receiving extended funding facilities. Rebound of tourism and inflows from foreign worker remittances helped the Country to stabilize in the fourth quarter of 2022/2023. The rupee is also expected to appreciate in the forthcoming financial year with inflation dropping to single digits.

## Sector Review

### Motor Sector

The ban imposed on the import of motor vehicles continued during the year under review and resulted in the loss of revenue from the sale of brand-new motor vehicles as in the previous year. The Motor segment of the Group shifted its resources to vehicle maintenance and sale of spare parts to counter the loss of revenue from the import ban. The segment faced additional challenges due to the economic crisis with difficulties in obtaining foreign currency facilities to import spare parts and increased spare part prices due to the depreciation of the rupee. These added challenges reflected in the topline with a drop in revenue in comparison to the previous financial year.

Revenue from servicing of vehicles dropped by 8% and revenue from the sale of spare parts decreased by 27% during the year. The foreign currency crisis has eased significantly in 2023 and is expected to further alleviate based on the progress made with the International Monetary Fund program and the Sri Lankan Government. The motor segment will continue to operate efficiently at minimum capacity until the import ban is lifted and sale of motor vehicles are resumed at which point expects to turnaround its financial performance.

### Investment and Property Sector

The investment portfolio of the Group which is heavily dependent on the performance of the all-share price index of the Colombo Stock Exchange witnessed significant volatility during 2022/2023. The economic crisis and negative investor sentiment reflected in significant price movements in the market. The revision of policy interest rates by 700 basis points in April 2022 to battle the soaring inflation levels resulted in the ASPI declining significantly in the first quarter after the post pandemic market recovery in 2021/2022. The rise in interest rates and treasury securities sent mixed signals to the market with investors moving into alternative fixed income instruments. The ASPI closed at 9301 points with a marginal gain of 4.5% compared to the previous years close. Fair value gains from the tradable portfolio dropped to Rs. 8 million during the year under review from Rs. 79 million in the preceding year. The market is expected to rebound significantly in 2023/2024 once investor confidence returns to the market with the successful implementation of the IMF program and planned debt restructuring. The Group held on to majority of its investments without any major selloffs during the year until market sentiments improve.

The property segment of the Group continued its business of renting out commercial office space at its prime property at Union Place. The company has entered into long term rental agreements with selective tenants to generate stable rental incomes. The rental income increased by 9% during the year under review. The Company expects rental rates to increase in the future in line with increasing demand for commercial space in Colombo for business activities in the future. The Company is also in the process of exploring long term opportunities to maximize return from its property at Union Place to contribute to the topline of the business.

# Management Review and Analysis

## Financial Performance

Group recorded a revenue of Rs 276 million for the year under review a decline of 10 % from the previous year's Rs. 306 million. The decline was due to the loss of revenue from the sale of motor vehicles and related businesses. The Group recorded an operating profit of Rs. 94 million a drop of 47% from previous year's Rs. 179 million. The decline in operating profit was mainly attributable to the drop in fair value gains recognized on financial assets classified as Fair Value through Profit or Loss. The ASPI moved by 4.5% in 2022/2023 in comparison to 25% in 2021/2022. The total investment portfolio of the Group was recorded at Rs. 2.12 billion (FVTPL and FVOCI) for the year under review compared to Rs 1.88 billion in 2021/2022. Group Gearing ratio was recorded at 19.2% in comparison to 20.08% 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 2022/2023 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), LL.M., M. Phil. (Colombo) and LLD (Honoris Causa)*

Dr. J.M. Swaminathan is an Attorney-at-Law with over 59 years in practice. He was the former Senior Partner of Messrs. Julius & Creasy. He was 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 Board of Studies of the Council of Legal Education and was a Consultant at the Institute of Advanced Legal Studies of the Council of Legal Education. He is a Member of the Visiting Faculty of the LL.M. Course of the University of Colombo. He also serves on the Boards of several public and private companies.

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

### **Director**

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

Mr. A.M. de S. Jayaratne having joined the Board in 1981 was appointed Chairman in 1998. He resigned in the year 2003 and

rejoined the Board in 2005. He is a former Chairman of Forbes & Walker Ltd, Colombo Stock Exchange, Ceylon Chamber of Commerce and The Finance Commission. He also served as Sri Lanka's High Commissioner in Singapore. Mr. Jayaratne is a Director of several listed and unlisted companies.

## **S. Rajaratnam**

### **Director**

*B.Sc., CA*

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

## **Anushman Rajaratnam**

### **Director**

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

Mr. Anushman Rajaratnam was appointed to the Board in October 2013. He 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.

## **R. M. M. J. Ratnayake**

### **Director**

*FCMA, CGMA, MBA*

Mr. Mohan J Ratnayake was appointed to the Board on 1st November 2022. He had his education at St. Joseph's College, Colombo.

He is a Fellow Member of the Chartered Institute of Management Accountants UK and has read for a MBA. He was the Chairman of the Committee which issued Sri Lanka's first internationally listed USD Bond by a corporate entity- Sri Lanka Telecom PLC which traded on the Singapore Stock Exchange. This was when the Sovereign had not been rated by international Rating Agencies. He currently serves as the Managing Director of Colonial Motors (Ceylon) Ltd and as the Chairman of Lanka Reality Investment PLC. He also serves as an Independent Non Executive Director of ACL Plastics PLC. He continues to serve on several Boards and chairs Audit Committees and other Statutory Committees. He further served on the Board of a state owned entity in the export sector. He has expertise in the fields of Tea Exports, Tea Plantations and Telecommunications. He held the position of Deputy Chairman of a listed financial institute falling under the purview of the Central Bank of Sri Lanka.

# 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 seven Non-Executive Directors of whom two are Independent. The Directors are listed below:

<b>Mr. S. D. R. Arudpragasam</b>	- Chairman - Non-Executive (Appointed Chairman with effect from 1st July 2022).
<b>Mr. A. Rajaratnam</b>	- Former Chairman - Non Executive (Relinquished his position as Chairman with effect from 30th June 2022).
<b>Dr. J. M. Swaminathan</b>	- Independent Non-Executive
<b>Mr. A. M. de S. Jayaratne</b>	- Independent Non-Executive
<b>Mr. S. Rajaratnam</b>	- Non-Executive
<b>Mr. Anushman Rajaratnam</b>	- Non-Executive
<b>Mr. R. M. M. J. Ratnayake</b>	- Non Executive (Appointed w.e.f. 1st November 2022)

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

The Board has met three times during the year under review and the attendance was as follows:

Mr. S. D. R. Arudpragasam	3/3
Mr. A. Rajaratnam	Excused
Dr. J. M. Swaminathan	3/3
Mr. A. M. de S. Jayaratne	3/3
Mr. S. Rajaratnam	Excused
Mr. Anushman Rajaratnam	2/3
Mr. R. M. M. J. Ratnayake (Appointed w.e.f.01.11.2022)	2/2

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. Further he also serves on the Boards of certain other subsidiaries of the Parent Company in which a majority of the Directors serve on a Board of another and certain companies which have significant shareholdings in another within the CFLB Group. 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 Chief Executive Officer of the Company, is in charge of and 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 six 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 10 of this Report.

### **Disclosures**

Aggregate remuneration paid to Directors is disclosed in Note 24 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 12 to 14 in this Report. The Auditors' Report on the Financial Statements is given on pages 16 to 19 of the Report.

# Corporate Governance

## **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 9 of this Report.

## **Related Party Transactions Review Committee**

The Related Party Transactions Review Committee Report is set out on page 11 of this Report.

## **Internal Control**

The Board of Directors are 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, 2023 and the attendance was as follows:

Mr. A. M. de S. Jayaratne- Chairman - 4/4

Dr. J. M. Swaminathan - 4/4

Mr. S. D. R. Arudpragasam - 3/4

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, 2024 subject to the approval of the Shareholders at the Annual General Meeting of the Company.



**A. M. de S. Jayaratne**  
*Chairman*

## Audit Committee

24th August 2023

# 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 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***

24th August 2023

# 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. A. M. de S. Jayaratne - Chairman - Independent Non-Executive Director, CFLB  
(Appointed Chairman of the Committee w.e.f.19.01.2023)

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

Mr. C. P. R. Perera - Member - Independent Non-Executive Director, CFLB  
(Appointed Member of the Committee w.e.f.19.01.2023)

On the demise of Mr. R. Seevaratnam the Chairman of the Related Party Transactions Review Committee on 19th January 2023, Mr. A. M. de S. Jayaratne was appointed Chairman of the Related Party Transactions Review Committee of the Parent Company. Further, Mr. C. P. R. Perera was appointed as a member of the Committee on 19th January 2023.

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, 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, 2023 and the said Meetings were held once in every quarter. The attendance at the Meetings were as follows:

Mr. R. Seevaratnam – Chairman (Deceased – 19.01.2023)	- 2/3
Mr. A.M. de S. Jayaratne – Chairman	- 4/4
Mr. S.D.R. Arudpragasam	- 4/4
Mr. C.P.R. Perera (Appointed w.e.f.19.01.2023)	- 1/1

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.



A. M. De S. Jayaratne  
Chairman

## Related Party Transactions Review Committee

24th August 2023

# 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, 2023.

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 25. 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 20 to 93.

## Auditors' Report

The Auditors' Report on the Financial Statements is given on pages 16 to 19.

## Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 25 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 32 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's direct shareholdings are set out below:

Name of the Director / CEO	No. of Shares As at 31.03.2023	No. of Shares As at 31.03.2022
Mr. A. Rajaratnam	-	-
Mr. S. D. R. Arudpragasam	500	500
Dr. J. M. Swaminathan	561	561
Mr. A. M. de S. Jayaratne	467	467
Mr. S. Rajaratnam	-	-
Mr. Anushman Rajaratnam	-	-
Mr. R. M. M. J. Ratnayake (Appointed w.e.f. 01.11..2022)	21	N/A
Mr. A. S. Azariah- CEO	-	-

## Directors' Remuneration

Directors' remuneration in respect of the Company and the Group for the financial year is given in Note 24 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. R. M. M. J. Ratnayake** - Director (Appointed w.e.f. 01.11.2022)

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. S. Rajaratnam retires by rotation and being eligible offers himself for re-election.

In terms of Article No. 95 of the Articles of Association, Mr. R.M.M.J. Ratnayake, Director appointed on 01.11.2022 retires 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.

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 2022/2023 (2021/2022) Nil.

### **Auditors**

The Financial Statements of the Company for the year have been audited by Messrs. PricewaterhouseCoopers who were reappointed as Auditors at the Annual General Meeting held on 30th September 2022.

The remuneration payable by the Company and the Group to the Independent Auditors is given in Note 24 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. 276 Mn. (2021/2022) - Rs. 306 Mn)

### **Results**

The Group made a profit before tax of Rs. 108 Mn. against a profit of Rs. 109 Mn. in the previous year. The detailed results are given in the Statement of profit or loss on page 21.

### **Dividends**

An Interim Dividend of Rs. 5/- per share for the year ending 31st March, 2023 was paid on 31st March 2023 to the Shareholders registered as at the end of trading on 15th March 2023.

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 10 & 11 on pages 52 to 77.

### **Property, Plant & Equipment**

During 2022/2023 the Group invested Rs. 2.4 Mn. in Property, Plant & Equipment (2021/2022 - Rs. 3.1 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, 2023.

### **Stated Capital**

The Stated Capital of the Company as at 31st March 2023, 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 17 on pages 80 to 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 27 on pages 87 to 88.

# Annual Report of the Board of Directors

## 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 32 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 and 95.

## Events Occurring after the Reporting Date

Events occurring after the reporting date that would require adjustments to or disclosure are disclosed in Note 33 on page 93.

## Contingent Liabilities and Capital Commitment

Contingent liabilities and capital commitments as at the reporting date are disclosed in Notes 34 and 35 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

24th August 2023

## Financial Reports

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# Independent Auditor's Report



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

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### Our opinion

In our opinion, the financial statements of C M Holdings PLC (“the Company”) and the consolidated financial statements of the Company and its subsidiaries (“the Group”) give a true and fair view of the financial position of the Company and the Group as at 31 March 2023, 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 2023;
- » 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 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, K M D R P Manatunga ACA

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

# Independent Auditor's 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><b>Fair value of investments in unquoted equity instruments</b> (Refer Notes 11 (f), 3.7 (ii) and 2.9 to the financial statements)</p> <p>As at 31 March 2023, the Group and Company's investments in unquoted equity instruments amounting to LKR 274.59 Mn and LKR 215.61 Mn, respectively, represents 6% of the Group's total assets and 10% of the Company's total assets.</p> <p>The unquoted investments comprise equity shares of an investment company for which market prices for similar investments are not available and which has little or no observable inputs and a plantation company. The Group applies the adjusted net asset approach to arrive at the fair value of these investments.</p> <p>The value of the equity investment of the investment company is based on the adjusted net assets. The net assets value itself hinges on the fair value of its investment in subsidiaries. These subsidiaries together hold a property portfolio located island-wide operating within the leisure sector. The fair value of these properties is measured using the market-comparable method.</p> <p>The valuation of the underlying property portfolio is an area of significance due to the subjective nature of the property valuations dependent on certain key valuation assumptions, such as the price ranges at which nearby lands are transacted and the physical state of the buildings.</p> <p>The valuation of the assets in the subsidiaries of the investment company was important to our audit due to the fact that the valuation of properties is inherently judgmental and the relative significance of the value of properties to the subsidiaries' financial statements.</p>	<p>Our procedures to test the valuation of investment in the unquoted equity instruments included the following:</p> <ul style="list-style-type: none"><li>» Evaluated the competence, independence and objectivity of the valuation experts engaged by management.</li><li>» Evaluated the appropriateness of the valuation methodology adopted by the external valuer by comparing with the methods used in general industry practices for similar properties.</li><li>» Evaluated the relevance and reasonableness of significant assumptions used in the valuation [i.e. price ranges at which nearby lands are transacted, consideration of other factors such as access to main roads, size of the land extent in one plot, physical state of the buildings, replacement cost per sq ft].</li><li>» Verified the land values considered by the valuer by corroborating to property market information that is publicly available.</li><li>» Obtained the audited financial statements of the subsidiaries of the investment company to corroborate the net asset values.</li></ul>

### 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.

# Independent Auditor's Report

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

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

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#### 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.

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

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

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

#### Report on other legal and regulatory requirements

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



CHARTERED ACCOUNTANTS

CA Sri Lanka membership number : 1581

COLOMBO

24 August 2023

# Statement of Financial Position

(all amounts in Sri Lanka Rupees unless otherwise stated)

	Note	Group		Company	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	395,435,000	403,440,854	1,783,640	1,465,922
Investment property	7	1,057,935,878	1,061,377,259	1,057,935,878	1,061,377,259
Intangible assets	8	4,870,824	4,870,824	-	-
Right of use assets	9	52,527,308	68,285,498	-	-
Investment in subsidiaries	10	-	-	14,000,000	14,000,000
Financial Assets at FVOCI	11	1,163,446,347	943,561,135	470,019,139	406,734,128
		2,674,215,357	2,481,535,570	1,543,738,657	1,483,577,309
<b>Current assets</b>					
Inventories	13	152,023,949	185,467,603	-	-
Trade and other receivables	14	581,998,460	557,035,524	604,949,101	511,184,039
Financial assets at fair value through profit or loss	11	954,148,822	939,592,298	75,083,603	73,642,632
Income tax receivables		289,849	1,860,965	-	750,026
Cash and cash equivalents	15	45,653,317	71,285,064	26,499,596	40,150,433
		1,734,114,397	1,755,241,454	706,532,300	625,727,130
<b>Total assets</b>		<b>4,408,329,754</b>	<b>4,236,777,024</b>	<b>2,250,270,957</b>	<b>2,109,304,439</b>
<b>EQUITY</b>					
Stated capital	16	288,386,885	288,386,885	288,386,885	288,386,885
Other reserves	17	841,217,343	685,368,593	157,098,021	128,813,010
Retained earnings	17	2,230,919,825	2,223,504,674	1,718,677,254	1,626,169,374
		3,360,524,053	3,197,260,152	2,164,162,160	2,043,369,269
Non-controlling interest		2,546,365	1,296,447	-	-
<b>Total equity</b>		<b>3,363,070,418</b>	<b>3,198,556,599</b>	<b>2,164,162,160</b>	<b>2,043,369,269</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	19	39,837,960	104,574,579	-	-
Deferred income tax liabilities	12	11,259,660	9,931,340	11,259,660	9,855,461
Defined benefit obligations	20	7,963,588	7,291,524	-	-
Lease liability	9	30,271,303	41,374,156	-	-
Trade and other payables	18	9,795,882	21,645,020	9,795,882	21,645,020
		99,128,393	184,816,619	21,055,542	31,500,481
<b>Current liabilities</b>					
Trade and other payables	18	139,727,902	119,741,241	33,178,672	34,434,689
Current income tax liabilities		31,874,582	4,486,263	31,874,583	-
Lease liability	9	30,819,233	18,072,000	-	-
Borrowings	19	743,709,226	711,104,302	-	-
		946,130,943	853,403,806	65,053,255	34,434,689
<b>Total liabilities</b>		<b>1,045,259,336</b>	<b>1,038,220,425</b>	<b>86,108,797</b>	<b>65,935,170</b>
<b>Total equity and liabilities</b>		<b>4,408,329,754</b>	<b>4,236,777,024</b>	<b>2,250,270,957</b>	<b>2,109,304,439</b>
Net asset value per share	31	221.09	210.35	142.38	134.43

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 : 24th August 2023

The accounting policies and notes as set out in pages 25 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	
		2023	2022	2023	2022
Revenue	21	276,430,164	305,664,737	62,888,548	57,686,176
Cost of sales	24	(102,712,422)	(142,691,784)	-	-
<b>Gross profit</b>		<b>173,717,742</b>	<b>162,972,953</b>	<b>62,888,548</b>	<b>57,686,176</b>
Distribution costs	24	(543,786)	(2,410,249)	-	-
Administrative expenses	24	(157,821,959)	(152,166,189)	(38,846,670)	(55,669,676)
Net impairment losses on financial asstes	3.4	(2,003,895)	(7,130,873)	-	-
Other income	22	72,277,548	97,104,269	73,669,346	18,509,988
Other gains	23	8,510,025	80,909,749	1,019,131	8,645,696
<b>Operating profit</b>		<b>94,135,675</b>	<b>179,279,660</b>	<b>98,730,355</b>	<b>29,172,184</b>
Finance income	26	114,723,864	40,457,411	117,055,354	42,732,317
Finance costs	26	(101,110,461)	(110,716,801)	-	-
Finance income / costs - net		13,613,403	(70,259,390)	117,055,354	42,732,317
<b>Profit before income tax</b>		<b>107,749,078</b>	<b>109,020,270</b>	<b>215,785,709</b>	<b>71,904,501</b>
Income tax expense	27	(58,001,398)	(28,814,401)	(54,038,597)	(14,941,544)
<b>Profit for the year</b>		<b>49,747,680</b>	<b>80,205,869</b>	<b>161,747,112</b>	<b>56,962,957</b>
Attributable to :					
Owners of the parent		49,744,030	80,201,099	161,747,112	56,962,957
Non - controlling interests		3,650	4,770	-	-
		49,747,680	80,205,869	161,747,112	56,962,957
Earnings per share attributable to owners of the parent during the year					
Basic/ Diluted earnings per share	28	3.27	5.28	10.64	3.75

