

# Chairman's Review

On behalf of the Board, I take pleasure in welcoming all the shareholders to the Fortieth Annual General Meeting of the Company and presenting the Annual Report and Audited Financial Statements of the Company for the year ended 31st March, 2024.

The Sri Lankan economy is indicating signs of improved macroeconomic stability with the slight appreciation of the currency, declining inflation, and downward adjustment in market interest rates. The All Share Price Index (ASPI) remained low at the beginning of the financial year and gained nearly 22% by the end of July 2023. This significant gain reinforced by bullish investor sentiment remained till September 2023 and stabilized in the range of 10,500 points thereafter. ASPI ended the year at 11,444.38 (31.03.2023 – 9,301.09), gaining 23.04% in comparison with the previous financial year. It is anticipated that the significant recovery in the economic sector and low interest regime will positively impact the equity market elevating the value of the portfolio of the Company.

During the year under review, the Company recorded a revenue of Rs. 70.3 Million. The Revenue has increased by 38.2% in comparison to the previous year's revenue of Rs. 50.8 Million. This is mainly due to the increase in dividends received by the Company during the year. The profit prior to the fair value adjustment on Financial Assets was Rs. 66.29 Million in comparison to Rs. 36.09 Million in the preceding year.

The Net Asset Value of your Company was Rs. 233.89 per share as against Rs. 203.75 per share in the comparative year. The fair value of quoted investments as at 31st March, 2024 and 31st March, 2023 were Rs. 2.00 Billion and Rs. 1.78 Billion respectively.

V.S.& Associates who will be retiring at the end of this AGM, were appointed as the Auditors on 1<sup>st</sup> November, 1984 and continued for nearly four decades. On behalf of the Board of Directors I wish to thank them for the valuable views, advice and insight shared with us during this period.

It is with profound regret that I record the demise of Mr. Alagarajah Rajaratnam who served on the Board for nearly three decades. He was appointed to the Board in 1995 and served as Chairman from 2011. He provided leadership and made an enormous contribution to the growth of the Company. We shall all miss his wise counsel, judgement and leadership.

I take this opportunity to thank all the Shareholders for the continued confidence placed in the Company and my colleagues on the Board for their valuable recommendations.

**S.D.R. Arupagasam**  
Chairman

06th August, 2024

# Board of Directors

**S.D.R.Arudpragasam** - Chairman  
*FCMA (UK)*

Mr.S.D.R.Arudpragasam is a Fellow member of the Chartered Institute of Management Accountants (UK). He was appointed to the Board as Deputy Chairman on 12th August, 2011. Having held the position of Deputy Chairman until 31st August, 2023, he was appointed as Chairman of the Company on 1st September, 2023. Further he was appointed Chairman of The Colombo Fort Land & Building PLC (CFLB) with effect from 1st July, 2022. He also holds the position of Chairman of Lankem Ceylon PLC and Chairman / Managing Director of E. B. Creasy & Company PLC in addition to serving on the Boards of other companies within the CFLB Group.

**S.Shanmugalingam** - Director

Mr.S.Shanmugalingam was appointed to the Board on 01st January, 2004. He has over 27 years experience in Share Trading and the Capital Market and has worked for many years as a Senior Stock broker. He currently functions as an Adviser. He holds a Higher Diploma in Information Technology.

**A.M.de S.Jayaratne** - Director  
*B.Sc. (Econ.), FCA*

Mr.A.M.de S.Jayaratne was appointed to the Board on 15th July, 2005. He has graduated in Economics and is a Chartered Accountant by profession. He was the 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. He is a Director of several public listed companies.

**S.Rajaratnam** - Director  
*B.Sc., CA*

Mr.S.Rajaratnam was appointed to the Board on 01st October, 2008. He holds a Bachelor of Science Degree in Business Administration from Boston College, USA and is a Member of the Institute of Chartered Accountants in Australia. He has been associated with overseas companies in the field of finance and currently holds the position of Joint Managing Director of E.B. Creasy & Company PLC amongst other Directorships.

**Dr.J.M.Swaminathan** - Director  
*Attorney-at-Law, LLB (Ceylon), LL.M, M.Phil. (Colombo), and LLD (Honoris Causa)*

Dr. J.M.Swaminathan was appointed to the Board on 16th October, 2009. He is an Attorney-at-Law with over 60 years of practice and has been appointed a Senior Instructing Attorney-at-Law by His Excellency, the President. 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 Studies of the Council of Legal Education and also a Consultant at the Institute of Advanced Legal Studies of the Council of Legal Education. He is a Member of the Visiting Faculty of the LL.M Course of the University of Colombo. He also serves on the Boards of several public and private companies.

## Board of Directors

**Amrit Rajaratnam** - Director  
*LLB (Notts.), Barrister-at-Law*

Mr. Amrit Rajaratnam was appointed to the Board on 25th March, 2022. He holds a Bachelor's Degree in Law from the University of Nottingham and is a Barrister-at-Law (Lincoln's Inn). He began his career at the Law Firm Julius & Creasy and later joined Lankem Ceylon PLC.

**Anushman Rajaratnam** - Director  
*B.Sc. (Hons.), CPA, MBA*

Mr. Anushman Rajaratnam was appointed to the Board of Directors of Colombo Fort Investments PLC on 09th June, 2022. He is at present the Group Managing Director of The Colombo Fort Land & Building PLC (CFLB). In addition, he serves on the Board of several subsidiary companies of the CFLB Group. Prior to joining the CFLB Group, he worked overseas for a leading global Accountancy Firm.

**P.M.A. Sirimane** - Director  
*FCA, MBA*

Mr.P.M.A.Sirimane was appointed to the Board on 07th October, 2022. He is a Fellow of the Institute of Chartered Accountants of Sri Lanka and also holds a Masters in Business Administration from the University of Swinburne, Victoria, Australia. Mr.Sirimane serves on the Board of The Colombo Fort Land & Building PLC (CFLB) and also serves on the Boards of several subsidiary companies in the CFLB Group. Amongst other senior positions he has functioned as Managing Director/CEO of Mercantile Leasing Ltd., Group Finance Director of United Tractor & Equipment Ltd., Chief Finance Officer of Sri Lanka Telecom Ltd., and Director of SLT Hong Kong Ltd. He has served as a Member of several Committees of the Institute of Chartered Accountants of Sri Lanka and was an ex-officio member of the International Leasing Association.

# Corporate Governance

Colombo Fort Investments PLC is committed to a policy of maintaining the highest standard of accountability in all its business and other activities.

The Company firmly believes that good governance adopted and implemented will strengthen the confidence and trust of all stakeholders.

## Board Composition

Currently the Board of Colombo Fort Investments PLC comprises of Eight Non-Executive Directors, of whom three are Independent.

These Directors are named below and their profiles appear on pages 02 and 03.

Mr.A.Rajaratnam	- Former Chairman Non-Executive (Deceased 26/08/2023)
Mr.S.D.R.Arudpragasam	- Chairman Non-Executive (Appointed Chairman w.e.f. 01/09/2023)
Mr.S.Shanmugalingam	- Non-Executive
Mr.A.M.de S. Jayaratne	- Independent / Non-Executive
Mr.S.Rajaratnam	- Non-Executive
Dr.J.M.Swaminathan	- Independent / Non-Executive
Mr.Amrit Rajaratnam	- Non-Executive
Mr.Anushman Rajaratnam	- Non-Executive
Mr. P.M.A.Sirimane	- Independent / Non-Executive

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

Mr.A.M.de S.Jayaratne and Dr.J.M.Swaminathan are on Boards of other listed companies, in which a majority of the Directors of the Company are Directors and also serve on the Boards of other listed entities which have significant shareholdings in the Company. Mr.A.M.de S.Jayaratne and Dr. J.M.Swaminathan have served for over a period of nine years on the Board of the Company and are over seventy years of age. However, the Directors having considered the fact that the said Directors are not involved in the Management of the

Company and having taken into consideration all other circumstances listed in the Colombo Stock Exchange Listing Rules pertaining to the "Criteria for Defining Independence" is, of the opinion that Mr. A.M.de S.Jayaratne and Dr.J.M.Swaminathan to be nevertheless Independent.

Mr. P.M.A.Sirimane serves on the Board of other listed companies in which a majority of the Directors of the Company are Directors and also serves on the Board of other listed entities which have significant shareholdings in the Company. Nevertheless having considered the fact that the said Director is not involved in the Management of the Company and having taken into consideration all other circumstances listed in the Colombo Stock Exchange Listing Rules pertaining to the "Criteria for Defining Independence" the Directors are of the opinion that Mr. Sirimane is Independent.

## Decision Making of the Board

During the year the Board has met on four occasions. In addition to Board Meetings, matters are referred to the Board and decided by Resolutions in writing.