The accounting policies and notes as set out in pages 25 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	
		2023	2022	2023	2022
Profit for the year		49,747,680	80,205,869	161,747,112	56,962,957
Other comprehensive income: Items that will not be reclassified to profit or loss					
Remeasurements of post employment benefit obligations	20	387,057	316,161	-	-
Income tax affect on remeasurements of post employment benefit obligations		-	(75,879)	-	-
Change in fair value of financial assets at FVOCI	11 (d)	183,618,314	(275,779,398)	28,285,011	(113,434,659)
Revaluation surplus	17 (a)	-	67,000,000	-	-
Income tax effect on revaluation surplus		-	(9,729,829)	-	-
<b>Other comprehensive income / (loss) for the year</b>		<b>184,005,371</b>	<b>(218,268,945)</b>	<b>28,285,011</b>	<b>(113,434,659)</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>233,753,051</b>	<b>(138,063,076)</b>	<b>190,032,123</b>	<b>(56,471,702)</b>
Attributable to :					
Owners of the parent		232,503,133	(138,106,088)	190,032,123	(56,471,702)
Non - controlling interests		1,249,918	43,012	-	-
<b>Total comprehensive income / (loss) for the year</b>		<b>233,753,051</b>	<b>(138,063,076)</b>	<b>190,032,123</b>	<b>(56,471,702)</b>

The accounting policies and notes as set out in pages 25 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 16)	Retained earnings (Note 17 (c))	Other reserves (Note 17 (d))	Total	Non-controlling interest	Total
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 (loss) / income		-	240,282	(218,547,469)	(218,307,187)	38,242	(218,268,945)
Total comprehensive loss for the year		-	80,441,381	(218,547,469)	(138,106,088)	43,012	(138,063,076)
Dividends	29	-	(76,000,000)	-	(76,000,000)	-	(76,000,000)
<b>Balance at 31 March 2022</b>		<b>288,386,885</b>	<b>2,223,504,674</b>	<b>685,368,593</b>	<b>3,197,260,152</b>	<b>1,296,447</b>	<b>3,198,556,599</b>
Balance at 1 April 2022		288,386,885	2,223,504,674	685,368,593	3,197,260,152	1,296,447	3,198,556,599
Profit for the year		-	49,744,030	-	49,744,030	3,650	49,747,680
Other comprehensive income/ (loss)		-	387,057	182,372,046	182,759,103	1,246,268	184,005,371
Total comprehensive income/ (loss) for the year		-	50,131,087	182,372,046	232,503,133	1,249,918	233,753,051
Reversal of unclaimed dividends	17	-	6,760,768	-	6,760,768	-	6,760,768
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	17	-	26,523,296	(26,523,296)	-	-	-
Dividends	29	-	(76,000,000)	-	(76,000,000)	-	(76,000,000)
<b>Balance at 31 March 2023</b>		<b>288,386,885</b>	<b>2,230,919,825</b>	<b>841,217,343</b>	<b>3,360,524,053</b>	<b>2,546,365</b>	<b>3,363,070,418</b>

## (b) Company

	Note	Stated capital (Note 16)	Retained earnings (Note 17 (c))	Other reserves (Note 17 (d))	Total
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 income		-	-	(113,434,659)	(113,434,659)
Total comprehensive income for the year		-	56,962,957	(113,434,659)	(56,471,702)
Dividends	29	-	(76,000,000)	-	(76,000,000)
<b>Balance at 31 March 2022</b>		<b>288,386,885</b>	<b>1,626,169,374</b>	<b>128,813,010</b>	<b>2,043,369,269</b>
Balance at 1 April 2022		288,386,885	1,626,169,374	128,813,010	2,043,369,269
Profit for the year		-	161,747,112	-	161,747,112
Other comprehensive income		-	-	28,285,011	28,285,011
Total comprehensive income for the year		-	161,747,112	28,285,011	190,032,123
Reversal of unclaimed dividend	17	-	6,760,768	-	6,760,768
Dividends	29	-	(76,000,000)	-	(76,000,000)
<b>Balance at 31 March 2023</b>		<b>288,386,885</b>	<b>1,718,677,254</b>	<b>157,098,021</b>	<b>2,164,162,160</b>

The accounting policies and notes as set out in pages 25 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	
		2023	2022	2023	2022
<b>Cash flows from operating activities</b>					
Cash generated from / (used in) operating activities	30	26,944,320	59,671,130	(61,710,099)	84,653,594
Interest paid		(95,546,081)	(104,485,951)	-	-
Defined benefit obligations paid	20	(1,111,250)	(918,440)	-	-
Income tax paid		(25,892,400)	(26,987,985)	(18,188,548)	(23,010,983)
<b>Net cash (used in) / generated from operating activities</b>		<b>(95,605,411)</b>	<b>(72,721,246)</b>	<b>(79,898,647)</b>	<b>61,642,611</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	6	(2,438,792)	(3,144,068)	(735,400)	(351,000)
Payments for investment property	7	(3,141,633)	-	(3,141,633)	-
Proceeds from sale of property, plant and equipment		-	3,000,008	-	-
Purchase of investments		(99,081,014)	(41,994,804)	(35,421,840)	(631,414)
Disposal of investments		56,965,354	7,332,326	4,450	121,057
Interest received		114,723,864	24,991,573	117,055,354	26,349,576
Dividends received		67,954,026	85,054,677	20,266,900	17,922,488
<b>Net cash generated from investing activities</b>		<b>134,981,805</b>	<b>75,239,712</b>	<b>98,027,831</b>	<b>43,410,707</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		16,370,027	384,427,665	-	-
Repayment of borrowings		(54,309,821)	(274,643,102)	-	-
Principal elements of lease payments		(1,096,425)	(669,919)	-	-
Dividends paid		(31,780,021)	(76,000,000)	(31,780,021)	(76,000,000)
<b>Net cash (used in) / generated from financing activities</b>		<b>(70,816,240)</b>	<b>33,114,644</b>	<b>(31,780,021)</b>	<b>(76,000,000)</b>
<b>(Decrease) / Increase in cash and cash equivalents</b>		<b>(31,439,846)</b>	<b>35,633,110</b>	<b>(13,650,837)</b>	<b>29,053,318</b>
<b>Movement in cash and cash equivalents</b>					
At 1 April		(27,552,379)	(63,185,489)	40,150,433	11,097,115
(Decrease) / Increase		(31,439,846)	35,633,110	(13,650,837)	29,053,318
<b>At 31 March</b>	<b>15</b>	<b>(58,992,225)</b>	<b>(27,552,379)</b>	<b>26,499,596</b>	<b>40,150,433</b>

The accounting policies and notes as set out in pages 25 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 9th 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 1st 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 re-registered under the Companies Act, No. 07 of 2007 on 29th 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 8th 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 Register of Companies on 3rd August 2015 and the said strike off process is in progress as at the statement of financial position date.

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

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

However since the company has not carried out any operation from inception the Board of Directors resolved to strike off the entity on 01st November 2021

The parent of the Group is The Colombo Fort Land & Building PLC and the Group structure as at 31 March 2023 is as follows:

Name of the Company	Relationship	Holding	Proportion of voting power interest	
			2023	2022
Union Investments (Private) Limited	Subsidiary	Direct	99.99%	99.99%
Guardian Assets Management Limited	Subsidiary	Direct / Indirect	93.75%	93.75%
Colonial Motors (Ceylon) limited	Subsidiary	Direct	99.99%	99.99%
Motor Mart Ceylon (Private) 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.

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 2.1 Basis of preparation

### (a) Compliance with IFRS

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. 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 - critical accounting estimates to the financial statements.

### (b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:  
- certain financial assets and liabilities, and certain classes of property, plant and equipment – measured at fair value or revalued amount

## 2.2 Changes in accounting policies and disclosures

### (c) New and amended standards adopted by the Company and Group

The Company and Group have applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2022:

- » Property, Plant and Equipment: Proceeds before Intended Use – Amendments to LKAS 16
- » Onerous Contracts – Cost of Fulfilling a Contract – Amendments to LKAS 37
- » Annual Improvements to SLFRS Standards 2018-2020, and
- » Reference to the Conceptual Framework – Amendments to SLFRS 3.

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.

### (d) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have

not been early adopted by the Company and Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## 2.3 Comparative information

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

## 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 profit or loss, 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.

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 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 at the dates of the transactions.

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

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

## 2.6 Current and deferred income tax

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

establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

## 2.7 Borrowing costs

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

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

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 subsequently at fair value (either through OCI or through profit or loss), and
- » those to be measured at amortised cost

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 profit or loss 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 Company's and the Group's business models 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.

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

#### (ii) Equity instruments

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

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

### 2.9.4 Impairment

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, 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 profit or loss over the period of the borrowings using the effective interest method.

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

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

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

## 2.14 Property, plant & equipment

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

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

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

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

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

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

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

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

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

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

## 2.15 Investment property

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

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

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

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

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

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

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

## 2.17 Provisions

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

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

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

## 2.18 Employee benefits

### (a) Defined benefit plans – gratuity

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

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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 statement of profit or loss 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 statement of profit or loss 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.

Motor vehicles are registered once full payment is received from the customers. Vehicle repair and maintenance services and sale of spare parts are paid for on cash basis and on 2 month credit period for selected customers and services.

(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.

rental payments are to be paid by the 10th of each month in which the rental falls due subject to relative clauses of the leases agreement for each respective tenant.

## 2.22 Interest income

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

## 2.23 Dividend income

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

## 2.24 Leases

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

(a) Right of use assets

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

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

(b) Lease liabilities

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

- » fixed payments (including in-substance fixed payments), less any lease incentives receivable
- » variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- » amounts expected to be payable by the group under residual value guarantees

- » the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- » payments of penalties for terminating the lease, if the lease term reflects the group exercising that option

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

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

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

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

## 2.25 Intangible assets

### (a) Goodwill

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

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

### (b) Software

Costs associated with maintaining software programs 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 program 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.

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## 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.

## 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.

### Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in (presentation) currency units, was as follows:

	31 March 2023			31 March 2022		
	LKR	USD	Other	LKR	USD	Other
Trade receivables	28,872,860			48,525,179		
Bank loans	678,901,644			716,841,438		
Trade Payables	11,267,042			9,711,377	-	

The Company had no exposure to foreign currency risk at the end of the reporting period.

### Amounts recognised in profit or loss

During the year, the following foreign-exchange related amounts were recognised in profit or loss:

	Group	
	2023	2022
Net foreign exchange gain/(loss) included in other gains	422,140	2,136,798
<b>Total net foreign exchange gains recognised in profit before income tax for the period</b>	<b>422,140</b>	<b>2,136,798</b>

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.

### Sensitivity

As at 31 March 2023, if LKR has weakened by 1%, all other variables held constant the resultant net foreign exchange losses in LKR are as follows -

Group	2023	2022
Great Britain Pound	297,671	465,093
United State Dollar	1,593,165	556,869
Japanese Yen	1,132,853	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:

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

	31 March 2023		31 March 2022	
	Weighted average interest rate %	Balance	Weighted average interest rate %	Balance
Bank Loans	23.33	380,051,740	8.14	402,131,248
Net exposure to cash flow interest rate risk		380,051,740		402,131,248

### 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	
	2023	2022
Interest rates - increase by 10%	(37,990,020)	(40,264,890)
Interest rates - decrease by 10%	37,990,020	40,264,890

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 (FVPL) 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 2023 and 31 March 2022:

# Notes to the Financial Statements

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	Group			
	Impact on post-tax profit		Impact on other components of equity	
	2023	2022	2023	2022
Financial assets at fair value through profit or Loss (FVTPL) - increase by 1% (2022 increased by 9%) (note 11(c))	8,087,885	78,772,951	-	-
Financial assets at fair value through other comprehensive income (FVTPL) - increase by 19% (2022 decreased by 23%) (note 11(d))	-	-	183,618,314	(275,779,398)

	Company			
	Impact on post-tax profit		Impact on other components of equity	
	2023	2022	2023	2022
Financial assets at fair value through profit or Loss (FVPL) - increase by 1% (2022 increased by 13%) (note 11(c))	1,019,131	8,645,696	-	-
Financial assets at fair value through other comprehensive income (FVOCI) - increase by 6% (2022 decreased by 22%) (note 11(d))	-	-	28,285,011	(113,434,659)

## 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 11 - financial instruments.

### 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 11 (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 2023 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 2023 and 31 March 2022 was determined as follows for trade receivables:

Group	0 day to 30 days	31 days to 90 days	91 days above	Total
<b>31 March 2023</b>				
Expected loss rate			48%	
Gross carrying amount – trade receivables	8,254,221	2,733,559	17,885,080	28,872,860
Loss allowance			10,838,461	10,838,461
<b>31 March 2022</b>				
Expected loss rate			30%	
Gross carrying amount – trade receivables	5,757,718	18,909,468	23,857,993	48,525,179
Loss allowance			8,834,566	8,834,566

Company	0 day to 30 days	31 days to 90 days	91 days above	Total
<b>31 March 2023</b>				
Expected loss rate	-	-	-	-
Gross carrying amount – trade receivables	-	-	-	-
Loss allowance	-	-	-	-
<b>31 March 2022</b>				
Expected loss rate	-	-	-	-
Gross carrying amount – trade receivables	15,305	-	-	15,305
Loss allowance	-	-	-	-

The closing loss allowances for trade receivables as at 31 March 2023 and 31 March 2022 reconcile to the opening loss allowances as follows:

	Group		Company	
	2023	2022	2023	2022
Opening loss allowance at 1 April	8,834,566	1,703,693	-	-
Increase in loss allowance recognised in profit or loss	2,003,895	7,130,873	-	-
Unused amount reversed	-	-	-	-
<b>Closing loss allowance at 31 March</b>	<b>10,838,461</b>	<b>8,834,566</b>	<b>-</b>	<b>-</b>

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

### 3.5 Liquidity Risk

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

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

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

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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 2023					
Borrowings	104,645,542	639,063,683	39,837,960	-	-
Trade and other payables	128,460,670	11,267,231	1,517,280	8,278,602	-
Lease liabilities	2,838,000	8,514,000	16,392,000	43,866,000	-
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	2,838,000	8,514,000	16,392,000	60,258,000	-

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 2023					
Borrowings	-	-	-	-	-
Trade and other payables	28,318,006	4,860,666	1,517,280	8,278,602	-
As at 31 March 2022					
Borrowings	-	-	-	-	-
Trade and other payables	30,198,717	4,235,972	5,647,962	15,997,058	-

### 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.

The gearing ratio as at 31 March were as follows:

Group	2023	2022
Total borrowings and leases	844,637,721	875,125,037
Less: Cash and cash equivalents	(45,653,317)	(71,285,064)
Net debt	798,984,404	803,839,973
Total equity	3,363,070,418	3,198,556,599
Total capital	4,162,054,822	4,002,396,572
<b>Gearing ratio</b>	<b>19.20%</b>	<b>20.08%</b>

Company	2023	2022
Total borrowings and leases	-	-
Less: Cash and cash equivalents	(26,499,596)	(40,150,433)
Net debt	-	-
Total equity	2,164,162,160	2,043,369,269
Total capital	2,164,162,160	2,043,369,269
<b>Gearing ratio</b>	<b>-</b>	<b>-</b>

### 3.7 Fair value estimation

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

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

Group	Level 1	Level 2	Level 3	Total
<b>31 March 2023</b>				
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investment in unit trusts	11,814,742	-	-	11,814,742
Investment in equity shares	942,334,080	-	-	942,334,080
<b>Financial Assets at FVOCI</b>				
Investment in equity shares	888,848,667	-	274,597,680	1,163,446,347
	<b>1,842,997,489</b>	<b>-</b>	<b>274,597,680</b>	<b>2,117,595,169</b>
<b>31 March 2022</b>				
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investment in unit trusts	8,445,570	-	-	8,445,570
Investment in equity shares	931,146,728	-	-	931,146,728
<b>Financial Assets at FVOCI</b>				
Investment in equity shares	731,330,187	-	212,230,948	943,561,135
	<b>1,670,922,485</b>	<b>-</b>	<b>212,230,948</b>	<b>1,883,153,433</b>

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Company	Level 1	Level 2	Level 3	Total
<b>31 March 2023</b>				
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investment in unit trusts	10,696,711	-	-	10,696,711
Investment in equity shares	64,386,892	-	-	64,386,892
<b>Financial Assets at FVOCI</b>				
Investment in equity shares	254,407,983	-	215,611,156	470,019,139
	<b>329,491,586</b>	<b>-</b>	<b>215,611,156</b>	<b>545,102,742</b>
<b>31 March 2022</b>				
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
Investment in unit trusts	7,300,026	-	-	7,300,026
Investment in equity shares	66,342,606	-	-	66,342,606
<b>Financial Assets at FVOCI</b>				
Investment in equity shares	195,211,298	-	211,522,830	406,734,128
	<b>268,853,930</b>	<b>-</b>	<b>211,522,830</b>	<b>480,376,760</b>

(i) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

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

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

The following table presents the changes in level 3 items for the periods ended 31 March 2023 and 31 March 2022:

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

	Unlisted equity securities FVTOCI	
	Group	Company
Opening balance 1 April 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
Opening balance 1 April 2022	212,230,948	211,522,830
Additions	91,443,155	35,000,000
Loss recognised in other comprehensive income	(29,076,423)	(30,911,674)
Closing balance 31 March 2023	274,597,680	215,611,156

(iii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements (see (i) above for the valuation techniques adopted):

Description	Fair value at		Un-observable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	31 March 2023	31 March 2022		31 March 2023	31 March 2022	
Unlisted equity shares						
- Group	274,597,680	212,230,948	Adjusted net assets value of shares held by the company			The higher the adjusted net assets value, the higher the fair value
- Company	215,611,156	211,522,830				
				- Colombo Fort Hotels Limited	9.44 per share	
			- Agarapathana Plantation Limited	9.31 per share	2.83 per share	

#### 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 2023 and 2022:

	2023	2022
EBITDA margin (1)	39%	37%
Free cash flow growth rate (2)	11%	19%
Pre-tax discount rate (3)	35%	13%
Terminal growth rate (4)	7%	2%

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

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 2023.

## *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 profit or loss. 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) Current economic downturn

The current economic downturn has caused significant fluctuations in the 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 the current economic downturn primarily as follows:

- » 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 the current economic downturn.
- » Investments in subsidiaries are carried at cost. The Company has not determined any impairment losses as of the reporting date due to the current economic downturn.
- » The Group has not determined any impairment of goodwill as of the reporting date due to the 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 2023 are as follows:

	Motor vehicle sales	Repair & maintenance services	Investment & property holding	Group
Total segmental revenue	42,869	213,498,747	62,888,548	276,430,164
	42,869	213,498,747	62,888,548	276,430,164
Operating profit	42,869	(5,737,865)	99,830,671	94,135,675
Finance income	-	6,375	114,717,489	114,723,864
Finance costs	-	(99,709,421)	(1,401,040)	(101,110,461)
Finance (costs) / income - net	-	(99,703,046)	113,316,449	13,613,403
Profit before income tax	42,869	(105,440,911)	213,147,120	107,749,078
Income tax expense	-	-	(58,001,398)	(58,001,398)
<b>Net profit</b>	<b>42,869</b>	<b>(105,440,911)</b>	<b>155,145,722</b>	<b>49,747,680</b>

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
	<b>1,908,177</b>	<b>246,070,384</b>	<b>57,686,176</b>	<b>305,664,737</b>
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)
<b>Net profit</b>	<b>(190,422)</b>	<b>(126,563,918)</b>	<b>206,960,209</b>	<b>80,205,869</b>

## Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

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

Year ended 31 March 2023 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	-	25,785,154	7,000,697	32,785,851

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

The segment assets and liabilities at 31 March 2023 and capital expenditure for the year then ended are as follows:

Year ended 31 March 2023 are as follows:	Motor vehicle sales	Repair & maintenance services	Investment & property holding	Group
Assets	-	636,907,522	3,771,422,232	4,408,329,754
Liabilities	-	958,500,629	86,758,707	1,045,259,336
Capital expenditure		1,703,392	3,877,033	5,580,425

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

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	
<b>Year ended 31 March 2022</b>					
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 (note 24)	-	(7,096,873)	(4,225,111)	(875,460)	(12,197,444)
Depreciation on disposal	-	-	-	3,549,401	3,549,401
<b>Closing net book amount</b>	<b>293,000,000</b>	<b>91,128,839</b>	<b>17,109,128</b>	<b>2,202,887</b>	<b>403,440,854</b>
<b>At 31 March 2022</b>					
Cost or fair value	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)
<b>Net book amount</b>	<b>293,000,000</b>	<b>91,128,839</b>	<b>17,109,128</b>	<b>2,202,887</b>	<b>403,440,854</b>
<b>Year ended 31 March 2023</b>					
Opening net book amount	293,000,000	91,128,839	17,109,128	2,202,887	403,440,854
Additions	-	-	2,064,842	373,950	2,438,792
Depreciation charge (note 24)	-	(7,097,274)	(2,315,749)	(1,031,623)	(10,444,646)
Depreciation on disposal	-	-	-	-	-
<b>Closing net book amount</b>	<b>293,000,000</b>	<b>84,031,565</b>	<b>16,858,221</b>	<b>1,545,214</b>	<b>395,435,000</b>
<b>At 31 March 2023</b>					
Cost or fair value	293,000,000	138,228,300	79,920,352	35,379,547	546,528,199
Accumulated depreciation	-	(54,196,735)	(63,062,131)	(33,834,333)	(151,093,199)
<b>Net book amount</b>	<b>293,000,000</b>	<b>84,031,565</b>	<b>16,858,221</b>	<b>1,545,214</b>	<b>395,435,000</b>

Property, plant and equipment in use of the Group include fully depreciated assets, which amounted to LKR 108,740,512 (2022 - LKR 104,696,392) as of reporting period end.

## Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

### 6. Property, plant, and equipment (Contd)

Company	Freehold land	Buildings	Plant, machinery & other equipment	Motor vehicles	Total
<b>Year ended 31 March 2022</b>					
Opening net book amount	-	938,803	632,441	-	1,571,244
Additions	-	-	351,000	-	351,000
Depreciation charge ( note - 24)	-	(56,047)	(400,275)	-	(456,322)
<b>Closing net book amount</b>	<b>-</b>	<b>882,756</b>	<b>583,166</b>	<b>-</b>	<b>1,465,922</b>
<b>At 31 March 2022</b>					
Cost or fair value	-	1,120,959	9,199,591	-	10,320,550
Accumulated depreciation	-	(238,203)	(8,616,425)	-	(8,854,628)
<b>Net book amount</b>	<b>-</b>	<b>882,756</b>	<b>583,166</b>	<b>-</b>	<b>1,465,922</b>
<b>Year ended 31 March 2023</b>					
Opening net book amount	-	882,756	583,166	-	1,465,922
Additions	-	-	735,400	-	735,400
Depreciation charge (note 24)	-	(56,047)	(361,635)	-	(417,682)
<b>Closing net book amount</b>	<b>-</b>	<b>826,709</b>	<b>956,931</b>	<b>-</b>	<b>1,783,640</b>
<b>At 31 March 2023</b>					
Cost or fair value	-	1,120,959	9,934,991	-	11,055,950
Accumulated depreciation	-	(294,250)	(8,978,060)	-	(9,272,310)
<b>Net book amount</b>	<b>-</b>	<b>826,709</b>	<b>956,931</b>	<b>-</b>	<b>1,783,640</b>

Property, plant and equipment in use of the Company include fully depreciated assets, which amounted to LKR. 8,222,440 (2022 - LKR 7,717,891 ) 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, Thalangama South	293,000,000	6	Direct comparison method of valuation	Price per Perch	53.45 Perch of Land @ LKR 2,500,000/- per perch. 79.55 perch under high-tension line @ LKR. 2,000,000/- per perch.	Level - 03	Positivity Correlated Sensitivity	30.03.2022	Mr. N.B.S.A. Nanayakkara

If freehold land was stated on a historical cost basis, the amounts would be as follows:

	2023	2022
<b>Freehold land</b>		
Cost	67,245,720	67,245,720
Accumulated depreciation	-	-
<b>Net book amount</b>	<b>67,245,720</b>	<b>67,245,720</b>

The fair value of land was determined by means of a revaluation during the financial year ended 31 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 in Sri Lanka. Fair value of the Land was determined using the direct comparison method.

## 7. Investment property

	Group		Company	
	2023	2022	2023	2022
At 1 April - Opening balance	1,061,377,259	1,067,880,344	1,061,377,259	1,067,880,344
Additions	3,141,633	-	3,141,633	-
Depreciation charge (note 24)	(6,583,014)	(6,503,085)	(6,583,014)	(6,503,085)
<b>At 31 March</b>	<b>1,057,935,878</b>	<b>1,061,377,259</b>	<b>1,057,935,878</b>	<b>1,061,377,259</b>
<b>At 31 March</b>				
<b>Cost</b>				
- Land	997,610,249	997,610,249	997,610,249	997,610,249
- Building	133,203,333	130,061,700	133,203,333	130,061,700
	1,130,813,582	1,127,671,949	1,130,813,582	1,127,671,949
Accumulated depreciation	(72,877,704)	(66,294,690)	(72,877,704)	(66,294,690)
<b>At 31 March</b>	<b>1,057,935,878</b>	<b>1,061,377,259</b>	<b>1,057,935,878</b>	<b>1,061,377,259</b>

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 21 - 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 24 - 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	31 March 2022
Valuation Technique	Market comparable method
Estimates for observable Inputs	1A-1R-03.46 Perches @ LKR16,000,000/- per perch for land, 18,600 sq.ft @ LKR.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)

## 7. Investment property (Contd)

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	31 March 2022
Valuation Technique	Market comparable method
Estimates for observable Inputs	109.2 Perches @ LKR 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.

### (i) Leasing arrangements

The investment properties are leased to tenants under operating leases, with rentals payable monthly. Lease income from operating leases where the Group /Company is a lessor is recognised in income on a straight-line basis over the lease term.

There are no variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the Group and the Company may obtain bank guarantees for the term of the lease. Although the Group and the Company are exposed to changes in the residual value at the end of the current leases, the Group and the Company typically enter into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about future residual values are reflected in the fair value of the properties.

Minimum lease payments receivable on leases of investment properties are as follows:

	Group		Company	
	2023	2022	2023	2022
Within 1 year	79,386,839	62,888,548	79,386,839	62,888,548
Between 1 and 2 years	82,144,277	79,386,839	82,144,277	79,386,839
Between 2 and 3 years	72,314,928	82,144,277	72,314,928	82,144,277
Between 3 and 4 years	44,818,689	72,314,928	44,818,689	72,314,928
Between 4 and 5 years	47,821,598	44,818,689	47,821,598	44,818,689
Later than 5 years	347,418,900	395,240,497	347,418,900	395,240,497
	673,905,230	736,793,779	673,905,230	736,793,779

## 8. Intangible assets

### Group

	Goodwill	Software	Total
<b>At 31 March 2021</b>			
Cost	4,870,824	8,141,013	13,011,837
Accumulated amortisation	-	(8,141,013)	(8,141,013)
<b>Net book amount</b>	<b>4,870,824</b>	<b>-</b>	<b>4,870,824</b>
<b>Year ended 31 March 2022</b>			
Opening net book amount	4,870,824	-	4,870,824
Amortisation charge	-	-	-
<b>Closing net book amount</b>	<b>4,870,824</b>	<b>-</b>	<b>4,870,824</b>
<b>At 31 March 2022</b>			
Cost	4,870,824	8,141,013	13,011,837
Accumulated amortisation	-	(8,141,013)	(8,141,013)
<b>Net book amount</b>	<b>4,870,824</b>	<b>-</b>	<b>4,870,824</b>
<b>Year ended 31 March 2023</b>			
Opening net book amount	4,870,824	-	4,870,824
Amortisation charge	-	-	-
<b>Closing net book amount</b>	<b>4,870,824</b>	<b>-</b>	<b>4,870,824</b>
<b>At 31 March 2023</b>			
Cost	4,870,824	8,141,013	13,011,837
Accumulated amortisation	-	(8,141,013)	(8,141,013)
<b>Net book amount</b>	<b>4,870,824</b>	<b>-</b>	<b>4,870,824</b>

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

Intangible assets include the cost of software and a website in use owned by Colonial Motors (Ceylon) Limited, which were amortised over their estimated useful life of 3 years.

## 9. 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 early of the end of the useful life of the right-of-use asset or the end of the lease term. The movement of Right of Use lease asset of the Group is as follows,

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 9. Right of use assets and Leases (Contd)

### Year ended 31 March 2022

At Gross Value	Balance as at 1 April 2021	Additions	Adjustment on termination	Balance as at 31 March 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
	<b>115,560,074</b>	<b>-</b>	<b>-</b>	<b>115,560,074</b>

Accumulation Depreciation	Balance as at 1 April 2021	Charge for the Year	Adjustment on termination	Balance as at 31 March 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
	<b>31,516,386</b>	<b>15,758,190</b>	<b>-</b>	<b>47,274,576</b>

### Year ended 31 March 2023

At Gross Value	Balance as at 1 April 2022	Additions	Adjustment on termination	Balance as at 31 March 2023
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
	<b>115,560,074</b>	<b>-</b>	<b>-</b>	<b>115,560,074</b>

Accumulation Depreciation	Balance as at 1 April 2022	Charge for the Year	Adjustment on termination	Balance as at 31 March 2023
Property at Peliyagoda (Plan no: 2921)	13,918,966	4,639,656	-	18,558,622
Property at Peliyagoda (Plan no: 3179)	7,447,503	2,482,501	-	9,930,004
Property at Peliyagoda (Plan no: 2006/299)	25,908,107	8,636,033	-	34,544,140
	<b>47,274,576</b>	<b>15,758,190</b>	<b>-</b>	<b>63,032,766</b>

Net Book Values	Balance as at	
	31 March 2023	31 March 2022
Property at Peliyagoda (Plan no: 2921)	15,465,519	20,105,175
Property at Peliyagoda (Plan no: 3179)	8,275,002	10,757,503
Property at Peliyagoda (Plan no: 2006/299)	28,786,787	37,422,820
	<b>52,527,308</b>	<b>68,285,498</b>

### Lease Liabilities/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 1 April 2021	Interest expense recognized in profit or loss	Repayment of liability	Adjustment on termination	Balance as at 31 March 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)	-	-
	<b>57,237,284</b>	<b>6,230,850</b>	<b>(4,021,977)</b>	<b>-</b>	<b>59,446,156</b>

	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
	<b>18,072,000</b>	<b>41,374,156</b>	<b>59,446,156</b>

	Balance as at 1 April 2022 profit or loss	Interest expense recognized in	Repayment of liability	Adjustment on termination	Balance as at 31 March 2023
Property at Peliyagoda (Plan no: 2921)	29,563,461	2,823,575	(3,920,000)	-	28,467,036
Property at Peliyagoda (Plan no: 3179)	20,607,568	1,512,629	-	-	22,120,197
Property at Peliyagoda (Plan no: 2006/299)	9,275,127	1,228,176	-	-	10,503,303
	<b>59,446,156</b>	<b>5,564,380</b>	<b>(3,920,000)</b>	<b>-</b>	<b>61,090,536</b>

	Amount repayable within 1 year	Amount repayable after 1 year	Total
Property at Peliyagoda (Plan no: 2921)	11,219,036	17,248,000	28,467,036
Property at Peliyagoda (Plan no: 3179)	12,880,197	9,240,000	22,120,197
Property at Peliyagoda (Plan no: 2006/299)	6,720,000	3,783,303	10,503,303
	<b>30,819,233</b>	<b>30,271,303</b>	<b>61,090,536</b>

Lease Liabilities	As at	
	31 March 2023	31 March 2022
Less than 3 months	8,514,000	7,689,229
Between 3 months and 1 year	22,305,233	10,382,771
Between year 1 and year 2	22,704,000	18,501,722
Between year 2 and year 5	7,567,303	22,872,434
Over 5 years	-	-
	<b>61,090,536</b>	<b>59,446,156</b>

The total cash outflow for leases in 2022/2023 is LKR 3,920,000 (2021/2022- LKR. 4,021,977).

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 10. Investments in subsidiaries

The Group has the following principal subsidiary undertakings as at 31 March 2023

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 (Private) Limited	-	99.99%	-

Investments at cost	31 March	
	2023	2022
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
<b>Impairment of investments</b>		
Colonial Motors (Ceylon) Limited	(216,999,980)	(216,999,980)
<b>Net investments</b>	<b>14,000,000</b>	<b>14,000,000</b>
<b>At beginning of and at end of the year</b>	<b>14,000,000</b>	<b>14,000,000</b>

The Investment in Colonial Motors (Ceylon) Limited was fully impaired as at 31 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.

(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 10 - 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.

## 11. Financial Instruments

### (a) Financial instruments by category

#### Group

31 March 2023	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
<b>Assets as per statement of financial position</b>				
Investments in unit trust	11,814,742	-	-	11,814,742
Equity investment	942,334,080	1,163,446,347	-	2,105,780,427
Trade and other receivables(excluding pre-payments)	-	-	577,938,158	577,938,158
Cash and cash equivalents	-	-	45,653,317	45,653,317
<b>Total</b>	<b>954,148,822</b>	<b>1,163,446,347</b>	<b>623,591,475</b>	<b>2,741,186,644</b>

	Amortized Cost	Total
<b>Liabilities as per statement of financial position</b>		
Borrowings	783,547,186	783,547,186
Trade and other payables	149,523,783	149,523,783
Lease liabilities	61,090,536	61,090,536
<b>Total</b>	<b>994,161,505</b>	<b>994,161,505</b>

31 March 2022	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
<b>Assets as per statement of financial position</b>				
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
<b>Total</b>	<b>939,592,298</b>	<b>943,561,135</b>	<b>624,581,348</b>	<b>2,507,734,781</b>

	Amortized Cost	Total
<b>Liabilities as per statement of financial position</b>		
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
<b>Total</b>	<b>1,016,511,298</b>	<b>1,016,511,298</b>

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 11. Financial Instruments (Contd)

### Company

31 March 2023	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
<b>Assets as per statement of financial position</b>				
Investments in unit trust	10,696,711	-	-	10,696,711
Equity investment	64,386,892	470,019,139	-	534,406,031
Trade and other receivables(excluding pre-payments)	-	-	603,119,112	603,119,112
Cash and cash equivalents	-	-	26,499,596	26,499,596
<b>Total</b>	<b>75,083,603</b>	<b>470,019,139</b>	<b>629,618,708</b>	<b>1,174,721,450</b>

	Amortized Cost	Total
<b>Liabilities as per statement of financial position</b>		
Borrowings	-	-
Trade and other payables	42,974,554	42,974,554
<b>Total</b>	<b>42,974,554</b>	<b>42,974,554</b>

31 March 2022	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
<b>Assets as per statement of financial position</b>				
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
<b>Total</b>	<b>73,642,632</b>	<b>406,734,128</b>	<b>549,692,084</b>	<b>1,030,068,844</b>

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

## (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	2023	2022
<b>Trade receivables</b>		
<i>Counterparties without external credit rating</i>		
Group 1	10,291,743	27,580,847
Group 2	7,742,656	12,109,766
Group 3	-	-
<b>Total</b>	<b>18,034,399</b>	<b>39,690,613</b>

	2023	2022
<b>Cash at bank and short-term bank deposits (Fitch ratings)</b>		
AAA Ika	-	-
AA+ Ika	-	-
AA Ika	-	-
AA- Ika	-	70,408,569
A+Ika to A-Ika	43,565,614	-
Below A	-	-
Counterparties without external credit rating, and cash in hand	2,087,703	876,495
<b>Total</b>	<b>45,653,317</b>	<b>71,285,064</b>

Company	2023	2022
<b>Trade receivables</b>		
<i>Counterparties without external credit rating</i>		
Group 1	-	15,305
Group 2	-	-
Group 3	-	-
<b>Total</b>	<b>-</b>	<b>15,305</b>

	2023	2022
<b>Cash at bank and short-term bank deposits (Fitch ratings)</b>		
AAA Ika	-	-
AA+ Ika	-	-
AA Ika	-	-
AA- Ika	-	40,150,433
A+Ika to A-Ika	26,499,596	-
Below A	-	-
Counterparties without external credit rating, and cash in hand	-	-
<b>Total</b>	<b>26,499,596</b>	<b>40,150,433</b>

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 11. Financial Instruments (Contd)

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	
	2023	2022	2023	2022
Investment in unit trust	11,814,742	8,445,570	10,696,711	7,300,026
Equity investment	942,334,080	931,146,728	64,386,892	66,342,606
	<b>954,148,822</b>	<b>939,592,298</b>	<b>75,083,603</b>	<b>73,642,632</b>

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

	Group		Company	
	2023	2022	2023	2022
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
	<b>939,592,298</b>	<b>824,066,890</b>	<b>73,642,632</b>	<b>64,398,439</b>
<b>Additions</b>				
Investment in unit trusts	-	-	-	-
Equity investment	7,621,277	41,971,096	421,840	631,414
	<b>7,621,277</b>	<b>41,971,096</b>	<b>421,840</b>	<b>631,414</b>
<b>Disposals</b>				
Equity investment	(1,152,639)	(5,218,639)	-	(32,917)
	<b>(1,152,639)</b>	<b>(5,218,639)</b>	<b>-</b>	<b>(32,917)</b>
<b>Market fair value changes</b>				
- to statement of profit or loss				
Investment in unit trusts (Note 23)	3,369,172	25,336	3,396,685	(25,492)
Equity investment (Note 23)	4,718,713	78,747,615	(2,377,554)	8,671,188
	<b>8,087,885</b>	<b>78,772,951</b>	<b>1,019,131</b>	<b>8,645,696</b>
<b>At the end of the year</b>				
Investment in unit trusts	11,814,742	8,445,570	10,696,711	7,300,026
Equity investment	942,334,080	931,146,728	64,386,892	66,342,606
	<b>954,148,822</b>	<b>939,592,298</b>	<b>75,083,603</b>	<b>73,642,632</b>

### (d) Fair value through other comprehensive income

	Note	Group		Company	
		2023	2022	2023	2022
Opening balance		943,561,135	1,219,401,983	406,734,128	520,168,787
Investment made during the year		91,459,737	23,708	35,000,000	-
Disposals made during the year	(i)	(55,192,839)	(85,158)	-	-
Change in fair value		183,618,314	(275,779,398)	28,285,011	(113,434,659)
<b>As at 31 March</b>		<b>1,163,446,347</b>	<b>943,561,135</b>	<b>470,019,139</b>	<b>406,734,128</b>

## 11. Financial Instruments (Contd)

### (i) Disposal of equity investments

During the current financial period, the Group sold its investment in Sigiriya Village Hotels PLC for cash. The investment sold had a fair value of LKR 55,192,839, and Group realised a gain of LKR 2,032,838 which had already been included in OCI. The gain has been transferred to retained earnings of LKR 26,523,296, see note 17(c).