The attendance at Board meetings had been as follows:

	09.05.2023	07.08.2023	08.11.2023	01.02.2024	
Mr.S.D.R.Arudpragasam	✓	✓	✓	✓	4/4
Mr.S.Shanmugalingam	✓	✓	-	✓	3/4
Mr.A.M.de S.Jayaratne	✓	✓	-	✓	3/4
Mr.S.Rajaratnam	-	-	✓	✓	2/4
Dr.J.M.Swaminathan	✓	✓	✓	✓	4/4
Mr.Amrit Rajaratnam	✓	✓	-	✓	3/4
Mr.Anushman Rajaratnam	✓	✓	✓	-	3/4
Mr.P.M.A.Sirimane	✓	✓	-	✓	3/4

The Directors have made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to the Listing Rules and applicable Capital Market provisions.

## Corporate Governance

### Fit & Proper Assessment

The Company's fit and proper assessment for Directors is in line with the guidelines set out in the Listing Rules and include criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Chairman and Directors satisfy the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

### Appointment and Re-election of Directors

The Board as a whole decides on the appointment of Directors in accordance with the Articles of Association of the Company and in compliance with the Rules on Governance.

In terms of the Articles of Association a Director appointed by the Board holds office until the next Annual General Meeting, at which he seeks re-election by the shareholders. The Articles require that one of the Directors in office to retire at each Annual General Meeting. The Director to retire, is he who has been longest in office since his last election. A retiring Director is eligible for re-election.

### Financial Acumen

The Directors are from varied business and professional backgrounds and have vast experience and proven ability in the field of investment, management and trading in securities. Their expertise enables them to exercise independent judgement and their views carry substantial weight in decision making. The Board includes five finance professionals who possess the necessary knowledge to offer guidance on matters of finance.

If necessary, professional advice is obtained from external independent parties.

The Board is responsible for the proper management of the Company along with monitoring an effective system of internal control covering the financial matters.

### Directors - Other Directorships

The details pertaining to the names of the companies (in Sri Lanka) in which the Directors serve as a Director or Key Management Personnel are presented on pages 23 to 29.

### Remuneration Committee

The Company does not have any employees nor Executive Directors. The Board comprises of only Non Executive Directors to whom a Director's fee is paid. The fees of the Managers & Secretaries are approved by the Board of Directors. Consequently the appointment of a Remuneration Committee does not arise.

### Audit Committee

The Audit Committee comprises of Mr. A.M.de S. Jayaratne – Chairman (Independent / Non-Executive Director), Dr. J.M.Swaminathan (Independent / Non-Executive Director) and Mr. S. Rajaratnam (Non-Executive Director). The Audit Committee Report is given on pages 37 and 38 of this Report.

### Related Party Transactions Review Committee

The Committee comprises of Mr. A.M.de S. Jayaratne – Chairman (Independent / Non-Executive Director), Dr. J.M.Swaminathan (Independent / Non-Executive Director) and Mr. S. Rajaratnam (Non-Executive Director). The Related Party Transactions Review Committee Report is given on page 39 of this report.

### Managers & Secretaries

The Directors may seek advice from Corporate Managers & Secretaries (Private) Limited, (CMSL) who are qualified to act as Secretaries as per the provisions of the Companies Act No. 07 of 2007. The Company does not employ any staff and all accounting services are provided by CMSL. Proper internal control procedures are adopted within CMSL.

### Annual General Meeting / General Meetings

The Board considers the Annual General Meeting / General Meetings an opportunity to communicate with shareholders and encourage their participation.

### Compliance with Legal Requirements

The Board strives to ensure that the Company complies with the Laws and Regulations of the country.

### Corporate Social Responsibility

Corporate decisions are made with due consideration taking into account the rights and claims of all Non-shareholder Groups.

## Corporate Governance

### Adherence to the Corporate Governance Rules of the Colombo Stock Exchange

Rule	Adherence
<b>9.2 POLICIES</b>	
<b>9.2.1 Establish and maintain the following policies</b>	
<ul style="list-style-type: none"> <li>a) Matters relating to the Board of Directors</li> <li>b) Board Committees</li> <li>c) Corporate Governance, Nominations and Re-election</li> <li>d) Remuneration</li> <li>e) Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities</li> <li>f) Risk management and Internal controls</li> <li>g) Relations with Shareholders and Investors</li> <li>h) Environmental, Social and Governance Sustainability</li> <li>i) Control and Management of Company Assets and Shareholder Investments</li> <li>j) Corporate Disclosures</li> <li>k) Whistleblowing</li> <li>l) Anti-Bribery and Corruption</li> </ul>	To be complied w.e.f. 01.10.2024
<b>9.2.2.</b> Any waivers from compliance with the Internal code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report	
<b>9.2.3.</b> Listed entities shall disclose in its Annual Report. <ul style="list-style-type: none"> <li>(i) The list of policies that are in place in conformity rule 9.2.1. above with reference to its website.</li> <li>(ii) Details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above</li> </ul>	
<b>9.2.4.</b> Listed Entities shall make available all such policies to shareholders upon written request being made for any such Policy.	

## Corporate Governance

Rule	Adherence
<b>9.3 BOARD COMMITTEES</b>	
<b>9.3.1 Establishment of Committee</b>	
(a) Nominations and Governance Committee  (b) Remuneration Committee  (c) Audit Committee  (d) Related Party Transactions Review Committee.	To be complied w.e.f. 01.10.2024  Refer page no. 05 - Corporate Governance Report  Complied  Complied
<b>9.3.2</b> Compliance with composition, responsibilities and disclosures required in respect of the above Board committees	(a) to be formed w.e.f 01.10.2024 (b) Not Applicable Complied with (c) & (d)
<b>9.3.3</b> The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees	Complied
<b>9.4 ADHERENCE TO PRINCIPLES OF DEMOCRACY IN THE ADOPTION OF MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS</b>	
<b>9.4.1</b> Maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting  (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	Complied
<b>9.4.2. Communication and relations with shareholders and investors</b>  a) Have a policy on effective communication and relations with shareholders and investors b) Disclose the contact person for such communication. c) Policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders d) When conducting of any shareholder meetings through virtual or hybrid means, compliance with the Guidelines issued by the Exchange	To be complied w.e.f. 01.10.2024  Complied

## Corporate Governance

Rule	Adherence
<b>9.5 POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS</b>	
<b>9.5.1</b> Establish and maintain formal policy governing matters relating to the Board <ul style="list-style-type: none"> <li>a) Composition and Board Balance (Executive and Non-Executive), Role and function of Chairman and CEO and Procedure for Appraisal of Board Performance and appraisal of CEO</li> <li>b) Where Role of Chairman and CEO are combined Appointment of SID-Establish Board Charter inclusive of functions and safeguards for SID</li> <li>c) Board diversity – experience, skills, competencies, age, gender, industry requirements</li> <li>d) Maximum number of Directors and rationale</li> <li>e) Frequency of Board meetings</li> <li>f) Mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance</li> <li>g) Specify the minimum number of meetings, in numbers and percentage, that a Director must attend,</li> <li>h) Requirements relating to trading in securities of the Listed Entity and its listed group Companies and disclosure of such requirements</li> <li>i) Specify the maximum number of directorships in Listed Entities that may be held by Directors.</li> <li>j) Participation at meeting of the Board and Board committees by audio visuals means and participation to be taken into account when deciding the quorum.</li> </ul>	To be complied w.e.f. 01.10.2024
<b>9.5.2</b> Confirm compliance of 9.5.1. in Annual Report – If non compliant provide explanations with reasons and proposed remedial action.	
<b>9.6 CHAIRPERSON AND CEO</b>	
<b>9.6.1</b> Chairperson shall be a Non-Executive Director  Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed	Complied  Not Applicable
<b>9.6.2</b> Market Announcement in the event Chairperson is an Executive Director and / or the positions of Chairman and CEO are held by the same individual.	Not Applicable



## Corporate Governance

Rule	Adherence
<b>9.6.3 The Requirement for a SID</b>	
(a) Appoint of an Independent Director as the SID in the following instances: <ol style="list-style-type: none"> <li>i. The positions of the Chairperson and CEO are held by the same individual.</li> <li>ii. The Chairperson is an Executive Director.</li> <li>iii. The Chairperson and CEO are Close Family Members or Related Parties</li> </ol> (b)-(e) Responsibilities and duties of SID	Not Applicable
<b>9.6.4</b> Set out the rationale for appointment of SID in the Annual Report	Not Applicable
<b>9.7 FITNESS OF DIRECTORS AND CEOS</b>	
<b>9.7.1</b> <ol style="list-style-type: none"> <li>a) Listed Entities shall ensure that the Directors and CEO are at all times fit and proper persons as required in terms of these Rules.</li> <li>b) In evaluating fitness and propriety of the persons referred in these Rules. Listed Entities shall utilize the Fit and Proper Assessment Criteria set out in Rule 9.7.3 below.</li> </ol>	Complied
<b>9.7.2</b> Listed Entities shall ensure that the persons recommended by the Nominations and Governance Committee as Directors are fit and proper before such nominations are placed before Shareholders' meeting or appointments.	Nominations and Governance Committee to be formed w.e.f. 01/10/2024
<b>9.7.3 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3</b> <ol style="list-style-type: none"> <li>a) Honesty, Integrity and Reputation – (i)-(vii)</li> <li>b) Competence and Capability –(i)-(ii)</li> <li>c) Financial Soundness –(i)-(iii)</li> </ol>	Complied
<b>9.7.4</b> Declarations to be obtained from Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied
<b>9.7.5 Disclosures in the Annual Report</b> <ol style="list-style-type: none"> <li>(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria</li> <li>(b) Any non-compliance/s and remedial action taken to rectify non compliance</li> </ol>	Complied Not Applicable
<b>9.8 BOARD COMPOSITION</b>	
<b>9.8.1</b> The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied