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

#### Listed shares

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
<b>AUTOMOBILES &amp; COMPONENTS</b>						
Kelani Tyres PLC	160	9,504	934	160	9,264	934
	<b>160</b>	<b>9,504</b>	<b>934</b>	<b>160</b>	<b>9,264</b>	<b>934</b>
<b>BANKS</b>						
Commercial Bank of Ceylon PLC	1,191,213	75,761,147	45,280,119	1,147,580	71,953,266	41,837,379
Commercial Bank of Ceylon PLC (Non Voting)	135,220	7,315,402	5,470,907	130,000	7,917,000	5,080,907
Development Finance Corporation of Ceylon PLC	123,229	5,409,753	7,841,059	117,159	5,623,632	7,812,494
Hatton National Bank PLC	349,202	45,221,659	19,111,765	343,023	37,475,263	18,254,208
Hatton National Bank PLC (Non-voting)	61,745	5,445,909	2,653,328	60,554	6,358,170	2,501,943
National Development Bank PLC	35,894	1,611,641	1,958,500	33,726	1,878,537	1,806,733
Nations Trust Bank PLC	129,967	8,317,887	3,099,010	122,525	5,525,878	2,682,169
Pan Asia Bank PLC	209,000	2,612,500	2,107,054	209,000	2,257,200	2,107,054
Sampath Bank PLC	409,260	21,486,150	14,096,717	409,260	18,744,108	14,096,717
Seylan Bank PLC (Non Voting)	456,817	10,278,383	9,417,195	417,885	10,642,056	8,163,540
Union Bank of Colombo PLC	55,000	495,000	2,500	55,000	412,500	2,500
	<b>3,156,547</b>	<b>183,955,431</b>	<b>111,038,155</b>	<b>3,045,712</b>	<b>168,787,610</b>	<b>104,345,644</b>
<b>CAPITAL GOODS</b>						
ACL Cables PLC	144,000	11,851,200	1,485,020	144,000	8,208,000	1,485,020
Colombo Dockyard PLC	14,880	952,320	841,962	14,880	1,090,704	841,962
Hayleys PLC	1,000,160	72,011,520	2,372,698	1,000,160	76,912,304	2,372,698
Hemas Holdings PLC	21,653	1,407,445	431,821	21,653	1,000,369	431,821
	<b>1,180,693</b>	<b>86,222,485</b>	<b>5,131,501</b>	<b>1,180,693</b>	<b>87,211,377</b>	<b>5,131,501</b>
<b>Balance carried forward</b>	<b>4,337,400</b>	<b>270,187,420</b>	<b>116,170,590</b>	<b>4,226,565</b>	<b>256,008,251</b>	<b>109,478,079</b>

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	4,337,400	270,187,420	116,170,590	4,226,565	256,008,251	109,478,079
<b>CAPITAL GOODS</b>						
John Keells Holdings PLC	69,137	9,679,180	5,685,686	69,137	10,024,865	5,685,686
Kelani Cables PLC	400	107,500	6,557	400	116,300	6,557
Lanka Tiles PLC	125,000	5,387,500	629,625	125,000	7,462,500	629,625
Lanka Walltiles PLC	500,000	24,050,000	3,946,907	500,000	34,850,000	3,946,907
Richard Peiris & Company PLC	4,740	98,118	11,121	4,740	63,042	11,121
Sierra Cables PLC	824,000	9,888,000	1,515,337	824,000	5,603,200	1,515,337
Brown & Company PLC	28,900	3,453,550	2,744,783	28,900	3,858,150	2,744,783
Lankem Ceylon PLC	222,800	16,865,960	7,506,060	222,800	6,238,400	7,506,060
Vallibel One PLC	109,012	3,989,839	2,600,000	109,012	4,382,282	2,600,000
	<b>1,883,989</b>	<b>73,519,647</b>	<b>24,646,076</b>	<b>1,883,989</b>	<b>72,598,739</b>	<b>24,646,076</b>
<b>CONSUMER DURABLES &amp; APPERAL</b>						
Dankotuwa Porcelain PLC	42,500	871,250	348,589	42,500	420,750	348,589
Hayleys Fabric PLC	17,180	432,936	194,121	17,180	499,938	194,121
Hayleys Fibre PLC	1,467	73,497	21,022	1,467	80,832	21,022
Regnis (Lanka) PLC	275,706	12,682,476	2,464,335	275,706	15,025,977	2,464,335
Teejay Lanka PLC	10,000	320,000	150,000	10,000	398,000	150,000
Hela Apperal PLC	6,000	48,000	90,000	6,000	77,400	90,000
Singer Industries PLC	165,360	6,085,248	844,420	165,360	6,333,288	844,420
	<b>518,213</b>	<b>20,513,407</b>	<b>4,112,487</b>	<b>518,213</b>	<b>22,836,185</b>	<b>4,112,487</b>
Balance carried forward	6,739,602	364,220,474	144,929,153	6,628,767	351,443,175	138,236,642

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	6,739,602	364,220,474	144,929,153	6,628,767	351,443,175	138,236,642
<b>CONSUMER SERVICES</b>						
Aitken Spence Hotel Holdings PLC	100,625	6,027,438	1,855,824	100,625	3,572,188	1,855,824
Amaya Leisure PLC	134,886	3,237,264	2,335,378	134,886	2,185,153	2,335,378
Asian Hotels Properties PLC	72,000	3,168,000	988,895	72,000	2,664,000	988,895
Dolphin Hotels PLC	20,000	640,000	275,131	20,000	602,000	275,131
Renuka City Hotels PLC	12,740	4,666,025	896,879	12,740	3,745,560	896,879
Tangerine Beach Hotels PLC	11,400	627,000	348,343	11,400	502,740	348,343
Ceylon Hotel Corporation PLC	10,478	235,755	253,714	10,478	95,350	253,714
Eden Hotel PLC	350,000	6,160,000	7,005,939	350,000	4,585,000	7,005,939
Galadari Hotels PLC	7,000	101,500	60,075	7,000	101,500	60,075
Citrus Hikkaduwa PLC	33,742	172,084	674,840	33,742	192,329	674,840
John Keells Hotels PLC	530,416	10,024,862	8,907,235	530,416	6,205,867	8,907,235
Marawila Resorts PLC	6,681,037	14,030,178	11,356,338	6,681,037	12,693,970	11,356,338
Pegasus Hotels of Ceylon PLC	22,666	777,444	499,202	22,666	770,644	499,202
Royal Palms Beach PLC	15,700	412,910	628,738	15,700	255,910	628,738
Serendib Hotels PLC (Non - voting)	125,000	837,500	296,268	31,250	293,750	296,268
Taj Lanka Hotels PLC	19,500	296,400	182,097	19,500	257,400	182,097
The Light House Hotel PLC	114,800	3,134,040	1,947,676	114,800	3,157,000	1,947,676
The Fortress Resorts PLC	50	1,100	866	50	625	866
Palm Garden Hotels	15,164	834,020	710,548	15,164	623,240	710,548
	<b>8,277,204</b>	<b>55,383,520</b>	<b>39,223,986</b>	<b>8,183,454</b>	<b>42,504,226</b>	<b>39,223,986</b>
Balance carried forward	15,016,806	419,603,994	184,153,139	14,812,221	393,947,401	177,460,628

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	15,016,806	419,603,994	184,153,139	14,812,221	393,947,401	177,460,628
<b>DIVERSIFIED FINANCIALS</b>						
Alliance Finance Company PLC	80,000	5,344,000	352,690	80,000	5,632,000	352,690
Central Finance PLC	40,318	2,919,023	821,367	40,318	2,745,656	821,367
Ceylon Guardian Investments Trust PLC	152,189	10,296,560	1,573,798	152,189	11,946,837	1,573,798
Ceylon Investments PLC	607,159	20,339,827	2,851,756	607,159	22,525,598	2,944,395
Lanka Orix Leasing Company Holdings PLC	399,000	149,625,000	3,282,937	399,000	238,402,500	3,282,937
Lanka Ventures PLC	339,700	12,908,600	11,404,583	339,700	15,286,500	11,404,583
Lanka Orix Finance PLC	99,250	595,500	619,623	99,250	1,409,350	619,623
People's Merchant Bank PLC	1,500	7,800	27,005	1,500	8,100	27,005
Merchant Bank of Sri Lanka PLC	124,879	424,588	8,170,229	124,879	636,883	8,170,229
LOLC General Insurance	2,300	16,560	18,170			
Guardian Capital Partners PLC	113,000	1,932,300	8,252,675	113,000	2,768,500	8,252,675
Nation Lanka Finance PLC	-	-	-	-	-	-
	<b>1,959,295</b>	<b>204,409,758</b>	<b>37,374,833</b>	<b>1,956,995</b>	<b>301,361,924</b>	<b>37,449,302</b>
<b>ENERGY</b>						
Lanka IOC PLC	174,600	29,943,900	5,417,806	174,600	5,377,680	5,417,806
	<b>174,600</b>	<b>29,943,900</b>	<b>5,417,806</b>	<b>174,600</b>	<b>5,377,680</b>	<b>5,417,806</b>
<b>FOOD &amp; STAPLES RETAILING</b>						
Cargills (Ceylon) PLC	146,057	34,031,281	4,386,183	146,057	26,655,403	4,386,183
	<b>146,057</b>	<b>34,031,281</b>	<b>4,386,183</b>	<b>146,057</b>	<b>26,655,403</b>	<b>4,386,183</b>
<b>FOOD BEVERAGE &amp; TOBACCO</b>						
Bukit Darah PLC	896	384,384	250,317	896	324,128	250,317
Carson Cumberbatch PLC	664	180,442	80,980	664	179,280	80,980
Ceylon Cold Stores PLC	93,200	3,728,000	177,516	93,200	3,625,480	177,516
Ceylon Grain Elevators PLC	30,000	2,517,000	301,978	30,000	1,830,000	301,978
Ceylon Tobacco Company PLC	3,500	2,382,625	140,004	3,500	2,016,875	140,004
Lanka Milk Foods PLC	133	18,720	3,830	133	17,656	3,830
MELSTACORP PLC	10,000	549,000	652,469	10,000	411,000	652,469
	<b>138,393</b>	<b>9,760,171</b>	<b>1,607,094</b>	<b>138,393</b>	<b>8,404,419</b>	<b>1,607,094</b>
Balance carried forward	17,435,151	697,749,104	232,939,055	17,228,266	735,746,827	226,321,013

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	17,435,151	697,749,104	232,939,055	17,228,266	735,746,827	226,321,013
<b>FOOD BEVERAGE &amp; TOBACCO</b>						
Nestle Lanka PLC	4,700	5,024,300	404,444	4,700	4,412,125	404,444
Renuka Agrifoods PLC	31,560	164,112	105,641	31,560	113,616	105,641
Renuka Foods PLC (Non voting)	-	-	-	-	-	-
Renuka Foods PLC (voting)	25,000	535,000	316,563	25,000	335,000	316,563
Sunshine Holdings PLC	2,136	96,120	23,736	2,136	78,177	23,736
Three Acre Farms PLC	25,000	3,268,750	215,528	25,000	4,712,500	215,528
Watawala Plantations PLC	364,201	27,132,974	494,532	364,201	33,979,953	494,532
Browns Investments PLC	706,000	4,236,000	1,932,938	706,000	5,295,000	1,932,938
Hatton Plantations PLC	432,000	8,078,400	-	432,000	3,625,944	-
Keells Food Products PLC	3,570	571,200	174,451	3,570	593,513	174,451
Ceylon Tea Services PLC	1,428	1,456,560	86,333	1,428	1,428,000	86,333
Lankem Development PLC	2,400,000	60,000,000	6,137,104	2,400,000	9,120,000	6,137,104
	<b>3,995,595</b>	<b>110,563,416</b>	<b>9,891,270</b>	<b>3,995,595</b>	<b>63,693,828</b>	<b>9,891,270</b>
<b>HEALTH CARE EQUIPMENT &amp; SERVICES</b>						
Asiri Hospitals PLC	353,000	8,789,700	894,671	353,000	13,237,500	894,671
Asiri Surgical PLC	112,500	1,406,250	277,419	112,500	1,687,500	277,419
Ceylon Hospitals PLC	13,330	1,271,682	300,144	13,330	1,095,726	300,144
The Lanka Hospital Corporation PLC	33,000	3,729,000	488,930	33,000	1,656,600	488,930
	<b>511,830</b>	<b>15,196,632</b>	<b>1,961,164</b>	<b>511,830</b>	<b>17,677,326</b>	<b>1,961,164</b>
<b>INSURANCE</b>						
HNB Assurance PLC	300,000	14,970,000	1,307,990	300,000	12,990,000	1,307,990
Amana Takaful PLC	75,000	900,000	753,490	75,000	750,000	753,490
Softlogic Life Insurance PLC	100,000	8,440,000	284,446	100,000	4,340,000	284,446
	<b>475,000</b>	<b>24,310,000</b>	<b>2,345,926</b>	<b>475,000</b>	<b>18,080,000</b>	<b>2,345,926</b>
Balance carried forward	22,417,576	847,819,152	247,137,415	22,210,691	835,197,981	240,519,373

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	22,417,576	847,819,152	247,137,415	22,210,691	835,197,981	240,519,373
<b>MATERIALS</b>						
Chemanax PLC	17,700	1,371,750	1,557,813	17,700	1,323,960	1,557,813
Chevron Lubricants PLC	47,460	4,347,336	3,481,563	47,460	4,133,766	3,481,563
Dipped Products PLC	350,240	9,701,648	1,561,838	350,240	11,382,800	1,561,838
Tokyo Cement Company (Lanka) PLC	108,319	5,415,950	545,391	108,319	3,672,014	545,391
Tokyo Cement Company (Lanka) PLC (Non Voting)	455,500	20,725,250	3,379,162	455,500	11,979,650	4,099,162
Union Chemicals Lanka PLC	100	69,875	1,000	100	78,050	1,000
Haycarb PLC	3,450	194,235	10,090	3,450	173,190	10,090
Bogala Graphite Lanka PLC	11,200	728,000	37,270	11,200	505,120	37,270
Rich Pieris Exports PLC	39,600	22,077,000	692,400	39,600	24,116,400	692,400
Lanka Cement PLC	5,000	-	39,153	5,000	12,500	39,153
Pelwatte Sugar Industries PLC	5,000	-	95,792	5,000	-	95,792
	<b>1,043,569</b>	<b>64,631,044</b>	<b>11,401,472</b>	<b>1,043,569</b>	<b>57,377,450</b>	<b>12,121,472</b>
<b>REAL ESTATE</b>						
Colombo Land & Development PLC	522,460	10,501,446	4,782,685	522,460	13,009,254	4,782,685
East West Properties PLC	48,000	403,200	338,143	48,000	350,400	338,143
York Arcade Holdings PLC	35	4,979	38	35	5,373	38
Property Development PLC	-	-	-	8,000	1,060,000	132,712
Equity Two PLC	25,200	957,600	217,016	25,200	957,600	217,016
C T Land Development PLC	3,333	90,324	13,740	3,333	85,991	13,740
Touchwood Investments PLC	600,000	-	10,602,116	600,000	-	10,602,116
	<b>1,199,028</b>	<b>11,957,549</b>	<b>15,953,738</b>	<b>1,207,028</b>	<b>15,468,618</b>	<b>16,086,450</b>
<b>RETAILING</b>						
United Motors Lanka PLC	34,881	2,089,372	334,361	34,881	1,921,943	334,361
ODEL PLC	1,500	25,200	22,500	1,500	28,650	22,500
Singer Sri Lanka PLC	6,000	90,000	2,989	6,000	84,000	2,989
John Keells PLC	20,000	1,376,000	382,531	20,000	1,370,000	382,531
	<b>62,381</b>	<b>3,580,572</b>	<b>742,381</b>	<b>62,381</b>	<b>3,404,593</b>	<b>742,381</b>
Balance carried forward	24,722,554	927,988,317	275,235,006	24,523,669	911,448,642	269,469,676

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	24,722,554	927,988,317	275,235,006	24,523,669	911,448,642	269,469,676
<b>TRANSPOTATION</b>						
Expolanka PLC	55,000	7,590,000	13,309,566	55,000	11,426,250	13,309,566
	<b>55,000</b>	<b>7,590,000</b>	<b>13,309,566</b>	<b>55,000</b>	<b>11,426,250</b>	<b>13,309,566</b>
<b>TELECOMMUNICATION SERVICES</b>						
Dialog Axiata PLC	15,000	156,000	224,453	15,000	150,000	224,453
	<b>15,000</b>	<b>156,000</b>	<b>224,453</b>	<b>15,000</b>	<b>150,000</b>	<b>224,453</b>
<b>UTILITIES</b>						
Panasian Power PLC	29,200	99,280	87,600	29,200	108,040	87,600
Resus Energy PLC	162,367	2,191,955	3,177,976	148,887	2,903,297	2,813,207
Vallibel Power Erathna PLC	39,017	261,415	85,634	39,017	280,923	85,634
Vidullanka PLC	652,053	3,847,113	1,029,836	652,053	4,629,576	1,029,836
	<b>882,637</b>	<b>6,399,763</b>	<b>4,381,046</b>	<b>869,157</b>	<b>7,921,836</b>	<b>4,016,277</b>
<b>Total listed shares</b>	<b>25,675,191</b>	<b>942,134,080</b>	<b>293,150,071</b>	<b>25,462,826</b>	<b>930,946,728</b>	<b>287,019,972</b>
<b>Unlisted shares</b>						
Bartleet Transcapital (Private) Limited	10,000	200,000	200,000	10,000	200,000	200,000
<b>Total Unlisted Shares</b>	<b>10,000</b>	<b>200,000</b>	<b>200,000</b>	<b>10,000</b>	<b>200,000</b>	<b>200,000</b>
<b>Unit trust</b>						
NDB Wealth Growth & Income Fund	15,826	694,606	290,768	15,826	725,308	290,768
National Equity Fund	12,000	423,426	120,000	12,000	420,236	120,000
Ceybank Unit Trust	318,639	10,696,710	5,037,138	318,639	7,300,026	5,037,138
	<b>346,465</b>	<b>11,814,742</b>	<b>5,447,906</b>	<b>346,465</b>	<b>8,445,570</b>	<b>5,447,906</b>
<b>Financial assets at at fair value through profit or loss</b>	<b>26,031,656</b>	<b>954,148,822</b>	<b>298,797,977</b>	<b>25,819,291</b>	<b>939,592,298</b>	<b>292,667,878</b>