## Corporate Governance

Rule	Adherence
<p><b>9.8.2</b> Minimum Number of Independent Directors:</p> <p>(a) At least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors at any given time, whichever is higher.</p> <p>(b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.</p>	<p>Complied</p> <p>Not Applicable</p>
<p><b>9.8.3 Criteria for determining independence:</b></p>	
<p>A Director shall not be considered independent if he/she:</p> <p>(i) Has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director</p> <p>(ii) Currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly.</p> <p>(iii) Currently has/had during the preceding financial year a close Family Member who is a Director and/or CEO in the Listed Entity.</p> <p>(iv) Has a Significant Shareholding in the Listed Entity.</p> <p>(v) Has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment.</p> <p>(vi) Is employed in another Company or business;</p> <p>a) In which a majority of the other directors of the Listed Entity are employed or are directors; or</p> <p>b) In which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or</p> <p>c) That has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection.</p> <p>(vii) Is a director of another Company;</p> <p>a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; or</p> <p>b) That has a Business Connection in the Listed Entity or a Significant Shareholding.</p> <p>(viii) Has a Material Business Relationship or a Significant Shareholding in another company or business;</p> <p>a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; and/or</p> <p>b) Which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or</p> <p>c) Where the core line of business of such Company is in direct conflict with the line of business of the Listed Entity.</p> <p>(ix) Is above the age of seventy (70) years.</p>	<p>Complied and where independence is impaired declared to be nevertheless independent</p>

## Corporate Governance

Rule	Adherence
<b>9.8.5 The Board of Directors of Listed Entities shall require:</b>	
(a) Each Independent Director to submit a signed and dated declaration annually	Complied
(b) Make an annual determination as to the “independence” of Independent Director and set out the names of Directors determined to be ‘independent’ in the Annual Report.	Complied
(c) If independence is impaired against any of the criteria set out in Rule 9.8.3, an immediate Market Announcement is required	Declared as nevertheless Independent.
<b>9.9 ALTERNATE DIRECTORS</b>	
<p>Compliance with the following requirements and such requirements shall also be incorporated into the Articles of Association</p> <p>a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.</p> <p>b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive Director.</p> <p>c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.</p> <p>d) Immediate Market Announcement regarding the appointment of an Alternate Director</p> <p>e) Attendance of Alternate Director to be counted for the purpose of quorum at Board and Board Committee meetings.</p>	<p>Complied.</p> <p>The Proposed Amendments to the Articles of Association is carried under special Business in the Notice of Meeting in this Annual Report.</p>
<b>9.10. DISCLOSURES RELATING TO DIRECTORS</b>	
<b>9.10.1</b> Disclose its policy on the maximum number of directorships in Listed Entities Board members shall be permitted to hold as per Rule 9.5.1. Non compliance to be reported in the Annual Report.	To be complied w.e.f. 01.10.2024
<b>9.10.2</b> Market announcement on appointment of new Director	There were no appointments during 2023/2024.
<b>9.10.3</b> Immediate Market Announcement regarding any changes to the composition of the Board Committees	There were no changes to the composition of the Committees in 2023/2024

## Corporate Governance

Rule	Adherence
<p><b>9.10.4 Disclosure in Annual Report - Directors details</b></p> <ul style="list-style-type: none"> <li>- Name, qualifications and brief profile</li> <li>- Nature of his/her expertise in relevant functional areas</li> <li>- Whether either the Director or Close Family Members has any material business relationships with other Directors</li> <li>- Whether Executive, Non-Executive and/or independent Director</li> <li>- Total number and names of Companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non- executive (If the directorships are within the Group names need not be disclosed)</li> <li>- Number of Board meetings attended</li> <li>- Names of Board Committees in which the Director serves as Chairperson or a member</li> <li>- Attendance of committee meetings</li> <li>- TOR and powers of SID</li> </ul>	<p style="text-align: center;">Complied</p> <p style="text-align: center;">Not Applicable</p>
<p><b>9.11 NOMINATIONS AND GOVERNANCE COMMITTEE</b></p>	<p style="text-align: center;">To be complied w.e.f. 01.10.2024</p>
<p><b>9.11.1</b> Establishment of Nominations and Governance Committee</p>	
<p><b>9.11.2</b> Maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.</p>	
<p><b>9.11.3</b> Written terms of reference</p>	
<p><b>9.11.4 Composition</b></p>	
<p>(1) The members of the Nominations and Governance Committee shall;</p> <p style="padding-left: 20px;">(a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors.</p> <p style="padding-left: 20px;">(b) Not comprise of Executive Directors of the Listed Entity</p> <p>(2) An Independent Director shall be appointed as the Chairperson</p> <p>(3) Identify Members in the Annual Report</p>	

## Corporate Governance

Rule	Adherence	
<b>9.11.5 Functions</b>		
<ul style="list-style-type: none"> <li>(i) Evaluate the appointment of Directors to the Board of Directors and Board Committees</li> <li>(ii) Recommend (or not recommend) the re-appointment/ re-election of current Directors</li> <li>(iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/re- appoint Directors</li> <li>(iv) Establish and maintain a set of criteria for selection of Directors</li> <li>(v) Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged.</li> <li>(vi) Develop a succession plan for the Board of Directors and Key Management Personnel</li> <li>(vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities</li> <li>(viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices.</li> <li>(ix) Periodically review and update the Corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice.</li> <li>(x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.</li> </ul>	<p>To be complied w.e.f. 01.10.2024</p>	
<b>9.11.6 Disclosures in Annual Report</b>		
Nomination & Governance Committee Report and contents to be incorporated -Sections (a)-(m)		

## Corporate Governance

Rule	Adherence
<b>9.12 REMUNERATION COMMITTEE</b>	<p>The Company does not have any employees nor Executive Directors. The Board comprises of only Non Executive Directors to whom a Director's fee is paid. The fees of the Managers &amp; Secretaries are approved by the Board of Directors. Consequently the appointment of a Remuneration Committee does not arise.</p>
<b>9.12.1</b> The term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received	
<b>9.12.2</b> Establishment of Remuneration Committee	
<b>9.12.3</b> Establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	
<b>9.12.4</b> Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	
<b>9.12.5</b> Written terms of reference	
<b>9.12.6 Composition</b>	
<p>(1) The members of the Remuneration Committee shall;</p> <p>(a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors.</p> <p>(b) Not comprise of Executive Directors of the Listed Entity</p> <p>(2) Where both the parent Company and the subsidiary are 'Listed Entities', the Remuneration Committee of the parent Company may be permitted to function as the Remuneration Committee of the subsidiary.</p> <p>(3) An Independent Director shall be appointed as the Chairperson.</p>	
<b>9.12.7 Functions</b>	
<p>(1) Recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations.</p> <p>(2) Engage any external Consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.</p>	
<b>9.12.8 Disclosure in Annual Report</b>	
<p>a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent Company's Remuneration Committee in the case of a group Company);</p> <p>(b) A statement regarding the remuneration policy; and,</p> <p>(c) The aggregate remuneration of the Executive and Non-Executive Directors</p>	

## Corporate Governance

Rule	Adherence
<b>9.13 AUDIT COMMITTEE</b>	Refer Audit Committee Report
<b>9.13.1</b> Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions	Complied with Rules prior to revision on 01/10/2023 (i.e. Rule 7.10.6. (a) and (b))
<b>9.13.2</b> Written terms of reference	Complied
<b>9.13.3 Composition</b>	
<p>(1) The members of the Audit Committee shall;</p> <p>(a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors.</p> <p>(b) Not comprise of Executive Directors of the Listed Entity</p> <p>(2) Quorum - requires that the majority of those in attendance to be independent Directors.</p> <p>(3) Compulsorily to meet on a quarterly basis prior to recommending the financials to be released to the market.</p> <p>(4) If both the Parent Company and the subsidiary are 'Listed Entities' the Audit Committee of the Parent Company may function as the the Audit Committee of the subsidiary.</p> <p>(5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.</p> <p>(6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.</p> <p>(7) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.</p>	<p>Complied</p> <p>Complied with Rules prior to revision on 01.10.2023 (i.e Rule 7.10.6 (a) and (b))</p> <p>Complied</p> <p>Not Applicable</p> <p>Complied</p> <p>Representatives of the Managers &amp; Secretaries were in attendance by invitation.</p> <p>Complied</p>
<b>9.13.4 Functions</b> Detailed in Rule (1) (i) –(xiii) and (2)	Complied with Rules prior to revision on 01/10/2023 (i.e Rule 7.10.6(b))

## Corporate Governance

Rule	Adherence
<p><b>9.13.5 Disclosures in Annual Report</b></p> <p>Audit Committee Report</p> <ul style="list-style-type: none"> <li>- Names of chairperson and members with nature of directorship</li> <li>- Status of risk management and internal control – Company and group</li> <li>- Statement on CEO and CFO assurance on operations and finances</li> <li>- Opinion on compliance with Financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements.</li> <li>- Availability of formal Audit Charter</li> <li>- Internal audit assurance and summary of the work internal audit</li> <li>- Details demonstrating effective discharge of functions and duties</li> <li>- Statement on external auditors’ assurance on their independence</li> <li>- Confirmation on determining auditor’s independence</li> </ul>	<p>Complied with Rules prior to revision on 01/10/2023 (i.e Rule 7.10.6(c))</p>
<p><b>9.14 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE</b></p>	<p>Refer Related Party Transactions Review Committee Report</p>
<p><b>9.14.1. Establishment of Committee</b></p> <p>Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules</p>	<p>Complied</p>
<p><b>9.14.2 Composition</b></p> <p>(1) The Related Party Transactions Review Committee shall comprise of;</p> <ul style="list-style-type: none"> <li>- Minimum three (03) Directors out of which a minimum of two (02) members shall be Independent Directors</li> <li>- May comprise of Executive Directors</li> <li>- An Independent Director shall be appointed as the Chairperson</li> </ul> <p>(2) Parent Company may function as RPTRC (Applicable only up to 30.09.2024)</p>	<p>Complied</p> <p>Not Applicable</p>



## Corporate Governance

Rule	Adherence
<p><b>9.14.3 Functions</b></p> <ul style="list-style-type: none"> <li>(1) Committee shall be responsible for reviewing the Related Party Transactions</li> <li>(2) Objective - ensure that the interests of shareholders as a whole are taken into account when entering into Related Party Transactions.</li> <li>(3) The objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality.</li> <li>(4) Establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations</li> </ul>	<p>Complied</p>
<p><b>9.14.4 General Requirements</b></p> <ul style="list-style-type: none"> <li>(1) The Related Party Transactions Review Committee shall meet at least once a calender quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.</li> <li>(2) Should ensure having access to, enough knowledge or expertise to assess or aspects of proposed Related Party Transactions, and where necessary obtain appropriate professional and expert advice from appropriately qualified person when necessary.</li> <li>(3) Board of Directors to approve RPT when required by the committee</li> <li>(4) If a Director has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: <ul style="list-style-type: none"> <li>(a) Be present while the matter is being considered at the meeting; and,</li> <li>(b) Vote on the matter.</li> </ul> </li> </ul>	<p>Complied</p> <p>Not Applicable</p>
<p><b>9.14.5 Review of Related Party Transactions by the Related Party Transactions Review Committee</b></p>	<p>Complied</p>

## Corporate Governance

Rule	Adherence
<p><b>9.14.6 Shareholder Approval</b></p> <ol style="list-style-type: none"> <li>1. Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transaction.               <ol style="list-style-type: none"> <li>a) <u>Non-recurrent transaction</u> <ol style="list-style-type: none"> <li>i) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements</li> <li>ii) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements when aggregated with other non- recurrent transactions entered into with the same Related Party during the same financial year</li> <li>iii) Acquisition of substantial asset from, or disposal of a substantial asset to, any Related Party of the Entity or its associates</li> </ol> </li> <li>b) <u>Recurrent transaction</u> <ol style="list-style-type: none"> <li>(i) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements; or</li> <li>(ii) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same Financial year; and;</li> <li>(iii) The transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favorable to the Related Party than those generally available to the public.</li> </ol> </li> </ol> </li> </ol>	<p>Not Applicable</p>

## Corporate Governance

Rule	Adherence
<b>9.14.7 Disclosures</b>	
<b>(1) Immediate Disclosures</b>	
<p>A Listed Entity shall make an immediate Market Announcement to the Exchange</p>	<p>Not applicable all non-recurrent transactions were below the disclosure threshold.</p>
<p>(a) Any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or</p> <p>(b) Of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same Financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.</p> <p>Subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the Financial year.</p>	
<p><b>9.14.8 Disclosures in the Annual Report</b></p>	

## Corporate Governance

Rule	Adherence
<p><b>9.14.9 Acquisition and Disposal of Assets From/to Related Parties</b></p> <ol style="list-style-type: none"> <li>1) Shareholder approval is required by Special Resolution for the acquisition from or disposal of substantial assets to Related Companies. [Subject to exemptions as per Rule 9.14.9 (3)]</li> <li>2) Substantial value of the asset or the value of the consideration relating to such asset exceeds 1/3 of the Total Assets.</li> <li>(3) Rule 9.14.9(1) does not apply to:             <ol style="list-style-type: none"> <li>a) Transactions between the Listed entity and a wholly owned subsidiary.</li> <li>b) Transaction between wholly owned subsidiaries of the Listed Entity.</li> <li>c) Takeover offer made by the Listed Entity in accordance with Takeovers and Mergers Code 1995 (as amended).</li> <li>d) Any transaction entered into by the Listed Entity with a bank as principal, on arm's length terms and in the ordinary course of its banking business.</li> </ol> </li> <li>(4)             <ol style="list-style-type: none"> <li>a) The Related Party Transactions Review Committee should obtain competent independent advice from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under the consideration.</li> <li>b) Person who is in the same group of the Listed Entity or significant interest in or financial connection with the Listed Entity or the relevant Related Party shall not be eligible to give such advice.</li> </ol> </li> <li>(5) Independent advice obtained should be circulated with the notice of meeting to obtain the shareholder approval</li> <li>(6) The competent independent advice required in terms of Rule 9.14.9 (4) shall include:             <ol style="list-style-type: none"> <li>a) Key assumptions, conditions or restrictions that impact the estimate value.</li> <li>b) The different valuation methodologies considered in valuing the subject asset/s and justification for adopting one or more of them in the valuation.</li> <li>c) Sources of information relied upon for the valuation.</li> <li>d) Identity of individuals participating in the valuation assignment and their qualifications.</li> <li>e) Confirmation of the independence of the parties participating in the advice.</li> <li>f) A statement as to whether the transaction is on usual commercial terms, in ordinary and usual course of business, fair and reasonable and in the interests of the Listed Entity and its shareholders.</li> </ol> </li> </ol>	<p style="text-align: center;">Not Applicable</p>

## Corporate Governance

Rule	Adherence
<b>9.14.10 Exempted Related Party Transactions</b>	
<p>(a) Subject to Rule 9.14.8 (2), transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of a Listed Entity or its subsidiaries and, in the opinion of the Related Party Transactions Review Committee, terms are not favorable to the Related Party than those generally available to the public.</p> <p>(b) The payment of dividend, issue of Securities by the Listed Entity by way of a capitalization of reserves, the exercise of Rights, options or warrants (subject to Rules contained in Section 5 and 7 of these Rules), sub-division of shares or consolidation of shares.</p> <p>(c) The grant of options, and the issue of Securities pursuant to the exercise of options, under an employee share option scheme/employees share purchase scheme (subject to Rule 5.6 of these Rules).</p> <p>(d) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Listed Entity at the time of the transaction.</p> <p>(e) The provision or receipt of financial assistance or services, upon usual commercial terms and in the ordinary course of business, from a Company whose activities are regulated by any written law relating to licensed banks, Finance Companies or insurance Companies or are subject to supervision by the Central Bank of Sri Lanka or Insurance Board of Sri Lanka.</p> <p>(f) Directors' fees and remuneration, and employment remuneration</p>	<p>Complied</p>

## Corporate Governance

Rule	Adherence
<p><b>9.16 ADDITIONAL DISCLOSURES BY BOARD OF DIRECTORS</b></p> <ul style="list-style-type: none"> <li>- Declared all material interests in contracts involving the entity and that they have refrained from voting on matters in which they were materially interested</li> <li>- Conducted a review of the internal controls covering Financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence, and, if unable to make any of these declarations an explanation on why it is unable to do so;</li> <li>- Made arrangement to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;</li> <li>- Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.</li> </ul>	<p>Complied Refer Annual Report of the Board of Directors and Corporate Governance Report</p>
<p><b>9.17 ENFORCEMENT PROCEDURE FOR NON-COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS</b></p>	
<p>Immediate Market Announcement on non compliance in the event of failure to comply with any of the requirements contained in Rules 9.2.1, 9.8.2, 9.11.4, 9.12.6, 9.13.3 or 9.14.2 about such non-compliance within one (1) Market Day from the date of the non-compliance. Announcement shall be repeated on the first (1st) Market Day of each calendar month until the Entity becomes compliant with these Rules.</p>	<p>Not Applicable</p>

## Corporate Governance

### DETAILS IN RESPECT OF DIRECTORS

The following table illustrates the total number of Board seats held by each Director of the Company.