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 11. Financial Instruments (Contd)

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

Listed shares

	Company					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
<b>AUTOMOBILES &amp; COMPONENTS</b>						
Kelani Tyres PLC	160	9,504	934	160	9,264	934
	<b>160</b>	<b>9,504</b>	<b>934</b>	<b>160</b>	<b>9,264</b>	<b>934</b>
<b>BANKS</b>						
Commercial Bank of Ceylon PLC	15,653	995,531	632,480	15,080	945,516	587,242
Development Finance Corporation of Ceylon PLC	6,731	295,491	333,738	6,424	308,352	322,817
Hatton National Bank PLC	59,779	7,741,381	3,265,083	58,721	6,415,269	3,118,280
Hatton National Bank PLC (Non-voting)	26,275	2,317,453	1,304,643	25,768	2,705,640	1,240,223
National Development Bank PLC	7,470	335,403	394,157	7,019	390,958	362,572
Pan Asia Bank PLC	9,000	112,500	95,298	9,000	97,200	95,298
Sampath Bank PLC	19,689	1,033,673	379,564	19,689	901,757	379,564
Seylan Bank PLC (Non Voting)	44,772	1,007,370	666,859	40,957	1,294,241	543,987
	<b>189,369</b>	<b>13,838,802</b>	<b>7,071,822</b>	<b>182,658</b>	<b>13,058,933</b>	<b>6,649,983</b>
<b>CAPITAL GOODS</b>						
ACL Cables PLC	40,000	3,292,000	419,041	40,000	2,280,000	419,041
Hayleys PLC	160	11,520	1,446	160	12,304	1,446
Hemas Holding PLC	777	50,505	16,311	777	35,897	16,311
Richard Peiris & Company PLC	195	4,037	486	195	2,594	486
Sierra Cables PLC	2,500	30,000	6,177	2,500	17,000	6,177
	<b>43,632</b>	<b>3,388,062</b>	<b>443,461</b>	<b>43,632</b>	<b>2,347,795</b>	<b>443,461</b>
<b>CONSUMER DURABLES &amp; APPERAL</b>						
Dankotuwa Porcelain PLC	22,500	461,250	216,647	22,500	222,750	216,647
Regnis (Lanka) PLC	26,506	1,219,276	221,568	26,506	1,444,577	221,568
Hela Apperal PLC	3,000	24,000	45,000	3,000	38,700	45,000
	<b>52,006</b>	<b>1,704,526</b>	<b>483,215</b>	<b>52,006</b>	<b>1,706,027</b>	<b>483,215</b>
Balance carried forward	<b>285,167</b>	<b>18,940,894</b>	<b>7,999,432</b>	<b>278,456</b>	<b>17,122,019</b>	<b>7,577,593</b>

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Company					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	285,167	18,940,894	7,999,432	278,456	17,122,019	7,577,593
<b>CONSUMER SERVICES</b>						
Asian Hotels Properties PLC	20,000	880,000	277,228	20,000	740,000	277,228
Ceylon Hotel Corporation PLC	10,478	235,755	253,714	10,478	95,350	253,714
Eden Hotel PLC	100,000	1,760,000	1,960,345	100,000	1,310,000	1,960,345
John Keells Hotels PLC	76,030	1,436,967	456,180	76,030	889,551	456,180
Palm Garden Hotels PLC	15,164	834,020	710,548	15,164	623,240	710,548
Pegasus Hotels of Ceylon PLC	2,400	82,320	49,144	2,400	81,600	49,144
Light House Hotel PLC	24,800	677,040	259,528	24,800	682,000	259,528
	<b>248,872</b>	<b>5,906,102</b>	<b>3,966,687</b>	<b>248,872</b>	<b>4,421,741</b>	<b>3,966,687</b>
<b>DIVERSIFIED FINANCIALS</b>						
Ceylon Guardian Investments PLC	12,887	876,315	368,776	12,887	1,011,630	368,776
Ceylon Investments PLC	39,167	1,312,095	279,492	39,167	1,453,096	279,492
Lanka Orix Leasing Company Holdings PLC	27,000	10,125,000	138,639	27,000	16,132,500	138,639
Lanka Ventures PLC	60,000	2,280,000	2,777,356	60,000	2,700,000	2,777,356
Merchant Bank of Sri Lanka PLC	124,879	424,589	8,170,229	124,879	636,883	8,170,229
Galle Face Capital Partners PLC	2,000	34,200	445,989	2,000	49,000	445,989
	<b>265,933</b>	<b>15,052,199</b>	<b>12,180,481</b>	<b>265,933</b>	<b>21,983,108</b>	<b>12,180,481</b>
<b>ENERGY</b>						
Lanka IOC PLC	15,800	2,709,700	665,931	15,800	486,640	665,931
	<b>15,800</b>	<b>2,709,700</b>	<b>665,931</b>	<b>15,800</b>	<b>486,640</b>	<b>665,931</b>
Balance carried forward	815,772	42,608,895	24,812,531	809,061	44,013,508	24,390,692

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Company					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	815,772	42,608,895	24,812,531	809,061	44,013,508	24,390,692
<b>FOOD BEVERAGE &amp; TOBACCO</b>						
Ceylon Cold Stores PLC	36,000	1,440,000	52,293	36,000	1,400,400	52,293
Ceylon Tobacco Company PLC	2,000	1,361,500	80,028	2,000	1,152,500	80,028
Watawala Plantations PLC	143,320	10,677,340	174,201	143,320	13,371,756	174,201
Ceylon Tea Services PLC	1,428	1,456,560	86,333	1,428	1,428,000	86,333
Hatton Plantations PLC	170,000	3,179,000	-	170,000	1,425,144	-
	<b>352,748</b>	<b>18,114,400</b>	<b>392,855</b>	<b>352,748</b>	<b>18,777,800</b>	<b>392,855</b>
<b>HEALTH CARE EQUIPMENT &amp; SERVICES</b>						
Ceylon Hospital PLC (Durdans)	6,000	572,400	139,509	6,000	493,200	139,509
The Lanka Hospital Corporation PLC	3,000	339,000	46,505	3,000	150,600	46,505
	<b>9,000</b>	<b>911,400</b>	<b>186,014</b>	<b>9,000</b>	<b>643,800</b>	<b>186,014</b>
<b>MATERIALS</b>						
Dipped Products PLC	50,000	1,385,000	405,750	50,000	1,625,000	405,750
Haycarb PLC	3,450	194,235	10,090	3,450	173,190	10,090
Tokyo Cement Company (Lanka) PLC	1,573	78,650	4,450	1,573	53,325	4,450
	<b>55,023</b>	<b>1,657,885</b>	<b>420,290</b>	<b>55,023</b>	<b>1,851,515</b>	<b>420,290</b>
<b>REAL ESTATE</b>						
East West Properties PLC	24,000	201,600	117,778	24,000	175,200	117,778
C T Land Development PLC	3,333	90,325	13,740	3,333	85,991	13,740
	<b>27,333</b>	<b>291,925</b>	<b>131,518</b>	<b>27,333</b>	<b>261,191</b>	<b>131,518</b>
<b>RETAILING</b>						
Singer Sri Lanka PLC	3,000	45,000	1,749	3,000	42,000	1,749
John Keells PLC	8,000	550,400	192,783	8,000	548,000	192,783
	<b>11,000</b>	<b>595,400</b>	<b>194,532</b>	<b>11,000</b>	<b>590,000</b>	<b>194,532</b>
Balance carried forward	1,270,876	64,179,905	26,137,740	1,264,165	66,137,814	25,715,901

## 11. Financial Instruments (Contd)

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

#### Listed shares (Contd)

	Company					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	1,270,876	64,179,905	26,137,740	1,264,165	66,137,814	25,715,901
<b>TELECOMMUNICATION SERVICES</b>						
Dialog Axiata PLC	15,000	156,000	224,453	15,000	150,000	224,453
	<b>15,000</b>	<b>156,000</b>	<b>224,453</b>	<b>15,000</b>	<b>150,000</b>	<b>224,453</b>
<b>UTILITIES</b>						
Vallibel Power Erathna PLC	7,610	50,987	17,150	7,610	54,792	17,150
	<b>7,610</b>	<b>50,987</b>	<b>17,150</b>	<b>7,610</b>	<b>54,792</b>	<b>17,150</b>
<b>Total Listed Shares</b>	<b>1,293,486</b>	<b>64,386,892</b>	<b>26,379,343</b>	<b>1,286,775</b>	<b>66,342,606</b>	<b>25,957,504</b>
<b>Unit trust</b>						
Ceybank Unit Trust	318,639	10,696,711	5,037,138	318,639	7,300,026	5,037,138
	<b>318,639</b>	<b>10,696,711</b>	<b>5,037,138</b>	<b>318,639</b>	<b>7,300,026</b>	<b>5,037,138</b>
<b>Financial assets at fair value through profit or loss</b>	<b>1,612,125</b>	<b>75,083,603</b>	<b>31,416,481</b>	<b>1,605,414</b>	<b>73,642,632</b>	<b>30,994,642</b>

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 11. Financial Instruments (Contd)

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

Listed shares

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
<b>AUTOMOBILES &amp; COMPONENTS</b>						
Kelani Tyres PLC	360	21,384	1,594	360	20,844	1,594
	<b>360</b>	<b>21,384</b>	<b>1,594</b>	<b>360</b>	<b>20,844</b>	<b>1,594</b>
<b>BANKS</b>						
Commercial Bank of Ceylon PLC-Voting	333	21,179	15,586	321	20,127	14,623
DFCC Bank PLC	18	790	596	18	864	596
Hatton National Bank PLC-Voting	10	1,295	225	10	1,093	225
The Housing Development Finance Corporation Bank of Sri Lanka	100	2,710	3,650	100	3,120	3,650
National Development Bank PLC	133	5,972	7,972	125	6,963	7,409
Nation Trust Bank PLC_Voting	3,009	192,576	66,530	2,837	127,949	56,879
Pan Asia Banking Corporation PLC	3,000	37,500	23,638	3,000	32,400	23,638
Sampath Bank PLC	915	48,038	24,754	915	41,907	24,754
Seylan Bank PLC-Non-Voting	232	5,220	6,197	213	5,282	5,559
Seylan Bank PLC-Voting	8	266	361	8	253	361
Union Bank of Colombo PLC	100	900	2,500	100	750	2,500
	<b>7,858</b>	<b>316,446</b>	<b>152,009</b>	<b>7,647</b>	<b>240,707</b>	<b>140,193</b>
<b>CAPITAL GOODS</b>						
ACL Cables PLC	1,152	94,810	1,916	1,152	65,664	1,916
Aitken Spence PLC	555	72,704	9,852	555	40,904	9,852
Colombo Dockyard PLC	15	960	413	15	1,100	413
E B Creasy & Company PLC	26,777,200	538,221,720	20,122,028	26,777,200	452,534,680	20,122,028
Hayleys PLC	90	6,480	1,013	90	6,921	1,013
	<b>26,779,012</b>	<b>538,396,674</b>	<b>20,135,222</b>	<b>26,779,012</b>	<b>452,649,268</b>	<b>20,135,222</b>
<b>Balance carried forward</b>	<b>26,787,230</b>	<b>538,734,504</b>	<b>20,288,825</b>	<b>26,787,019</b>	<b>452,910,819</b>	<b>20,277,009</b>

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	26,787,230	538,734,504	20,288,825	26,787,019	452,910,819	20,277,009
<b>CAPITAL GOODS</b>						
Hemas Holdings PLC	719	46,735	9,968	719	33,218	9,968
John Keells Holdings PLC_JKH	192	26,880	10,898	192	27,840	10,898
Lanka Ashok Leyland PLC	90	70,920	827	90	63,900	827
Lanka Tiles PLC (Prev.Lanka Floortiles PLC)	260	11,206	1,194	260	15,522	1,194
Lanka Walltiles PLC	165	7,937	4,432	165	11,501	4,432
Laxapana Battaries	600	7,860	6,742	600	9,360	6,742
Renuka Holdings PLC-Voting	1,222	16,008	17,728	1,180	12,508	17,256
Renuka Holdings PLC- Non Voting	170	1,921	1,536	164	1,886	1,470
Richard Peiris & Company PLC	3,705	76,694	2,032	3,705	49,277	2,032
Royal Ceramics Lanka PLC	60	1,656	62	60	2,442	62
Sierra Cables PLC	1,200	14,400	3,600	1,200	8,160	3,600
The Colombo Fort Land & Building PLC	5,800,333	151,388,691	14,173,660	5,800,333	76,564,396	14,173,660
Unisyst_Alufab PLC	180	972	2,551	180	1,908	2,551
Brown & Company PLC	100	11,950	2,945	100	13,350	2,945
Lanka Ceramic PLC	7	700	528	7	859	528
Lankem Ceylon PLC	560,300	42,414,710	23,478,206	560,300	15,688,400	23,478,206
Touchwood Investments PLC	-	-	1,221	-	-	1,221
	<b>6,369,303</b>	<b>194,099,240</b>	<b>37,718,130</b>	<b>6,369,255</b>	<b>92,504,526</b>	<b>37,717,592</b>
<b>COMMERCIAL &amp; PROFESSIONAL SERVICES</b>						
Gestetner of Ceylon PLC	229	15,366	8,264	229	15,137	8,264
Paragon Ceylon PLC	100	4,000	1,017	100	4,200	1,017
	<b>329</b>	<b>19,366</b>	<b>9,281</b>	<b>329</b>	<b>19,337</b>	<b>9,281</b>
<b>CONSUMER DURABI &amp; APPERAL</b>						
Abans Electrical PLC	240	37,920	10,341	240	38,820	10,341
Dankotuwa Porcelain PLC	166	3,403	2,534	166	1,643	2,534
Hayleys Fabric PLC	818	20,613	7,302	818	23,804	7,302
Hayleys Fibre PLC (Prev.Hayleys Exports PLC)	315	15,782	1,830	315	17,357	1,830
	<b>1,539</b>	<b>77,718</b>	<b>22,007</b>	<b>1,539</b>	<b>81,624</b>	<b>22,007</b>
Balance carried forward	33,158,401	732,930,828	58,038,243	33,158,142	545,516,305	58,025,889

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	33,158,401	732,930,828	58,038,243	33,158,142	545,516,305	58,025,889
<b>CONSUMER DURABI &amp; APPERAL</b>						
Regnis (Lanka) PLC	60	2,760	567	60	3,270	567
Ambeon holdings PLC	1,002	35,070	1,791	1,002	38,877	1,791
Kelsey Developments PLC	337	7,178	4,156	337	10,245	4,156
Singer Industries (Ceylon) PLC	170	6,256	891	170	6,511	891
Blue Diamond Jewellery Worldwide PLC	22	20	76	22	11	76
	<b>1,591</b>	<b>51,284</b>	<b>7,481</b>	<b>1,591</b>	<b>58,914</b>	<b>7,481</b>
<b>CONSUMER SERVICES</b>						
Aitken Spence Hotel Holdings PLC	140	8,386	1,616	140	4,970	1,616
Amaya Leisure PLC	554	13,296	2,209	554	8,975	2,209
Asian Hotels Properties PLC	200	8,800	616	200	7,400	616
Ceylon Hotels Corporation PLC	534	12,015	2,120	534	4,859	2,120
Citrus Leisure PLC	53	350	606	53	307	606
Dolphin Hotels PLC (Prev.Stafford Hotels PLC)	125	4,000	717	125	3,763	717
The Kingsbury PLC	1,374	13,603	3,142	1,374	10,992	3,142
Sigiriya Village Hotels PLC	1,194,518	66,893,008	38,652,691	2,080,518	124,831,080	67,322,234
Browns Beach Hotels PLC	150	1,815	341	150	1,350	341
Hunas Falls Hotels PLC	7,500	227,250	303	50	97,500	303
Eden Hotel Lanka PLC	200	3,520	1,616	200	2,620	1,616
Galadari Hotel (Lanka) PLC	100	1,450	241	100	1,450	241
John Keells Hotels PLC	1,506	28,463	5,481	1,506	17,620	5,481
Mahaweli Reach Hotels PLC	100	1,290	867	100	1,200	867
Beruwala Resort PLC	30,000	42,000	63,000	30,000	27,000	63,000
Marawila Resort PLC	1,000,640	2,101,344	7,684,396	1,000,640	1,901,216	7,684,396
Palm Garden Hotels PLC	56	3,080	2,826	56	2,302	2,826
Pegasus Hotels of Ceylon PLC	133	4,562	1,443	133	4,522	1,443
Royal Palms Beach Hotels PLC	100	2,630	892	100	1,630	892
Taj Lanka Hotels PLC	100	1,520	316	100	1,320	316
The Lighthouse Hotel PLC	100	2,730	742	100	2,750	742
The Fortress Resort PLC	500	11,000	4,884	500	6,250	4,884
The Nuwara Eliya Hotels Company PLC	12	17,880	3,553	12	13,200	3,553
	<b>2,238,695</b>	<b>69,403,992</b>	<b>46,434,618</b>	<b>3,117,245</b>	<b>126,954,276</b>	<b>75,104,161</b>
Balance carried forward	35,398,687	802,386,103	104,480,342	36,276,978	672,529,495	133,137,531

## 11. Financial Instruments (Contd)

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

#### Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	35,398,687	802,386,103	104,480,342	36,276,978	672,529,495	133,137,531
<b>REAL ESTATE</b>						
York Arcade Holdings PLC	28	3,983	578	28	4,298	578
	<b>28</b>	<b>3,983</b>	<b>578</b>	<b>28</b>	<b>4,298</b>	<b>578</b>
<b>DIVERSIFIED FINANCIALS</b>						
Central Finance Company PLC	10	724	206	10	681	206
Ceylon Guardian Investments Trust PLC	174	11,832	1,670	174	13,659	1,670
Ceylon Investment PLC	471	15,779	2,543	471	17,474	2,797
Lanka Orix Leasing Company Holding PLC	800	300,000	917	800	478,000	917
Lanka Ventures PLC	100	3,800	767	100	4,500	767
LB Finance PLC	4,624	254,320	3,196	4,624	268,192	3,196
Merchant Bank of Sri Lanka PLC	67	228	643	67	342	643
SMB Leasing PLC (Prev. Seylan Merchant Bank PLC)_Voting	3,610	2,527	2,731	3,610	1,083	2,731
Associated Motor Finance Company PLC	3,036	24,895	61,704	3,036	25,806	61,704
Asia Capital PLC	100	420	466	100	590	466
First Capital Holdings PLC ( Prev. V Capital )	14,400	457,920	10,707	3,600	111,600	10,707
The Indo Malay PLC	5	6,633	892	5	6,633	892
People's Merchant Finance PLC	270	1,404	3,517	270	1,458	3,517
Selinsing PLC	36	25,065	9,111	36	21,915	9,111
Colombo Fort Investments PLC	104	7,020	3,020	85	5,993	2,013
Colombo Investments Trust PLC	148	17,537	2,707	146	16,023	2,532
Nation Lanka Finance PLC	625	313	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
	<b>28,600</b>	<b>1,130,417</b>	<b>109,964</b>	<b>17,779</b>	<b>974,386</b>	<b>109,037</b>
<b>ENERGY</b>						
Lanka IOC PLC	800	137,200	21,600	800	24,640	21,600
	<b>800</b>	<b>137,200</b>	<b>21,600</b>	<b>800</b>	<b>24,640</b>	<b>21,600</b>
Balance carried forward	35,428,115	803,657,703	104,612,484	36,295,585	673,532,819	133,268,746

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	35,428,115	803,657,703	104,612,484	36,295,585	673,532,819	133,268,746
<b>FOOD &amp; STAPLES RETAILING</b>						
CT Holdings PLC (Prev.Ceylon Theaters PLC)	223	40,140	6,921	223	33,785	6,921
Cargills (Ceylon) PLC	343	79,919	8,522	343	62,598	8,522
Ceylon & Foreign Trades PLC_CFT	10,000	-	4,559	10,000	-	4,559
Tess Agro PLC_voting	2,053	2,258	1,517	2,053	2,873	1,517
	<b>12,619</b>	<b>122,317</b>	<b>21,519</b>	<b>12,619</b>	<b>99,256</b>	<b>21,519</b>
<b>FOOD BEVERAGE &amp; TOBACCO</b>						
Agalawatte Plantations PLC	100	3,020	717	100	3,080	717
Bairaha Farms PLC	110	15,950	717	100	15,125	717
Balangoda Plantations PLC	110	7,293	2,225	110	1,914	2,225
The Bukit Darah PLC	10	4,290	3,041	10	3,618	3,041
Carson Cumberbatch PLC	191	51,904	10,125	191	51,570	10,125
Ceylon Cold Stores PLC	640	25,600	1,097	640	24,896	1,097
Ceylon Grain Elevators PLC	10	839	158	10	610	158
Ceylon Tobacco Company PLC	7	4,765	239	7	4,034	239
Convenience Foods (Lanka) PLC (Prev. Soy Foods PLC)	90	108,720	646	90	106,403	646
Horana Plantations PLC	20	1,050	155	20	438	155
Kegalle Plantations PLC	100	12,800	817	100	13,350	817
Kelani Valley Plantations PLC	200	14,100	993	200	11,660	993
Kotagala Plantation	1,252	7,637	3,862	1,252	5,258	3,862
Lanka Milk Foods (CWE) PLC	133	18,720	3,052	133	17,656	3,052
Malwatte Valley Plantations PLC_voting	1,000	78,000	1,221	1,000	22,700	1,221
Melstacorp PLC	400	21,960	892	400	16,440	892
Namunukula Plantations PLC	100	36,275	717	100	39,875	717
Nestle Lanka PLC	40	42,760	3,972	40	37,550	3,972
Renuka Foods PLC Voting	20	428	165	20	267	165
Talawakelle Tea Estates PLC	1,200	98,520	12,000	1,200	51,120	12,000
Tea Smallholder Factories PLC	142	6,248	3,023	142	3,848	3,023
Three Acre Farms PLC	19	2,484	301	19	3,582	301
Watawala Plantations PLC	4,215	314,018	16,075	4,215	393,260	16,075
	<b>10,109</b>	<b>877,381</b>	<b>66,210</b>	<b>10,099</b>	<b>828,253</b>	<b>66,210</b>
Balance carried forward	35,450,843	804,657,401	104,700,213	36,318,303	674,460,328	133,356,475

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	35,450,843	804,657,401	104,700,213	36,318,303	674,460,328	133,356,475
<b>FOOD BEVERAGE &amp; TOBACCO</b>						
Distilleries Company of Sri Lanka PLC	118	2,313	878	118	1,605	878
Madulsima Plantations PLC	100	1,120	2,500	100	920	2,500
Bogawantalawa Tea Estate PLC	46	2,070	331	46	460	331
Browns Investments PLC	6,000	36,000	18,750	6,000	45,000	18,750
Ceylon Beverage Holdings PLC (Prev. Ceylon Brewery PLC)	50	56,700	5,217	50	35,338	5,217
Dilmah Ceylon Tea Company PLC	80	81,600	3,249	80	79,840	3,249
Hapugastenna Plantations PLC	200	8,800	2,892	200	4,460	2,892
Hatton Plantations PLC	5,000	93,500	-	5,000	42,000	-
Kahawatte Plantations PLC	266	5,346	3,631	266	6,065	3,631
Keells Food Products PLC	219	35,040	10,808	219	36,409	10,808
Maskeliya Plantations PLC	1,400	51,100	29,400	1,400	13,440	29,400
Udapussellawa Plantations PLC	100	7,750	892	100	3,180	892
Lankem Development PLC	296	7,400	1,995	296	1,125	1,995
	<b>13,875</b>	<b>388,739</b>	<b>80,543</b>	<b>13,875</b>	<b>269,841</b>	<b>80,543</b>
<b>HEALTH CARE EQUIPMENT &amp; SERVICES</b>						
Asiri Hospital Holdings PLC	2,660	66,234	6,099	2,660	99,750	6,099
Asiri Surgical Hospital PLC	1,499	18,738	3,646	1,499	22,485	3,646
Ceylon Hospitals PLC-Non-Voting	130	12,402	2,270	130	10,686	2,270
Muller & Phipps (Ceylon) PLC	500	600	515	500	500	515
Nawaloka Hospitals PLC	26,666	151,996	20,000	26,666	173,329	20,000
The Lanka Hospital Corporation PLC	100	11,300	1,500	100	5,020	1,500
E-Channelling PLC	1,162	18,476	2,186	1,162	8,715	2,186
Singhe Hospital PLC	1,000	2,600	2,500	1,000	2,200	2,500
PC House PLC	-	-	11,000	1,000	-	11,000
	<b>33,717</b>	<b>282,346</b>	<b>49,716</b>	<b>34,717</b>	<b>322,685</b>	<b>49,716</b>
Balance carried forward	35,498,435	805,328,486	104,830,472	36,366,895	675,052,854	133,486,734

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	35,498,435	805,328,486	104,830,472	36,366,895	675,052,854	133,486,734
<b>INSURANCE</b>						
Ceylinco Insurance PLC_Voting	22	48,290	451	22	50,600	451
HNB Assurance PLC	600	29,940	2,655	600	25,980	2,655
Janashakthi Insurance Company PLC	1,800	47,880	56,247	1,800	40,500	56,247
Amana Takaful PLC	402	4,824	8,775	402	4,020	8,775
Softlogic Life Insurance PLC	1,000	84,400	1,120	1,000	43,400	1,120
	<b>3,824</b>	<b>215,334</b>	<b>69,248</b>	<b>3,824</b>	<b>164,500</b>	<b>69,248</b>
<b>MATERIALS</b>						
ACL Plastics PLC	100	39,200	3,174	100	36,225	3,174
CIC Holdings PLC - Voting	108	7,690	366	108	2,700	366
Chemanax PLC	177	13,718	2,143	177	13,240	2,143
Chevron Lanka Lubrications PLC	400	36,640	8,395	400	34,840	8,395
Dipped Products PLC	860	23,822	1,518	860	27,950	1,518
Haycarb PLC	270	15,201	857	270	13,554	857
Industrial Asphalts (Ceylon) PLC	45,000	13,500	907	45,000	18,000	907
Lanka Aluminium Industries PLC	50	805	118	50	785	118
Piramal Glass Ceylon PLC (Prev.Ceylon Glass CO. PLC)	3,428	65,816	5,552	3,428	39,079	5,552
Samson International PLC	50	12,688	562	50	9,238	562
Swisstek (Ceylon) PLC (Prev.Parquet Ceylon PLC)	500	7,050	366	500	11,050	366
Tokyo Cement Company (Lanka) PLC-Voting	147	7,350	455	147	4,983	455
Bogala Graphite Lanka PLC	200	13,000	867	200	9,020	867
Richard Peiris Export PLC	92	51,290	2,542	92	56,028	2,542
Lanka Cement PLC	100	-	241	100	250	241
Pelwatte Sugar Industries PLC	-	-	466	100	-	466
J.L. Morison Sons & Jones Ceylon PLC-Non-Voting	60	-	17,406	60	-	17,406
J.L. Morison Sons & Jones Ceylon PLC-Voting	200	-	4,060	200	-	4,060
	<b>51,742</b>	<b>307,770</b>	<b>49,995</b>	<b>51,842</b>	<b>276,942</b>	<b>49,995</b>
Balance carried forward	35,554,001	805,851,590	104,949,715	36,422,561	675,494,296	133,605,977

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	35,554,001	805,851,590	104,949,715	36,422,561	675,494,296	133,605,977
<b>REAL ESTATE</b>						
Colombo Land & Development Company PLC	1,400	28,140	2,259	1,400	34,860	2,259
East West Properties PLC	1,200	10,080	5,920	1,200	8,760	5,920
Overseas Reality (Ceylon) PLC	300	4,620	2,156	300	4,680	2,156
Seylan Developments PLC	204	2,550	1,438	204	3,080	1,438
Serendib Land PLC	33	43,544	7,467	33	40,095	7,467
C.T. Land Development PLC	167	4,526	767	167	4,309	767
Equity Two PLC	100	3,800	717	100	3,800	717
On'ally Holding PLC	155	4,355	241	155	4,263	241
Standard Capital PLC	400	16,960	16,791	400	24,000	16,791
	<b>3,959</b>	<b>118,575</b>	<b>37,755</b>	<b>3,959</b>	<b>127,847</b>	<b>37,755</b>
<b>RETAILING</b>						
C M Holdings PLC	185	11,674	5,020	185	14,578	5,020
Diesel & Motors Engineering PLC	6	2,796	195	6	2,928	195
Hunters & Company PLC	24	17,040	755	24	12,240	755
The Autodrome PLC	100	9,820	2,337	100	11,500	2,337
Odel PLC	100	1,680	1,500	100	1,910	1,500
C W Mackie PLC	1,010,100	82,727,190	54,220,642	1,010,100	55,555,500	54,220,642
John Keells PLC	336	23,116	1,751	336	23,016	1,751
Sathosa Motors PLC	66	9,884	2,142	66	12,210	2,142
	<b>1,010,917</b>	<b>82,803,200</b>	<b>54,234,342</b>	<b>1,010,917</b>	<b>55,633,882</b>	<b>54,234,342</b>
<b>TELECOMMUNICATION SERVICES</b>						
Dialog Axiata PLC	100	1,040	2,337	100	1,000	2,337
Sri Lanka Telecom PLC	200	18,800	3,377	200	6,980	3,377
	<b>300</b>	<b>19,840</b>	<b>5,714</b>	<b>300</b>	<b>7,980</b>	<b>5,714</b>
Balance carried forward	36,569,177	888,793,205	159,227,526	37,437,737	731,264,004	187,883,788

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 11. Financial Instruments (Contd)

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

Listed shares (Contd)

	Group					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
Balance brought forward	36,569,177	888,793,205	159,227,526	37,437,737	731,264,004	187,883,788
<b>UTILITIES</b>						
Panasian Power PLC	1,000	3,400	3,000	1,000	3,700	3,000
Resus Energy PLC (Prev.Hemas Power PLC)	1,475	19,915	24,189	1,353	26,384	20,887
Vallibel Power Erathna PLC	3,000	20,100	8,000	3,000	21,600	8,000
Vidullanka PLC	2,042	12,047	2,335	2,042	14,499	2,335
	7,517	55,462	37,524	7,395	66,183	34,222
<b>Total listed shares</b>	<b>36,576,694</b>	<b>888,848,667</b>	<b>159,265,050</b>	<b>37,445,132</b>	<b>731,330,187</b>	<b>187,918,010</b>
<b>Unlisted shares</b>						
Metropolitan Resource Holdings PLC	22	618	1,243	22	618	1,243
Agarapathana Plantation Limited	4,138,888	38,518,506	35,500,521	250,000	707,500	500,521
Colombo Fort Hotels Limited	25,018,939	236,078,556	481,801,855	19,014,348	211,522,830	425,358,700
	29,157,849	274,597,680	517,303,619	19,264,370	212,230,948	425,860,464
<b>Financial assets at fair value through other comprehensive income</b>						
	65,734,543	1,163,446,347	676,568,669	56,709,502	943,561,135	613,778,474

## 11. Financial Instruments (Contd)

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

#### Listed shares

	Company					
	31 March 2023			31 March 2022		
	Number of shares	Market value	Cost	Number of shares	Market value	Cost
<b>CAPITAL GOODS</b>						
Lankem Ceylon PLC	160,000	12,112,000	4,419,581	160,000	4,480,000	4,419,581
	<b>160,000</b>	<b>12,112,000</b>	<b>4,419,581</b>	<b>160,000</b>	<b>4,480,000</b>	<b>4,419,581</b>
<b>CONSUMER SERVICES</b>						
Beruwala Resort PLC	30,000	42,000	63,000	30,000	27,000	63,000
Marawila Resort PLC	1,000,000	2,100,000	7,681,000	1,000,000	1,900,000	7,681,000
	<b>1,030,000</b>	<b>2,142,000</b>	<b>7,744,000</b>	<b>1,030,000</b>	<b>1,927,000</b>	<b>7,744,000</b>
<b>REAL ESTATE</b>						
York Arcade Holdings PLC	28	3,983	578	28	4,298	578
	<b>28</b>	<b>3,983</b>	<b>578</b>	<b>28</b>	<b>4,298</b>	<b>578</b>
<b>CAPITAL GOODS</b>						
E B Creasy & Company PLC	10,000,000	201,000,000	19,194,750	10,000,000	169,000,000	19,194,750
The Colombo Fort Land & Building PLC	1,500,000	39,150,000	6,898,740	1,500,000	19,800,000	6,898,740
	<b>11,500,000</b>	<b>240,150,000</b>	<b>26,093,490</b>	<b>11,500,000</b>	<b>188,800,000</b>	<b>26,093,490</b>
<b>Total listed shares</b>	<b>12,690,028</b>	<b>254,407,983</b>	<b>38,257,649</b>	<b>12,690,028</b>	<b>195,211,298</b>	<b>38,257,649</b>
<b>Unlisted shares</b>						
Agarapathana Plantation Ltd	3,888,888	36,191,884	35,000,000	-	-	-
Colombo Fort Hotels Limited	19,014,348	179,419,272	425,358,700	19,014,348	211,522,830	425,358,700
	<b>22,903,236</b>	<b>215,611,156</b>	<b>460,358,700</b>	<b>19,014,348</b>	<b>211,522,830</b>	<b>425,358,700</b>
<b>Financial assets at fair value through other comprehensive income</b>	<b>35,593,264</b>	<b>470,019,139</b>	<b>498,616,349</b>	<b>31,704,376</b>	<b>406,734,128</b>	<b>463,616,349</b>

## Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

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

#### (a) Deferred income tax assets

	Group		Company	
	2023	2022	2023	2022
At beginning of the year	(75,879)	17,392,690	-	-
Income statement release / (charge)	75,879	(7,662,861)	-	-
Charge recognized in other comprehensive income	-	(9,805,708)	-	-
<b>At end of the year</b>	<b>-</b>	<b>(75,879)</b>	<b>-</b>	<b>-</b>

According to the Group/Company policy, deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which they can be used.

#### (b) Deferred income tax liabilities

	Group		Company	
	2023	2022	2023	2022
At beginning of the year	9,855,461	10,356,823	9,855,461	10,356,823
Income statement charge / (release)	1,404,199	(501,362)	1,404,199	(501,362)
<b>At end of the year</b>	<b>11,259,660</b>	<b>9,855,461</b>	<b>11,259,660</b>	<b>9,855,461</b>
<b>Net deferred tax liability</b>	<b>(11,259,660)</b>	<b>(9,931,340)</b>	<b>(11,259,660)</b>	<b>(9,855,461)</b>

#### (c) Deferred Tax Composition

	Group			
	Net deferred tax assets		Net deferred tax liabilities	
	2023	2022	2023	2022
<b>Composition of deferred tax assets</b>				
Defined benefit obligations	2,389,077	1,674,087	-	-
Unclaimed right of use asset rental	15,758,191	11,305,707	-	-
Tax losses carried forward	88,642,165	67,854,671	-	-
<b>Total deferred tax assets before offsetting</b>	<b>106,789,433</b>	<b>80,834,465</b>		
<b>Offsetting deferred tax liability on:</b>				
Property, plant & equipment	(20,735,988)	(16,983,287)	(11,259,660)	(9,855,461)
Lease liability	(18,327,161)	(9,746,030)	-	-
Revaluation surplus	(67,726,284)	(54,181,027)	-	-
<b>Total Deferred tax liabilities before offsetting</b>	<b>(106,789,433)</b>	<b>(80,910,344)</b>	<b>(11,259,660)</b>	<b>(9,855,461)</b>
<b>Deferred tax assets/(liabilities) after offsetting</b>	<b>-</b>	<b>(75,879)</b>	<b>(11,259,660)</b>	<b>(9,855,461)</b>

	Company			
	Net deferred tax assets		Net deferred tax liabilities	
	2023	2022	2023	2022
<b>Composition of deferred tax</b>				
Property, plant & equipment	-	-	(11,259,660)	(9,855,461)
<b>Deferred tax assets/(liabilities)</b>	<b>-</b>	<b>-</b>	<b>(11,259,660)</b>	<b>(9,855,461)</b>

## 12. Deferred income tax (liabilities) / assets (Contd)

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.

Colonial Motors Ceylon Limited has accumulated tax losses amounting to Rs. 416,248,044/= as at 31/03/2023 and no deferred tax adjustments were recognized due to uncertainty of utilizing such tax losses in the future.