Abbreviations:

<b>C</b> - Chairman	<b>GMD</b> - Group Managing Director
<b>DC</b> - Deputy Chairman	<b>MD</b> - Managing Director
<b>EC</b> - Executive Chairman	<b>JMD</b> - Joint Managing Director
<b>EX</b> - Executive Director	<b>CEO</b> - Chief Executive Officer
<b>NE</b> - Non-Executive Director	<b>D</b> - Director
<b>INE</b> - Independent Non-Executive Director	<b>Ait</b> - Alternate Director

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S. Shammugalingam		Mr. A.M. de S. Jayaratne		Mr. Sanjeev Rajaratnam		Dr. J.M. Swaminathan		Mr. Amrit Rajaratnam		Mr. Anushman Rajaratnam		Mr. P.M.A. Sirimane	
	✓	C/NE	✓	-	✓	INE	✓	NE	-	-	✓	NE	✓	GMD/EX	✓	INE
The Colombo Fort Land and Building PLC	✓	C/NE	-	-	✓	INE	✓	NE	-	-	✓	NE	✓	GMD/EX	✓	INE
C M Holdings PLC	✓	C/NE	-	-	✓	INE	✓	NE	✓	INE	-	-	✓	NE	-	-
York Arcade Holdings PLC	✓	C/NE	✓	NE	✓	INE	✓	NE	-	-	✓	NE	✓	NE	-	-
Lankem Ceylon PLC	✓	C/NE	-	-	-	-	-	-	-	-	-	-	✓	EX	✓	INE
Lankem Developments PLC	✓	C/NE	-	-	✓	INE	-	-	-	-	-	-	✓	NE	✓	INE
Kotagala Plantations PLC	✓	C/NE	-	-	✓	INE	-	-	-	-	-	-	✓	NE	✓	INE
Agarapatana Plantations PLC	✓	C/NE	-	-	✓	INE	-	-	-	-	-	-	✓	NE	✓	INE
E.B. Creasy & Company PLC	✓	C/MD/EX	-	-	✓	INE	✓	JMD/EX	-	-	-	-	-	-	✓	NE
Muller & Phipps (Ceylon) PLC	✓	C/NE	-	-	-	-	✓	NE	-	-	-	-	-	-	✓	NE
Laxapana PLC (Formally known as Laxapana Batteries PLC)	✓	C/NE	-	-	-	-	✓	NE	-	-	-	-	-	-	✓	NE
Beruwala Resorts PLC	✓	C/NE	-	-	-	-	✓	NE	-	-	-	✓	NE	✓	NE	-
Marawila Resorts PLC	✓	C/NE	-	-	-	-	✓	NE	-	-	-	✓	NE	✓	NE	-
Sigiriya Village Hotels PLC	✓	C/NE	-	-	-	-	✓	NE	-	-	-	✓	NE	✓	NE	-
C W Mackie PLC	✓	NE	-	-	✓	INE	✓	NE	-	-	-	-	✓	NE	-	-

## Corporate Governance

## Details in respect of Directors (Cont.)

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. S. Shanmugalingam	Mr. A.M. de.S. Jayaratne	Mr. Srijeev Rajaratnam	Dr. J.M. Swaminathan	Mr. Amrit Rajaratnam	Mr. Anushman Rajaratnam	Mr. P.M.A. Sirmine
	✓	-	-	-	✓	-	✓	✓
ACME Printing & Packaging PLC	NE	-	-	-	INE	-	NE	INE
Colombo Fort Investments PLC	C/NE	✓	INE	✓	INE	✓	NE	INE
Colombo Investment Trust PLC	C/NE	✓	INE	✓	INE	✓	NE	INE
Alliance Five (Private) Limited	✓	C	-	-	-	-	✓	✓
American Lloyd Travels Limited	✓	✓	D	✓	D	✓	✓	D
Associated Farms (Private) Limited	✓	C	-	-	-	-	-	-
ACME Packaging Solutions (Pvt) Limited	✓	D	-	-	-	-	✓	D
B.O.T. Hotel Services (Private) Limited	✓	C	-	✓	D	✓	D	-
C. F. Travels Limited	-	-	-	✓	D	✓	D	-
C. W. M. Hotels Holdings Limited	✓	D	-	✓	D	-	✓	D
Candy Delights Limited	✓	C/MD	-	✓	D	-	-	✓
Capital Finance Limited	-	-	-	✓	D	-	-	-
Capital Investments Limited	✓	✓	D	-	-	-	-	-
Capital Leasing Company Limited	✓	C	-	-	-	-	✓	D
Century Investments and Finance Limited	✓	D	-	-	-	-	-	-
Ceyflex Rubber Limited	✓	C	-	-	D	-	-	✓
Ceylon Tapes (Private) Limited	✓	C	-	-	-	-	✓	✓
Ceytape (Private) Limited	✓	C	-	-	-	-	✓	✓
City Investment Services (Private) Limited	-	✓	D	-	-	-	-	-
Colombo Fort Group Services (Pvt) Limited	✓	D	-	-	-	-	✓	D
Colombo Fort Holdings Limited	✓	D	-	✓	D	-	-	-
Colombo Fort Hotels Limited	✓	C	-	✓	D	✓	✓	D
Colombo Fort Properties (Private) Limited	-	✓	D	-	-	-	✓	D
Colombo Fort Travels Limited	✓	D	-	✓	D	✓	-	-



## Corporate Governance

## Details in respect of Directors (Cont.)

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S. Shanmugalingam	Mr. A.M. de S. Jayaratne	Mr. Sanjeev Rajaratnam	Dr. J.M. Swaminathan	Mr. Amrit Rajaratnam	Mr. Anushman Rajaratnam		Mr. P.M.A. Sirimane	
	✓	D						✓	C	✓	D
Colombo Residences (Private) Limited	✓	D	-	-	-	-	-	-	-	-	-
Colonial Motors (Ceylon) Limited	✓	DC	-	✓	C	✓	D	✓	✓	D	-
Company Holdings (Private) Limited	✓	D	-	-	-	-	-	-	-	-	-
Consolidated Commercial Investments (Private) Limited	-	-	-	-	-	-	✓	✓	✓	D	-
Consolidated Holdings (Private) Limited	✓	D	✓	D	-	-	-	-	✓	D	-
Consolidated Tea Plantations Limited	✓	D	-	-	✓	D	-	-	✓	D	✓
Consolidated Trust (Private) Limited	-	-	✓	D/Alt	-	-	-	-	-	-	-
Corporate Holdings (Private) Limited	-	-	✓	D	-	-	-	-	-	-	-
Corporate Strategic Services (Private) Limited	-	-	✓	D	-	-	-	-	-	-	-
Corporate Systems Limited	✓	C	-	-	-	✓	D	-	-	-	-
Creasy Plantation Management Limited	✓	D	-	-	-	-	-	-	-	-	-
Darley Butler & Company Limited	✓	C/MD	-	-	✓	D	JMD	-	-	-	✓
E B Creasy Ceylon (Private) Limited	✓	C	-	-	-	-	✓	✓	✓	D	✓
E. B. Creasy Logistics Limited	✓	C	-	-	-	-	✓	✓	✓	D	✓
E.B. Creasy Trading Limited	✓	D	-	-	-	-	✓	✓	✓	D	-
Far Eastern Exports (Colombo) Limited	✓	D	-	-	-	-	✓	✓	✓	D	-
Financial Trust Limited	-	-	-	-	-	-	✓	✓	✓	D	-
Fortland Finance Limited	✓	C	-	-	-	-	✓	✓	✓	D	-
Galle Fort Hotel (Private) Limited	✓	D	-	-	-	-	✓	✓	✓	D	-
Guardian Asset Management Limited	✓	D	✓	D	-	-	✓	✓	✓	D	-
Glenford Investments (Pvt) Ltd	-	-	✓	D/Alt	-	-	-	-	-	-	-
Great Eastern Resorts Ltd	-	-	-	-	-	-	✓	✓	✓	D	-



## Corporate Governance

## Details in respect of Directors (Cont.)

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. S. Shammugalingam	Mr. A.M. de.S. Jayaratne	Mr. Sanjeev Rajaratnam	Dr. J.M. Swaminathan	Mr. Amrit Rajaratnam	Mr. Anushman Rajaratnam	Mr. P.M.A. Sirmane
Nutriklim (Ceylon) Limited	✓ D	-	-	✓ D	-	-	-	-
Oakley Investments (Private) Limited	✓ D	-	-	✓ D	-	✓ D	✓ D	-
Property and Investment Holdings (Private) Limited	✓ D	-	-	✓ D	-	✓ D	✓ D	-
Rubber & Allied Products (Colombo) Limited	✓ C	-	✓ D	-	-	-	✓ D	✓ D
Sherwood Holidays Limited	✓ C	-	-	✓ D	-	✓ D	-	-
Sigiriya Resorts Limited	-	-	-	✓ D	-	✓ D	✓ D	-
Sunagro Farms Limited	✓ C	-	-	-	-	-	✓ D	-
Sunagro Lifescience Limited	✓ C	-	-	-	-	-	✓ D	✓ D
Sunrise Resorts Limited	-	-	-	✓ D	-	✓ D	✓ D	-
Teacom (Private) Limited	✓ C	-	-	-	-	✓ D	✓ D	-
Transways (Private) Limited	-	✓ D	-	✓ D	-	✓ D	✓ D	-
Tropical Beach Resorts Limited	-	-	-	✓ D	-	✓ D	✓ D	-
Trust Holdings & Investments (Pvt) Limited	-	✓ D/Alt	-	-	-	-	-	-
Udaveriya Plantations Limited	✓ D	-	-	-	-	-	✓ D	-
Unicom Cleaning and Forwarding (Private) Limited	✓ C	-	-	-	-	✓ D	✓ D	-
Union Commodities (Private) Limited	✓ C	-	✓ D	-	-	✓ D	✓ D	✓ D
Union Commodities Exports (Pvt) Limited	✓ C	-	-	-	-	✓ D	✓ D	-
Union Commodities Teas (Pvt) Limited	✓ C	-	-	-	-	✓ D	✓ D	-
Union Group (Private) Limited	✓ D	-	-	-	-	-	✓ D	-
Union Investments (Private) Limited	✓ D	✓ D	✓ D	✓ D	✓ D	-	✓ D	-
Union Travels Limited	-	✓ D	-	-	-	-	-	-
Vanya Safaris (Private) Limited	-	-	-	-	-	✓ D	-	-
Villa Investments (Private) Limited	-	-	-	✓ D	-	-	-	-

## Corporate Governance

## Details in respect of Directors (Cont.)

COMPANIES	Mr. S.D.R. Arudragasam	Mr. S. Shanmugalingam	Mr. A.M. de S. Jayaratne	Mr. Sanjeev Rajaratnam	Dr. J.M. Swaminathan	Mr. Amrit Rajaratnam	Mr. Anushman Rajaratnam	Mr. P.M.A. Sirmane	
Voyages Ceylan (Private) Limited	-	-	-	✓	D	-	✓	D	-
Waverly Power (Private) Limited	✓	-	✓	✓	D	-	✓	D	✓
Weigama Hills Limited	✓	-	-	-	-	-	✓	D	-
York Conventions (Private) Limited	-	-	-	✓	D	-	✓	D	-
York Hotel Management Services Limited	✓	✓	D	✓	D	-	✓	MD	-
York Tours Limited	-	-	-	✓	D	-	✓	D	-
Sterling Steels (Pvt) Limited (Formally know as Bluescope Lysaght Lanka (Private) Limited)	✓	-	-	✓	D	-	-	-	✓
Cambodian Rubber Plantation Industries PTE Ltd	-	-	-	-	-	-	✓	D	-
Consolidated Rubber Plantations PTE Ltd	-	-	-	-	-	-	✓	D	-
Kelani Valley Canneries Limited	-	-	-	-	-	-	✓	D	-
Sunquick Lanka (Pvt) Limited	-	-	-	-	-	-	✓	D	-
Sunquick Lanka Properties (Pvt) Limited	-	-	-	-	-	-	✓	D	-
Lanka Agro Plantations Limited	-	-	-	-	-	-	✓	D	-
ACL Cables PLC	-	-	✓	✓	D	-	-	-	-
Mireka Capital Land (Pvt) Limited	-	-	✓	✓	D	-	-	-	-
Overseas Realty (Ceylon) PLC	-	-	✓	✓	C	-	-	-	-
Innovest Investments (Pvt) Limited	-	-	✓	✓	D	-	-	-	-
Hotel Sigrinya PLC	-	-	-	-	-	✓	INE	-	-
Lanka Aluminum Industries PLC	-	-	-	-	✓	INE	-	-	-
Serendib Land PLC	-	-	-	-	✓	INE	-	-	-
Eden Hotel Lanka PLC	-	-	-	-	✓	INE	-	-	-
Palm Garden Hotels PLC	-	-	-	-	✓	INE	-	-	-
Renuka Holdings PLC	-	-	-	-	✓	INE	-	-	-
Dolphin Hotels PLC	-	-	-	-	✓	INE	-	-	-

## Corporate Governance

## Details in respect of Directors (Cont.)

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. S. Shanmugalingam	Mr. A.M. de.S. Jayaratne	Mr. Sanjeev Rajaratnam	Dr. J.M. Swaminathan	Mr. Amrit Rajaratnam	Mr. Anushman Rajaratnam	Mr. P.M.A. Sirimane
	Serendib Hotels PLC	-	-	-	-	✓	-	-
Alpha Apparels Limited	-	-	-	-	✓	-	-	-
Benji Limited	-	-	-	-	✓	-	-	-
Castalloys (PTE) Limited	-	-	-	-	✓	-	-	-
Centre For Advancement of Resource Mobilization	-	-	-	-	✓	-	-	-
CIC Agri Businesses (PTE) Limited	-	-	-	-	✓	-	-	-
Comark engineers (PTE) Limited	-	-	-	-	✓	-	-	-
Comark Lanka (PTE) Limited	-	-	-	-	✓	-	-	-
D.V. Investments (Pvt) Limited	-	-	-	-	✓	-	-	-
Finetex (Pvt) Limited	-	-	-	-	✓	-	-	-
Frontier Capital Lanka (PTE) Limited	-	-	-	-	✓	-	-	-
Fulgar Lanka (PTE) Limited	-	-	-	-	✓	-	-	-
Lanka Investment and Management Services (PTE) Limited	-	-	-	-	✓	-	-	-
LOLC Securities Limited	-	-	-	-	✓	-	-	-
Metecno Lanka (Pvt) Limited	-	-	-	-	✓	-	-	-
Navantis IT (PTE) Limited	-	-	-	-	✓	-	-	-
Omega Line limited	-	-	-	-	✓	-	-	-
Residence Peelawatte (PTE) Limited	-	-	-	-	✓	-	-	-
Serendipity Retreats and Leisure (Pvt) Limited	-	-	-	-	✓	-	-	-
Sirio Limited	-	-	-	-	✓	-	-	-
Texlan Center (Pvt) Limited	-	-	-	-	✓	-	-	-
Texlan Lanka Limited	-	-	-	-	✓	-	-	-
Venture Investments and Management Services (PTE) Limited	-	-	-	-	✓	-	-	-

# Risk Management Report

Colombo Fort Investments PLC is exposed to a variety of risks in the course of its operations. Being an investment Company, our success depends on achieving an acceptable balance between the risks we take and returns we earn. The Company's risk management framework has been developed to identify and manage risks in a systematic and professional manner. The Board of Directors of the Company is responsible for the management of risks.

The key risks faced by the Company are categorised into four; being market risk, portfolio risk, regulatory risk and operational risk.

## Market Risk

Market risk is caused by changes in the macroeconomic environment which have an impact on the financial markets as a whole. Changes in borrowing costs, foreign exchange rates, inflation and government policies are some of the causes of this form of risk. Market risk cannot be eliminated. It is an ever present factor in the management of equity portfolios. At Colombo Fort Investments, market risks and the potential implications of those risks are factored into all asset allocation and investment decisions.

## Portfolio Risk

Portfolio risk arises from the unique risks associated with each security that the Company invests. In our equity portfolio the value of shares we invest will fluctuate with the fortunes of the company issuing those shares. We adopt a disciplined process of evaluating investment in order to ensure that our portfolio risk is within acceptable limits given our strategy of growth in the value of our investments in a sustainable manner over the long term. As part of the process of monitoring the performance of our investments, the Board periodically reviews the Company's investments in related companies as well.

## Regulatory Risk

Regulatory risk refers to the risk taken if the Company does not comply with all legal and regulatory provisions applicable to it. Internal systems and processes are structured to ensure that the Company complies with all legal and regulatory provisions. All investments are made and trades executed in compliance with the Companies Act, CSE/SEC Regulations, Tax Regulations and other applicable regulatory provisions.