## 13. Inventories

The amounts attributable to the different categories are as follows:

	Group		Company	
	2023	2022	2023	2022
Spares and consumables	151,972,215	183,713,437	-	-
Repair job-in-progress	51,734	276,240	-	-
Goods-in-transit	-	1,477,926	-	-
	<b>152,023,949</b>	<b>185,467,603</b>	<b>-</b>	<b>-</b>

## 14. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
Trade receivables	28,872,860	48,525,179	-	15,305
Provision for impairment of debtors	(10,838,461)	(8,834,566)	-	-
<b>Trade receivables - net</b>	<b>18,034,399</b>	<b>39,690,613</b>	<b>-</b>	<b>15,305</b>
Amounts due from related parties (note 32 (b))	549,279,292	493,183,085	601,887,884	507,150,095
Prepayments	4,060,302	3,739,240	1,829,989	1,642,388
Other receivables	10,624,467	20,422,586	1,231,228	2,376,251
	<b>581,998,460</b>	<b>557,035,524</b>	<b>604,949,101</b>	<b>511,184,039</b>

### (i) Classification as trade receivables

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

### (ii) Fair values of trade receivables

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

### (iii) Impairment and risk exposure

Information about the impairment of trade receivable and the group's exposure to credit risk can be found in note 3.4.

## Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

### 15. Cash and cash equivalents

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

	Group		Company	
	2023	2022	2023	2022
Cash in hand	2,087,703	876,495	-	-
Cash at bank	31,460,530	52,408,569	14,394,512	22,150,433
Cash in transit	-	-	-	-
Fixed deposits	12,105,084	18,000,000	12,105,084	18,000,000
	<b>45,653,317</b>	<b>71,285,064</b>	<b>26,499,596</b>	<b>40,150,433</b>

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

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

	Group		Company	
	2023	2022	2023	2022
Cash and bank balances	45,653,317	71,285,064	26,499,596	40,150,433
Bank overdraft (note 19)	(104,645,542)	(98,837,443)	-	-
	<b>(58,992,225)</b>	<b>(27,552,379)</b>	<b>26,499,596</b>	<b>40,150,433</b>

### 16. Stated capital

	Number of shares	Stated capital
At 31 March 2023 / 2022	15,200,000	288,386,885

The authorised number of shares in the Company is 15,200,000. They entitle the holder to participate in dividends and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

### 17. Retained earnings

	Group		Company	
	2023	2022	2023	2022
<b>(a) Revaluation reserve</b>				
At beginning of the year	171,573,253	114,303,082	-	-
Revaluation surplus for the year	-	67,000,000	-	-
Income tax effect on revaluation surplus	-	(9,729,829)	-	-
<b>At end of the year</b>	<b>171,573,253</b>	<b>171,573,253</b>	<b>-</b>	<b>-</b>
<b>(b) Fair value reserve</b>				
At beginning of the year	513,795,340	789,612,980	128,813,010	242,247,669
Change in fair value of financial assets at FVOCI	182,372,046	(275,817,640)	28,285,011	(113,434,659)
Transfer to retained earnings	(26,523,296)	-	-	-
<b>At end of the year</b>	<b>669,644,090</b>	<b>513,795,340</b>	<b>157,098,021</b>	<b>128,813,010</b>

## 17. Retained earnings (Contd)

	Group		Company	
	2023	2022	2023	2022
<b>(c) Retained earnings</b>				
At beginning of the year	2,223,504,674	2,219,063,293	1,626,169,374	1,645,206,417
Profit for the year	49,744,030	80,201,099	161,747,112	56,962,957
Remeasurement of post employment benefits	387,057	240,282	-	-
Dividend to equity holders	(76,000,000)	(76,000,000)	(76,000,000)	(76,000,000)
Reclassification of gain on disposal of equity instruments at fair value through other comprehensive income	26,523,296	-	-	-
Reversal of unclaimed dividends	6,760,768	-	6,760,768	-
<b>At end of the year</b>	<b>2,230,919,825</b>	<b>2,223,504,674</b>	<b>1,718,677,254</b>	<b>1,626,169,374</b>
<b>(d) Other reserve</b>				
Revaluation reserve (note 17 (a))	171,573,253	171,573,253	-	-
Fair value reserve ( note 17 (b))	669,644,090	513,795,340	157,098,021	128,813,010
<b>At end of the year</b>	<b>841,217,343</b>	<b>685,368,593</b>	<b>157,098,021</b>	<b>128,813,010</b>

### (i) Nature and purpose of other reserves

#### *Revaluation surplus – property, plant and equipment*

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings, see accounting policy note 2.14 for details.

#### *Financial assets at FVOCI*

The Group/ Company has elected to recognise changes in the fair value of certain investments in equity securities in OCI, as explained in note 11(d). These changes are accumulated within the FVOCI reserve within equity. The Group/ Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

## 18. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
Trade payables	11,267,042	9,711,377	-	-
Amounts due to related parties (note 32(b))	4,968,083	3,862,829	-	-
Other payables	45,337,640	88,962,256	42,974,554	56,079,709
Contract liabilities	5,761,776	5,117,829	-	-
Accrued expenses and provisions	82,189,243	33,731,970	-	-
	<b>149,523,784</b>	<b>141,386,261</b>	<b>42,974,554</b>	<b>56,079,709</b>
Less: Non-current portion	(9,795,882)	(21,645,020)	(9,795,882)	(21,645,020)
<b>Current Portion</b>	<b>139,727,902</b>	<b>119,741,241</b>	<b>33,178,672</b>	<b>34,434,689</b>

Trade and other payables consist of advances received from customers amounting to Rs. 13,521,749 (2022 - Rs. 17,879,711) for the Group and Company.

### (i) Fair values of trade payables

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

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 19. Borrowings

	Group		Company	
	2023	2022	2023	2022
<b>Current</b>				
Bank overdrafts (note 15)	104,645,542	98,837,443	-	-
Bank borrowings	639,063,684	612,266,859	-	-
	743,709,226	711,104,302	-	-
<b>Non-current</b>				
Bank borrowings	39,837,960	104,574,579	-	-
	39,837,960	104,574,579	-	-
<b>Total borrowings</b>	<b>783,547,186</b>	<b>815,678,881</b>	<b>-</b>	<b>-</b>

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
<b>Commercial Bank of Ceylon PLC</b>				
Short Term Loan	103,000,000	55,091,762	AWPLR + 1.75% p.a	(i)
Long Term Loan - Diribala - 1903944	20,000,000	3,933,999	8.5% p.a	
- Diribala - 1851271	26,000,000	3,130,904	8.5% p.a	
- EIB - 1859449	65,000,000	21,375,000	8.5% p.a	
<b>Hatton National Bank PLC</b>				
Short Term Loan	160,000,000	175,104,524	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	
<b>Sampath Bank PLC</b>				
Short Term Loan	300,000,000	4,229,183	AWPLR + 2% p.a	-
Long Term Loan	133,000,000	116,376,271	AWPLR + 1% p.a	
<b>National Development Bank PLC</b>				
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	145,375,000	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	
		678,901,644		

(i) Facilities obtained by Commercial Bank of Ceylon PLC for Short Term Loans and Long Term Loans are securitised against the following:

Floating Primary Mortgage Bond No.3639 - No.41/35,Nagahamulla Road,Thalangama South and more fully depicted as Lot A in plan No.1706A dated 30.09.2004 drawn by Mr. M A H Bandara (L/S) in extent of 133.0 Perches owned by M/s.Colonial Motors (Ceylon) Limited.

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

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

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

Group	As at	
	31 March 2023	31 March 2022
Less than 3 months	104,645,542	98,837,443
Between 3 months and 1 year	639,063,684	612,266,859
Between year 1 and year 2	39,837,960	104,574,579
	<b>783,547,186</b>	<b>815,678,881</b>

There are no borrowings in the Company as of 31 March 2023 and 2022

## 20. Defined benefit obligations

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

	Group		Company	
	2023	2022	2023	2022
Present value of the unfunded obligations	7,963,588	7,291,524	-	-
<b>Liability in the statement of financial position date</b>	<b>7,963,588</b>	<b>7,291,524</b>	<b>-</b>	<b>-</b>
<b>Balance sheet obligations for:</b>				
Defined benefits (gratuity)	7,963,588	7,291,524	-	-
<b>Income statement charge / (release)</b>				
Defined benefits (gratuity)	2,170,371	1,969,248	-	-
<b>Remeasurements for:</b>				
Defined benefits (gratuity)	(387,057)	(316,161)	-	-

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	
	2023	2022	2023	2022
At beginning of the year	7,291,524	6,556,877	-	-
Interest expense	1,003,727	983,532	-	-
Current service cost	1,166,644	985,716	-	-
Benefits paid	(1,111,250)	(918,440)	-	-
Actuarial (gains) / losses	(387,057)	(316,161)	-	-
<b>At end of the year</b>	<b>7,963,588</b>	<b>7,291,524</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

### 20. Defined benefit obligations (Contd)

Amounts recognised in the profit or loss are as follows:

	Group		Company	
	2023	2022	2023	2022
Interest expense	1,003,727	983,532	-	-
Current service cost	1,166,644	985,716	-	-
	<b>2,170,371</b>	<b>1,969,248</b>	-	-
Remeasurements	(387,057)	(316,161)	-	-
	<b>(387,057)</b>	<b>(316,161)</b>	-	-

Defined benefit obligation of Colonial Motors (Ceylon) Limited is determined through an actuarial valuation carried out internally for the year ended 31 March 2023.

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

The Principal Assumptions used are as follows:

	Staff Turnover rate	Salary Escalation rate for future years	Discount rate
31 March 2023	20%	8%	16%
31 March 2022	39%	8%	15%

A quantitative sensitivity analysis for significant assumptions as at 31 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 2023	290,432	(281,123)	(179,672)	198,915	40,877	(36,984)
31 March 2022	226,019	(351,240)	(690,928)	606,941	74,132	(78,951)

Maturity profile of the defined benefit obligation is as follows:

	Group	
	2023	2022
Between 2-5 years	7,101,083	6,648,208
Over 5 years	7,461,563	7,218,603
	<b>14,562,646</b>	<b>13,866,811</b>

#### Risk exposure

Through its defined benefit pension plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields	A decrease in corporate bond yields will increase plan liabilities.
Inflation risks	Some of the group's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities.
Life expectancy	The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

## 21. 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	
	2023	2022	2023	2022
Rent income	62,888,548	57,686,176	62,888,548	57,686,176
Sale of spares and repair work	213,498,747	246,070,384	-	-
Sale of motor vehicles	42,869	1,908,177	-	-
	<b>276,430,164</b>	<b>305,664,737</b>	<b>62,888,548</b>	<b>57,686,176</b>

## 22. Other income

	Group		Company	
	2023	2022	2023	2022
Dividend income				
- Subsidiaries	-	-	60,000,000	-
- Financial assets at fair value through profit or loss	40,369,748	41,355,777	3,266,900	3,133,556
- Financial assets at FVOCI	27,584,278	47,431,702	10,000,000	15,000,000
Sundry Income	3,703,646	4,613,860	397,996	288,292
Profit on sale of property, plant and equipment	-	1,674,401	-	-
Profit on equity trading	619,876	2,028,529	4,450	88,140
	<b>72,277,548</b>	<b>97,104,269</b>	<b>73,669,346</b>	<b>18,509,988</b>

## 23. Other gains

	Group		Company	
	2023	2022	2023	2022
Net fair value gains on financial assets at fair value through profit or loss	8,087,885	78,772,951	1,019,131	8,645,696
Exchange gain / (losses) - net	422,140	2,136,798	-	-
	<b>8,510,025</b>	<b>80,909,749</b>	<b>1,019,131</b>	<b>8,645,696</b>

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 24. Expenses by nature

	Group		Company	
	2023	2022	2023	2022
Cost of purchases	102,712,422	142,691,784	-	-
Directors' emoluments (Note 32(c))	7,256,700	6,302,500	4,286,700	4,080,000
Auditor's remuneration	2,590,975	1,733,394	1,670,116	1,077,854
Fees for other professional services	10,612,069	9,507,761	9,838,701	8,730,688
Staff costs (Note 25)	58,310,847	58,382,842	-	-
<b>Depreciation of</b>				
- Property, plant, and equipment (note 6)	10,444,646	12,197,444	417,682	456,322
- Investment property (note 7)	6,583,014	6,503,085	6,583,014	6,503,085
- Right of use asset (note 9)	15,758,190	15,758,190	-	-
<b>Repairs and maintenance expenditure</b>				
- Investment property	4,568,244	4,344,596	4,568,244	4,344,596
- Property, plant, and equipment	9,289,501	7,397,012	-	-
Travelling and transportation expenses	2,136,442	2,667,458	76,170	51,561
Agency costs, commission and Incentives	63,000	928,081	-	-
Sales & promotional expenses	320,561	1,397,273	-	-
Utilities	4,770,480	4,883,041	791,206	665,784
Business running expenses	14,416,175	12,702,566	7,738,000	6,443,647
Non - refundable government taxes	2,680,601	2,096,852	1,847,538	1,718,640
Donations	30,250	13,500	-	-
Stock write off	1,114,817	3,760	-	-
Receivables written-off	-	-	-	20,435,864
Other expenses	7,419,233	7,757,083	1,029,299	1,161,635
<b>Total costs of sales, distribution costs, and administrative expenses</b>	<b>261,078,167</b>	<b>297,268,222</b>	<b>38,846,670</b>	<b>55,669,676</b>

## 25. Staff costs

	Group		Company	
	2023	2022	2023	2022
<b>Wages, salaries, and related costs</b>				
- to administrative expenses	48,605,232	48,752,366	-	-
Defined contribution plans	7,535,244	7,661,228	-	-
Defined benefit plans (note 20)	2,170,371	1,969,248	-	-
	<b>58,310,847</b>	<b>58,382,842</b>	<b>-</b>	<b>-</b>

Permanent Employees - 71

Total Employees - 71

## 26. Finance costs - net

	Group		Company	
	2023	2022	2023	2022
Interest income from loans to related parties	109,926,355	39,891,329	112,264,220	42,421,928
Other interest income	4,797,509	566,082	4,791,134	310,389
<b>Finance income</b>	<b>114,723,864</b>	<b>40,457,411</b>	<b>117,055,354</b>	<b>42,732,317</b>
<b>Interest expenses on:</b>				
- Bank Overdraft	(25,718,186)	(10,953,721)	-	-
- Other loans	(68,426,857)	(90,930,688)	-	-
- Other interest expenses	(1,401,038)	(2,601,542)	-	-
- Finance leases	(5,564,380)	(6,230,850)	-	-
<b>Finance costs</b>	<b>(101,110,461)</b>	<b>(110,716,801)</b>	<b>-</b>	<b>-</b>
<b>Finance (costs) / income - net</b>	<b>13,613,403</b>	<b>(70,259,390)</b>	<b>117,055,354</b>	<b>42,732,317</b>

## 27. Income tax expense

	Group		Company	
	2023	2022	2023	2022
Current income tax	49,140,379	20,119,053	45,101,699	13,909,058
Deferred income tax charge	1,328,320	7,161,500	1,404,199	(501,362)
Under provision for tax in previous years	7,532,699	1,533,848	7,532,699	1,533,848
<b>Total current tax</b>	<b>58,001,398</b>	<b>28,814,401</b>	<b>54,038,597</b>	<b>14,941,544</b>

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	
	2023	2022	2023	2022
Profit before tax	107,749,078	109,020,270	215,785,709	71,904,501
Tax calculated at a tax rate of 24%	7,986,977	(8,520,551)	20,710,409	15,326,013
Tax calculated at a tax rate of 30%	4,943,412	-	38,847,702	-
Tax calculated at a tax rate of 14%	4,065,056	20,204,640	-	1,126,456
Tax calculated at a tax rate of 15%	4,343,377	-	-	-
Tax impact of allowable items/income not subject to tax	(51,212,035)	(24,975,982)	(52,257,742)	(5,708,046)
Aggregate dis-allowable items	82,280,777	14,681,367	37,801,330	3,164,635
tax losses adjusted	(3,267,185)	18,729,579	-	-
Net adjustment of deferred tax	1,328,320	7,161,500	1,404,199	(501,362)
Under provision for tax in the previous year	7,532,699	1,533,848	7,532,699	1,533,848
	<b>58,001,399</b>	<b>28,814,401</b>	<b>54,038,597</b>	<b>14,941,544</b>

In accordance with the provisions of the Inland Revenue Act No.24 of 2017 and Inland Revenue (Amendment) Act No. 10 of 2021 the Company is liable to income tax at 24% (2022 - 24%) and Dividend Income received from a resident Company is liable to Income Tax at 14% (2022 - 14%), up to 30th September, 2022 and as per Inland Revenue (Amendment) Act No. 45 of 2022, from 1st October, 2022 the Company is liable to Income Tax at 30% and Dividend Income at 15%.

## Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

### 27. Income tax expense (Contd)

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

	Group		Company	
	2023	2022	2023	2022
Deferred tax on remeasurements of post employment benefit liabilities	-	(75,879)	-	-
Deferred tax on revaluation surplus	-	(9,729,829)	-	-

### 28. Earnings per share

	Group		Company	
	2023	2022	2023	2022
Profit attributable to owners of the parent	49,744,030	80,201,099	161,747,112	56,962,957
Weighted average number of ordinary shares in issue	15,200,000	15,200,000	15,200,000	15,200,000
Basic earnings per share	3.27	5.28	10.64	3.75

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

### 29. Dividends

The Board of Directors of the Company, resolved on 01 March, 2023 to propose a cash dividend of Rs. 5.00 per share (2022 - Rs. 5.00) amounting to Rs. 76,000,000 and the dividend was paid on 31 March 2023.

### 30. Cash generated from operations

Reconciliation of profit before tax to cash generated from operations.