## Operational Risk

Operational risk is the risk of loss resulting from failed or inadequate internal processes, people and systems or from external events. Operational risk management is an integral part of the overall responsibility resting with the Board and they strive to maintain an appropriate internal control environment to commensurate with the nature of the operations within the framework of the Company's policies and procedures. The Board in consultation with the Audit Committee, assesses the effectiveness of the internal control systems and monitors the compliance with them on a regular basis. The observations of the above review process are used by the Board to improve those controls further and to update them in response to changing conditions associated with the business.

The Company also maintains its policies with regard to access, control and protection of data and ability to cope with unexpected contingencies. Necessary safeguards are constantly introduced and upgraded to ensure the integrity of the information and the continuity of business operations. Preventive and proactive measures such as firewalls, virus guards and regular backup systems are amongst other steps kept in place.

The Company does not employ any staff and all services are provided by Corporate Managers & Secretaries (Private) Limited. Thereby, the Company does not face material issues pertaining to employees and industrial relations.

# Management Discussion and Analysis

## Sri Lanka's Rebound

Sri Lanka's economy experienced a significant turnaround during the period under review, following a challenging financial crisis. Inflation dipped below initial projections, while the local currency strengthened against the USD, potentially reaching near 300 Rupees per USD. Additionally, interest rates which had soared during the crisis, saw a rapid decline, nearing single digits for the first time in over two years. The government implemented tax increases and broadened the tax base, boosting revenue. Restructuring efforts within State-Owned Enterprises (SOEs) significantly reduced past losses, further reducing the government's reliance on borrowing.

## Positive Business Environment

The combination of declining interest rates, improved foreign remittances, increased tourist arrivals and the resumption of halted construction projects fueled a local business recovery, consequently impacting the Colombo

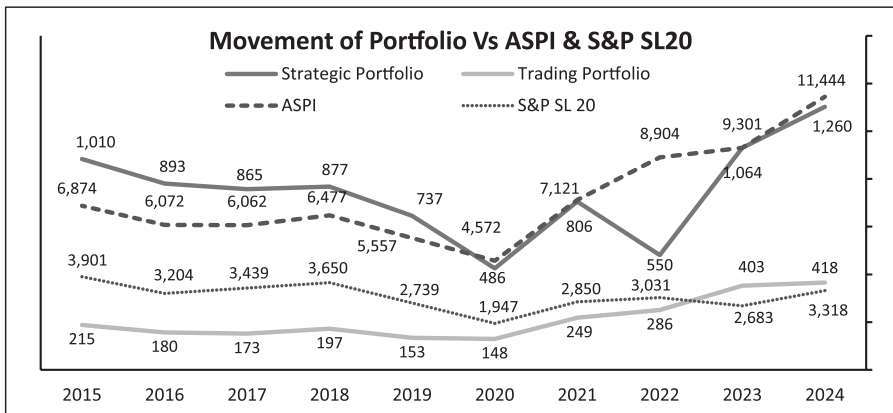
Stock Market. Equity investments rose, and companies began reporting improved performances. The country's GDP turned positive in the last two quarters of the calendar year 2023, bolstering hopes for a robust recovery. Stabilized exchange rates and a restored banking system for foreign exchange transactions significantly contributed to a sharp decrease in the cost of industrial inputs such as fertilizer and other commodities.

## Tea Industry Performance

Despite a decline in tea prices in Sri Lankan Rupees due to global economic factors, improved crop yields and reduced costs resulted in higher tea exports, contributing positively to the economy. However, profitability in the plantation sector fell compared to the previous period under review, impacting market prices.

## Foreign Investment Trends

The Colombo Stock Market experienced foreign inflows until the end of the calendar year



## Management Discussion and Analysis

2023. However, net foreign outflows increased during the first part of the calendar year 2024 due to a stronger local currency and rising interest rates in other parts of the world. The prevailing sovereign default rating and delays in concluding debt restructuring also weighed on investment trends.

### Company Performance

Your company's timely decision to pursue a rights issue during the uncertain period and the strategic investment of those funds in well-chosen stocks paid off, outperforming the broader market. Notably, investments in Commercial Bank of Ceylon PLC and Nestle Lanka PLC yielded significant returns for the Company.

Despite experiencing higher volatility in the Colombo Stock Exchange (CSE) during the period under review, the Company achieved positive portfolio growth. The Strategic Portfolio increased by 16% to LKR 1.6 billion, while the Trading Portfolio saw a 11% rise to Rs. 445 million. Consequently, the total portfolio reached Rs. 2.04 billion at the close of Financial Year 2024, reflecting a 15% overall increase.

It's important to note that the performance of the benchmark indices, the ASPI and the blue-chip index, slightly outpaced the company's overall performance during the same period, increasing by 19% and 18%, respectively. This can be attributed to the decline in prices of tea plantation counters, where the Company maintains a significant exposure within its Strategic Portfolio.

### Financial Review And Shareholder Returns

Colombo Fort Investments PLC reported a profit after tax of Rs. 50.5 Million for the year ended 31st March 2024 compared to a profit of Rs. 83.3 Million recorded in the previous year.

During the period under review Company's dividend income has increased by 100% to Rs. 70.3 Million compared to Rs. 35.1 Million in the previous year.

In the year ended 31st March 2024 the Company's Net Asset Value (NAV) per share increased by 15% to Rs. 233.89. The Company's share price of Rs. 65.00 indicates a discount of 72% compared to the NAV per share.

### Outlook

Sri Lanka stands at a critical juncture. The government is currently engaged in negotiations with creditors for external debt restructuring, while collaborating closely with the IMF to address lingering economic vulnerabilities. Additionally, presidential elections are anticipated in the latter part of calendar year 2024. However, given the significant progress made in addressing past weaknesses over the past two years, the upcoming elections are not expected to disrupt the economic recovery. A successful foreign debt restructuring is anticipated to unlock significant opportunities in the coming period.

### Global Considerations

The outlook for the global economic recovery remains subdued due to the ongoing Russia-Ukraine war and heightened tensions in the Middle East, which continue to impact global financial stability. We are closely monitoring both domestic economic developments and external factors to optimize our portfolio performance.



# Annual Report of the Board of Directors

The Board of Directors of Colombo Fort Investments PLC present their Report on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2024.

## Principal Activities / Business Review

The principal activity of the Company is investing in the Stock Market and in other types of Securities.

The Chairman's Review, the Management Discussion Analysis together with the Financial Statements reflect 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, regulations and prudential requirements and that there are no non-compliance.

## Financial Statements

The Financial Statements of the Company are given on pages 44 to 79.

## Independent Auditors' Report

The Auditors' Report on the Financial Statements is given on pages 40 to 43.

## Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 48 to 55.

## 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 18 to the Financial Statements which are given on pages 70 to 72.

During the financial year the Company has not entered into any contracts in which the Directors have had a material interest. Neither the Directors nor their close family members have had any material business relationships with other Directors.

### Directors' Interest in Shares

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

Details pertaining to Directors' direct Shareholdings are set out below.

Name of Director	No. of Shares As at 31.03.2024	No. of Shares As at 31.03.2023
Mr.A.Rajaratnam (Deceased 26/08/2023)	N/A	1
Mr.S.D.R.Arudpragasam	NIL	NIL
Mr.S.Shanmugalingam	*673	*405
Mr.A.M de S.Jayaratne	NIL	NIL
Mr.S.Rajaratnam	NIL	NIL
Dr.J.M.Swaminathan	NIL	NIL
Mr. Amrit Rajaratnam	NIL	NIL
Mr. Anushman Rajaratnam	NIL	NIL
Mr.P.M.A.Sirimane	NIL	NIL

\* Aggregate of 588 fractional shares held in Trust consequent to the Scrip Dividend in 2021, 2022 and 2023.

### Directors' Fees

Directors' fees in respect of the Company for the financial year 2023/24 is given in Note 06 to the Financial Statements on page 56.

### Corporate Donations

No donations were made during the year.

## Annual Report of the Board of Directors

### Directorate

The names of the Directors who held office during the financial year are given below and the Directors currently in office are profiled on pages 02 and 03.

Mr.A.Rajaratnam (Deceased on 26/08/2023)	- Former Chairman/ Non-Executive
Mr.S.D.R.Arudpragasam (Appointed Chairman w.e.f. 01/09/2023)	- Chairman / Non-Executive
Mr.S.Shanmugalingam	- Director / Non-Executive
Mr.A.M.de S. Jayaratne	- Director / Independent / Non-Executive
Mr.S.Rajaratnam	- Director / Non-Executive
Dr J.M.Swaminathan	- Director / Independent / Non-Executive
Mr.Amrit Rajaratnam	- Director / Non-Executive
Mr.Anushman Rajaratnam	- Director / Non-Executive
Mr.P.M.A.Sirimane	- Director / Independent / Non-Executive

Mr. A. Rajaratnam who had served on the Board from 1995 and who held the position of Chairman of the Company since 12th August, 2011, passed away on 26th August, 2023.

In terms of Articles 85 and 86 of the Articles of Association, Mr. Amrit Rajaratnam retires by rotation and being eligible offers himself for re-election.