	Group		Company	
	2023	2022	2023	2022
Profit before tax	107,749,078	109,020,270	215,785,709	71,904,501
Depreciation of property, plant and equipment (note 6)	10,444,646	12,197,444	417,682	456,322
Depreciation of investment property ( note 7)	6,583,014	6,503,085	6,583,014	6,503,085
Depreciation of right of use assets (note 9)	15,758,190	15,758,190	-	-
Dividend income (note 22)	(67,954,026)	(88,787,479)	(73,266,900)	(18,133,556)
Interest (income) / expense (note 26)	(13,613,403)	70,259,390	(117,055,354)	(42,732,317)
Profit on sale of investments ( note 22)	(619,876)	(2,028,529)	(4,450)	(88,140)
Profit on sale of property, plant and equipment (note 22)	-	(1,674,401)	-	-
Net impairment losses on financial asstes (note 3.4)	2,003,895	7,130,873	-	-
Defined benefit obligations (note 20)	2,170,371	1,969,248	-	-
Changes in fair value of financial assets at FVPL (note 23)	(8,087,885)	(78,772,951)	(1,019,131)	(8,645,696)
<b>Changes in working capital</b>				
- trade and other receivables	(75,113,779)	38,636,994	(88,912,009)	73,433,540
- inventories	33,443,654	7,414,557	-	-
- trade and other payables	14,180,441	(37,955,561)	(4,238,660)	1,955,855
<b>Cash generated from / (used in) operations</b>	<b>26,944,320</b>	<b>59,671,130</b>	<b>(61,710,099)</b>	<b>84,653,594</b>

### 31. Net assets value per share

	Group		Company	
	2023	2022	2023	2022
Stated capital	288,386,885	288,386,885	288,386,885	288,386,885
Reserves	3,072,137,168	2,908,873,267	1,875,775,275	1,754,982,384
Net assets	3,360,524,053	3,197,260,152	2,164,162,160	2,043,369,269
Number of shares	15,200,000	15,200,000	15,200,000	15,200,000
<b>Net assets per share</b>	<b>221.09</b>	<b>210.35</b>	<b>142.38</b>	<b>134.43</b>

### 32. Related parties

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

#### (a) Common directorships

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

	Mr. A. Rajaratnam	Mr. S. Rajaratnam	Mr. S. D. R. Arudpragasam	Dr. J. M. Swaminathan	Mr. A. M. de S. Jayaratne	Mr. Anushman Rajaratnam	Mr. R. M. M. J. Ratnayake
C M Holdings PLC	x	x	x	x	x	x	x
Union Investments (Private) Limited	x	x	x	x	x	x	x
Colonial Motors (Ceylon) Limited	-	x	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	-	-	-	-	x	-
Lankem Developments PLC	-	-	x	-	x	x	-
Agarapatana Plantations Limited	-	-	x	-	x	x	-
C W Mackie PLC	-	x	x	-	x	x	-
Beruwala Resorts PLC	-	x	x	-	-	x	-
E B Creasy & Company PLC	x	x	x	-	x	-	-
Kotagala Plantations PLC	-	-	x	-	x	x	-
Sigiriya Village Hotels PLC	-	x	x	-	-	x	-
Union Commodities (Private) Limited	-	-	x	-	x	x	-
Laxapana Batteries PLC	-	x	x	-	-	-	-
Guardian Asset Management Limited	-	-	x	-	-	-	-

Mr. R.M.M.J. Ratnayake was appointed to the Board of C M Holdings PLC with effect from 01.11.2022.

Mr. A.M.de S. Jayaratne was appointed to the Board of Lankem Developments PLC and Union Commodities (Pvt) Ltd with effect from 08.12.2022.

Mr. A.M.de S. Jayaratne was appointed to the Board of Agarapatana Plantations Limited with effect from 18.11.2022.

## Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

### 32. Related parties (Contd)

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

#### Amounts due from related parties

		Group		Company	
		2023	2022	2023	2022
The Colombo Fort Land & Building PLC	Parent	193,476,324	201,797,728	193,476,324	201,797,728
Union Investments (Private) Limited	Subsidiary	-	-	53,000,000	17,172,693
Union Commodities (Private) Limited	Sub - CFLB	344,796,693	282,517,325	344,250,761	282,517,325
Colonial Motors (Ceylon) Limited	Subsidiary	-	-	4,487,685	-
Agarapatana Plantations Limited	Sub - CFLB	1,518,548	1,453,403	-	-
Beruwala Resorts PLC	Sub - CFLB	55,775	20,595	-	-
E B Creasy & Company PLC	Sub - CFLB	20,711	36,900	-	-
Kotagala Plantations PLC	Sub - CFLB	932,012	1,069,788	-	-
C W Mackie PLC	Sub - CFLB	351,433	177,882	-	-
Lankem Ceylon PLC	Sub - CFLB	8,127,796	6,109,464	6,673,114	5,662,349
		549,279,292	493,183,085	601,887,884	507,150,095

Amounts due from related parties includes receivables from:

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

The Colombo Fort Land & Building PLC due to C M Holdings PLC amounting to Rs. 120,000,000/- on which interest is charged 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 Colonial Motors (Ceylon) Limited due to C M Holdings PLC amounting Rs. 3,900,000/- on which interest is charged at AWPLR+2% per annum

#### Amounts due to related parties

		Group		Company	
		2023	2022	2023	2022
Colombo Fort Group Services (Private) Limited	Affiliate - CFLB	4,968,083	3,862,829	-	-
		4,968,083	3,862,829	-	-

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.

Service income charged from the related parties are on par with market rates that are charged to external customers for similar services

### (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	
	2023	2022	2023	2022
Salaries and short term employee benefits	7,256,700	6,302,500	4,286,700	4,080,000
The post-employment benefits	-	-	-	-
	7,256,700	6,302,500	4,286,700	4,080,000

### 32. 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	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Lankem Ceylon PLC	Sub - CFILB	6,230,922	566,556	(1,657,735)	(1,657,735)	-	-	-	-	1,247,745	425,368	-	-	-	7,194,935
The Colombo Fort Land & Building PLC	Parent	-	(48,249,250)	(48,249,250)	(48,249,250)	-	-	-	-	39,927,846	16,028,156	-	-	-	-
Colombo Fort Hotels Limited	Sub - CFILB	-	-	-	-	-	-	-	-	-	-	-	-	(56,443,155)	-
Agarapatana Plantations Limited	Sub - CFILB	8,701,611	6,506,209	-	-	-	-	-	-	-	-	-	-	(85,000,000)	-
Lankem Developments PLC	Sub - CFILB	-	-	-	-	-	-	-	-	-	-	-	-	-	(330,000)
C W Mackie PLC	Sub - CFILB	836,726	1,459,685	10,101,000	7,070,700	-	-	-	-	-	-	-	-	-	-
Beruwala Resorts PLC	Sub - CFILB	125,575	50,800	-	-	-	-	-	-	-	-	-	-	-	-
E B Creasy & Company PLC	Sub - CFILB	898,171	703,328	26,777,200	40,165,800	-	-	-	-	-	-	-	-	-	-
Kotagala Plantations PLC	Sub - CFILB	3,805,195	2,307,466	-	-	-	-	-	-	-	-	-	-	-	2,919
Sigiriya Village Hotels PLC	Sub - CFILB	-	-	-	-	-	-	-	-	-	-	-	-	53,160,000	-
Colombo Fort Group Services (Pvt) Limited	Affiliate - CFILB	-	-	-	-	-	-	(1,293,942)	(1,463,536)	-	-	-	-	-	-
Colombo Fort Properties (Pvt) Limited	Sub - CFILB	-	-	-	-	-	-	(3,300,000)	(3,000,000)	-	-	-	-	-	-
Union Commodities (Private) Limited	Sub - CFILB	2,486,301	-	-	-	-	-	-	-	68,750,761	23,437,805	(35,000,000)	-	-	-
Laxapana Batteries PLC	Sub - CFILB	-	-	1,200	-	-	-	-	-	-	-	-	-	-	-
		23,084,501	10,961,044	(130,227,585)	(2,670,485)	-	-	(4,593,942)	(4,463,536)	109,926,352	39,891,329	(35,000,000)	-	(88,283,155)	6,869,854

# Notes to the Financial Statements

(all amounts in Sri Lanka Rupees unless otherwise stated)

## 32. 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	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Guardian Asset Management Limited	Subsidiary	-	-	(925)	(925)	-	-	-	-	-	-	-	-	-	-
Lankem Ceylon PLC	Sub - CFLB	-	-	(1,657,735)	(1,657,735)	-	-	-	425,368	1,247,745	-	-	-	-	-
The Colombo Fort Land & Building PLC	Parent	-	-	(48,249,250)	(48,249,250)	-	-	-	16,028,156	39,927,845	-	-	-	-	-
E B Creasy & Company PLC	Sub - CFLB	-	-	10,000,000	15,000,000	-	-	-	-	-	-	-	-	-	-
Union Investments(Pvt) Limited	Subsidiary	-	-	60,000,000	-	-	-	-	2,530,599	1,750,182	-	-	-	-	-
Colombo Fort Group Services (Pvt) Limited	Affiliate - CFLB	-	-	-	-	-	-	(69,575)	(66,000)	-	-	-	-	-	-
Colombo Fort Properties (Pvt) Limited	Sub - CFLB	-	-	-	-	-	-	(3,300,000)	(3,000,000)	-	-	-	-	-	-
Union Commodities (Pvt) Limited	Sub - CFLB	-	-	-	-	-	-	-	23,437,805	68,750,761	-	-	-	-	-
Colonial Motors Ceylon Ltd	Subsidiary	-	-	-	-	-	-	-	587,685	-	(3,900,000)	-	-	-	-
Agarapatana Plantations Limited	Sub - CFLB	-	-	-	-	-	-	-	-	-	-	-	-	(35,000,000)	-
		-	-	20,092,090	(34,907,910)	-	-	(3,369,575)	(3,066,000)	112,264,218	42,421,928	(3,900,000)	-	(35,000,000)	-

### **33. Events after the reporting period**

No circumstances have been arisen since the balance sheet date which would require adjustments to, or disclosure in, the financial statements.

### **34. Contingencies**

#### **Contingent liabilities**

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

### **35. 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

### **36. The impact of the recent economic downturn**

#### **Adverse movement of the foreign exchange rate**

Since the beginning of this year, the Sri Lankan rupee has been severely depreciated, and the exchange rate is still under pressure due to the continuous deterioration of the balance of payments and the depletion of foreign reserves. The company and the Group conduct their business locally, and since there are no major imports or forex outflows at the moment, 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 Company and the Group continues to monitor the potential impact on the continuity of the business due to the current economic downturn. Accordingly, macroeconomic variables are evaluated while making assumptions and judgements when preparing financial statements.

#### **Impact on business operations, investments of the Group and going concern assessment**

The recent economic downturn is common to all industries due to its inherent nature and is a challenge to the Group. The impact is minimal for 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 a certain amount of decline in the coming year in respect of its equity portfolio, which consists of a majority of listed stocks that are subject to market movements. Due to the prevailing uncertain and volatile macro-economic environment, 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. Even though this 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 its workshop services while minimizing cost.

# Share Information

## Distribution of Shares

No. of Shares Held	As At 31st March 2023			As At 31st March 2022		
	No of Shareholders	Total Holding	Holding %	No of Shareholders	Total Holding	Holding %
1 - 1,000	742	138,198	0.91	730	144,062	0.95
1,001 - 10,000	208	720,935	4.74	214	768,331	5.05
10,001 - 100,000	82	2,563,730	16.86	87	2,531,904	16.66
100,001 - 1,000,000	9	2,127,287	14.00	9	2,105,853	13.85
Over 1,000,000	1	9,649,850	63.49	1	9,649,850	63.49
	<b>1,042</b>	<b>15,200,000</b>	<b>100.00</b>	<b>1,041</b>	<b>15,200,000</b>	<b>100.00</b>

## Analysis of Ordinary Shareholders

	As At 31st March 2023			As At 31st March 2022		
	No. of Shareholders	Total Holdings	%	No. of Shareholders	Total Holdings	%
Individuals	941	2,642,040	17.38	931	2,552,893	16.80
Institutions	101	12,557,960	82.62	110	12,647,107	83.20
	<b>1,042</b>	<b>15,200,000</b>	<b>100.00</b>	<b>1,041</b>	<b>15,200,000.00</b>	<b>100</b>

## Market Prices of a Share for the year

	31.03.2023	31.03.2022
Highest	95.00	175.00
Lowest	45.00	76.00
Market Value as at the year end	63.10	78.80

## Public Holding

The percentage of shares held by the public as at 31st March 2023 was 28.89% ( 31.03. 2022 - 29.11% ).

## Public Shareholders

The Number of Public Shareholders as at 31st March 2023 were 1026 (31.03. 2022 - 1026).

The applicable option under Colombo Stock Exchange Rule 7.14.1 (i) (a) on Minimum Public Holding is Option 5 and the Float Adjusted Market Capitalization as at 31.03.2023 was Rs. 277.09Mn. (31.03.2022 - Rs. 348.67Mn).

## 20 Major Shareholders

Position	Full Name of Shareholder	31.03.2023		31.03.2022	
		No of Ord. Vot. Shares	Percentage	No of Ord. Vot. Shares	Percentage
1	THE COLOMBO FORT LAND AND BUILDING PLC	9,649,850	63.49%	9,649,850	63.49%
2	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	392,076	2.58%	392,076	2.58%
3	MRS AGNES.E DE VOS (DECD)	374,978	2.47%	374,978	2.47%
4	PAN ASIA BANKING CORPORATION PLC/LANKEM CEYLON PLC	331,547	2.18%	331,547	2.18%
5	COLOMBO INVESTMENT TRUST PLC	330,976	2.18%	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%	133,615	0.88%
8	TRUST HOLDINGS & INVESTMENTS (PVT) LIMITED	132,142	0.87%	132,142	0.87%
9	COLOMBO FORT INVESTMENTS PLC	131,458	0.86%	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. YUSUF HUSSEINALLY ABDULHUSSEIN	83,603	0.55%	22,738	0.15%
15	MR. SIDATH VIVENDRA KODIKARA	82,934	0.55%	82,934	0.55%
16	MISS RUKAIYA HUSSEINALLY ABDULHUSSEIN	81,521	0.54%	26,621	0.18%
17	DR. NIRANJAN DEEPAL GUNAWARDENA	76,433	0.50%	76,433	0.50%
18	MR. WEERAHENNEDIGE SOHAN RAMINAL FERNANDO	75,565	0.50%	75,565	0.50%
19	YORK ARCADE HOLDINGS PLC	71,707	0.47%	71,707	0.47%
20	CORPORATE HOLDINGS (PRIVATE)LIMITED A/C NO.01	63,508	0.42%	63,508	0.42%
		<b>12,586,376</b>	<b>82.82%</b>	<b>12,449,177</b>	<b>81.92%</b>

## Five Year Summary-Group

	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
<b>ASSETS EMPLOYED</b>					
Property , plant and equipment	395,435,000	403,440,854	346,819,829	362,840,344	2,183,990,129
Capital work in progress	-	-	-	3,253,664	17,051,503
Investment property	1,057,935,878	1,061,377,259	1,067,880,344	1,068,249,773	669,530,794
Intangible assets	4,870,824	4,870,824	4,870,824	5,053,871	8,170,717
Right of use assets	52,527,308	68,285,498	84,043,688	102,009,409	
Financial assets at FVOCI	1,163,446,347	943,561,135	1,219,401,983	535,256,609	758,719,298
Deferred income tax assets	-	-	17,392,690	27,207,526	45,061,859
Trade and other receivables	-	-	-	-	-
Current assets	1,734,114,397	1,755,241,454	1,628,880,479	1,358,806,494	1,860,057,832
Liabilities net of debt	(200,621,614)	(163,095,388)	(201,974,877)	(153,311,368)	(625,823,013)
	4,207,708,140	4,073,681,636	4,167,314,960	3,309,366,323	4,916,759,119
<b>CAPITAL EMPLOYED</b>					
Stated capital	288,386,885	288,386,885	288,386,885	288,386,885	288,386,885
Reserves	3,072,137,168	2,908,873,267	3,122,979,355	2,208,688,140	2,689,238,989
	3,360,524,053	3,197,260,152	3,411,366,240	2,497,075,025	2,977,625,874
Non controlling interest	2,546,365	1,296,447	1,253,435	906,106	363,205,269
Total equity	3,363,070,418	3,198,556,599	3,412,619,675	2,497,981,131	3,340,831,143
Total debt	844,637,722	875,125,037	754,695,285	811,385,192	1,575,927,976
	4,207,708,140	4,073,681,636	4,167,314,960	3,309,366,323	4,916,759,119
<b>OPERATING RESULTS</b>					
Revenue	276,430,164	305,664,737	356,484,427	813,609,430	1,626,616,327
EBIT	94,135,675	179,279,660	416,415,203	(94,957,504)	(373,379,881)
Finance expenses - net	13,613,403	(70,259,390)	(16,989,758)	(128,512,469)	(216,973,209)
Profit before tax	107,749,078	109,020,270	399,425,445	(223,469,973)	(590,353,090)
Tax (expense)/ release	(58,001,398)	(28,814,401)	(30,629,707)	(20,885,113)	6,740,488
Profit after tax	49,747,680	80,205,869	368,795,738	(244,355,086)	(583,612,602)
<b>CASH FLOW</b>					
Net cash generated from/(used) in operating activities	(95,605,411)	(72,721,246)	92,995,651	(552,402,714)	631,454,565
Net cash generated from/(used) in investing activities	134,981,805	75,239,712	15,371,548	433,830,660	(191,254,838)
Net cash generated from/(used) in financing activities	(70,816,240)	33,114,644	(124,772,611)	157,397,994	(502,997,219)
Increase/ (Decrease) in cash and cash equivalents	(31,439,846)	35,633,110	(16,405,412)	38,825,940	(62,797,492)
<b>KEY INDICATORS</b>					
Basic earnings per share (Rs)	3.27	5.28	24.26	(14.47)	(32.26)
Dividend per share (Rs)	5.00	5.00	5.00	2.00	2.00
Net asset per share	221.09	210.35	224	164	196
Debt - Equity ratio	0.25	0.27	0.22	0.32	0.47
Current ratio (times covered)	1.83	2.06	2.29	1.87	1.02
Dividend payout ratio	153%	95%	21%	-14%	-6%

# Notice of Meeting

## **C M HOLDINGS PLC** (Company No. PQ 169)

Notice is hereby given that the 111th Annual General Meeting of C M Holdings PLC will be held on 27th September 2023 at 10.00 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, 2023 with the Report of the Auditors thereon.
2. To re-elect as a Director, Mr. S. Rajaratnam who retires in accordance with Articles 88 and 89 of the Articles of Association.
3. To re-elect as a Director Mr. R.M.M.J. Ratnayake who was appointed during the year and retires in accordance with Article 95 of the Articles of Association.
4. 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 ).
5. 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 ).
6. 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 ).
7. 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 ).
8. To authorize the Directors to determine contributions to charities.
9. 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  
24th August 2023

# 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 24th August 2023 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 three 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 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, 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 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.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 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.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 or failing him |
| 7. Ratnayake Mudiyansele Mohan Joseph Ratnayake | 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 27th September 2023, at 10.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March, 2023 with the Report of the Auditors thereon.		
2. To re-elect Mr. S. Rajaratnam as a Director.		
3. To re-elect Mr. R.M.M.J. Ratnayake as a Director.		
4. To reappoint Mr. A.M. de S. Jayaratne as a Director.		
5. To reappoint Dr. J.M. Swaminathan as a Director.		
6. To reappoint Mr. A. Rajaratnam as a Director.		
7. To reappoint Mr. S.D.R. Arudpragasam as a Director.		
8. To authorize the Directors to determine contributions to Charities.		
9. To reappoint as Auditors Messrs. PricewaterhouseCoopers and authorize the Directors to determine their remuneration.		

As witness my/our hand(s) this ..... day of ..... 2023.

.....  
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

R. M. M. J. Ratnayake FCMA, CGMA, MBA  
(Appointed with effect from 01.11.2022)

## Chief Executive Officer

Mr. Arosh Azariah ACCA (UK), ACMA (UK), MBA

## Secretaries

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

## Registered Office

297, Union Place, Colombo 02.

## Legal Form

Public Quoted Company with Limited Liability  
Domiciled in Sri Lanka

## Date of Incorporation

09 July 1909

## Company number

PQ 169

## Stock Exchange Listing

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

## Bankers

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

## Lawyers

Messrs. Julius & Creasy

## Auditors

Messrs. PricewaterhouseCoopers