Mr.A.M.de S. Jayaratne who is over 70 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 who is over 70 years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company, which is referred to in the Notice of Meeting.

Mr.S.D.R.Arudpragasam who is over 70 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 Governance

The Corporate Governance Principles adhered to by the Company are given on pages 4 to 29.

### Auditors

The Financial Statements for the year have been audited by Messrs. V.S. & Associates.

The amount payable to Messrs. V.S. & Associates as audit fee and fees for audit related services by the Company was Rs. 300,000/- (2022/23 - Rs. 270,000/-) In addition, they were paid Rs. 80,000/- (2022/23 - Rs. 70,000/-) by the Company for non-audit related work, which consisted mainly of fees for tax compliance services. Further, Rs. 37,060/- was paid to obtain the Solvency Certificate required under the Companies Act.

As far as the Directors are aware the Auditors do not have any relationship (other than that of an Auditor) with the Company. The Auditors do not have any interest in the Company.

### Revenue

The revenue of the Company for the year was Rs. 70.3 Million (2022/23 - Rs. 50.8 Million).

### Results

The Company made a Net Profit before tax of Rs. 50.80 Million, as against a Net Profit of Rs. 85.03 Million in the previous year. The detailed results are given in the Statement of Profit or Loss and Other Comprehensive Income on page 44.

## Annual Report of the Board of Directors

### Taxation

In terms of the Inland Revenue Act No. 24 of 2017 and the subsequent amendments thereto the Company is liable to pay income tax at the rate of 30% on the profits. The Company is liable to pay Rs. 0.3 Million as income tax. The detailed income tax computation is given in Note 09 to the Financial Statements on page 57.

### Investments

The Fair Value of Quoted Securities held as at 31st March, 2024 was Rs. 2.00 Billion (2022/23 - Rs. 1.78 Billion).

The detailed investment portfolio is given in Note 12 to the Financial Statements on pages 59 to 67.

### Property, Plant and Equipment

The Company does not own any property, plant and equipment.

### Stated Capital

As at 31st March 2024 the Stated Capital of the Company was Rs. 313,708,868.00 represented by 8,787,041 Ordinary shares.

### Reserves

The total reserves of the Company as at 31st March, 2024 amounted to Rs. 1,741.52 Million comprising General Reserves of Rs.16.50 Million (2022/23 - Rs.16.50 Million), Fair Value Reserve of Financial Assets at FVOCI of Rs. 1,277.93 Million (2022/23 - Rs. 1,063.51 Million) and Retained Earnings of Rs. 447.09 Million (2022/23- Rs. 406.94 Million). The movements are shown in the Statement of Changes in Equity in the Financial Statements.

### Related Party Transactions

During the financial year there were recurrent related party transactions which exceeded the disclosure threshold. These transactions are disclosed in Note 18 to the Financial Statements. There were no non-recurrent related party

transactions which exceeded the disclosure threshold. The Directors declare that the Company has complied with the requirements of Section 9.14 of Colombo Stock Exchange Listing Rules on Related Party Transactions.

The Related Party Transactions presented in the Financial Statements are disclosed in Note 18 on pages 70 to 72.

### Capital Expenditure Commitments and Contingent Liabilities

Capital Expenditure Commitments and Contingent Liabilities as at the reporting date are disclosed in Notes 20 and 21 to the Financial Statements on page 73.

### Events after the Reporting Period

No circumstances have arisen since the reporting date that would require adjustments to or disclosures in the Financial Statements as at 31st March, 2024.

### Share Information

Information relating to earnings, dividend, net assets, market value per share and share trading is given on page 81 and 82.

### Employment Policy

The Company does not employ any staff. All operational services are provided by Corporate Managers & Secretaries (Private) Limited, to whom a fee is paid.

### 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 have been paid or where relevant, provided for.

## Annual Report of the Board of Directors

### Internal Control

The Directors acknowledge their responsibility for the Company's system of internal controls. The system is designed to give assurance regarding the safeguarding of investments, the maintenance of proper accounting records and the reliability of financial information generated.

The Directors have reviewed the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence.

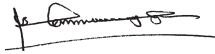
### Going Concern

The Directors, after making necessary inquiries and reviews of the Company's future prospects and risks, cash flows and borrowing facilities, have a reasonable expectation that the Company has adequate resources to continue in operational existence for 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*



**S. Shanmugalingam**  
*Director*

By Order of the Board



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

Colombo  
06th August, 2024

# Audit Committee Report

The Audit Committee Report focuses on the activities of the Company for the year under review, which the Committee has reviewed and monitored as to provide additional assurance on the reliability of the Financial Statements through a process of independent and objective views.

## Composition

The Audit Committee of Colombo Fort Investments PLC comprises of three Non-Executive Directors, of whom two are Independent. The Committee is chaired by Mr.A.M.de S.Jayaratne who is a Chartered Accountant.

Mr.A.M.de S.Jayaratne	-	Chairman Independent Non-Executive Director
Dr.J.M.Swaminathan	-	Independent Non-Executive Director
Mr.S.Rajaratnam	-	Non-Executive Director

The members have varied experience, financial knowledge and business acumen to carry out their role effectively and efficiently. Two of the Committee members including the Chairman are finance professionals.

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

## Meetings of the Committee

The Committee met on four occasions during the year under review and the attendance was as follows;

	09.05.2023	07.08.2023	08.11.2023	01.02.2024	
Mr.A.M.de S.Jayaratne	✓	✓	-	✓	3/4
Dr.J.M.Swaminathan	✓	✓	✓	✓	4/4
Mr.S.Rajaratnam	-	-	✓	✓	2/4

The Directors of the Company, Managers and Secretaries from Corporate Managers & Secretaries (Private) Limited attended these meetings on the invitation of the Audit Committee.

The activities and views of the Committee have been communicated to the Board of Directors by tabling the minutes of the Committee meetings.

## Financial Reporting

The Committee, as part of its responsibility to oversee the Company's financial reporting process, has reviewed and discussed with the Management, the quarterly and annual Financial Statements prior to their release including the extent of compliance with the Companies Act No. 07 of 2007 and the adequacy of disclosures required by other applicable laws, rules and guidelines.

The Committee has discussed the operations of the Company and its future prospects with Management and is satisfied that all relevant matters have been taken into consideration in the preparation of the Financial Statements and that the financial position of the Company is secure.

## Risks and Controls

The Committee reviewed the significant business risks and internal control issues and have suggested, where necessary, appropriate remedial measures.

## Audit Committee Report

### External Audit

The Committee undertook the annual evaluation of the independence and objectivity of the External Auditor and the effectiveness of the audit process.

The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to conflict of interest. Due consideration has been given to the level of audit and non-audit related fees received by the External Auditors' from the Company.

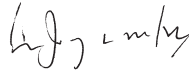
The External Auditor V.S.& Associates will be retiring at the conclusion of the Annual General Meeting as they are not permitted, as per the Directive issued by the Securities & Exchange Commission of Sri Lanka, to act as Auditors of Listed Companies with effect from the financial year beginning on or after 01.01.2024. The Audit Committee has recommended to the Board of Directors the appointment of the External Auditor Messrs. MOORE Aiyar, Chartered Accountants, in place of the retiring Auditors, subject to the approval by the shareholders at the forthcoming Annual General Meeting.

### Regulatory Compliance

The Committee reviewed the procedures established by the Management of the Company for compliance with the requirements of regulatory bodies.

### Conclusion

Based on the assurances and certifications provided by the Board of Directors, and the discussions with Management and the Auditors both at formal meetings and informally, the Committee is of the view that the control environment within the Company is satisfactory and provides reasonable assurance that the financial position of the Company is adequately monitored and safeguarded.



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

Colombo  
06th August, 2024

# Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee Report focuses on the related party transactions of the Company during the financial year, which the Committee has reviewed as to provide compliance with the regulations governing listed entities, through a process of independent views.

## Composition

The Related Party Transactions Review Committee of Colombo Fort Investments PLC comprised of the following members,

Mr.A.M. de S.Jayaratne	- Chairman Independent Non-Executive Director
Dr.J.M.Swaminathan	- Independent Non-Executive Director
Mr.S.Rajaratnam	- Non-Executive Director

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

## Meetings of the Committee

The Related Party Transactions Review Committee met on four occasions during the financial year under review and the attendance was as follows;

	09.05.2023	07.08.2023	08.11.2023	01.02.2024	
Mr.A.M.de S.Jayaratne	✓	✓	-	✓	3/4
Dr.J.M.Swaminathan	✓	✓	✓	✓	4/4
Mr.S.Rajaratnam	-	-	✓	✓	2/4

The representatives of the Managers and Secretaries, Corporate Managers & Secretaries (Private) Limited attended these meetings on the invitation of the Committee. The activities and views of the Committee have been communicated to the Board of Directors by tabling the minutes of the Committee Meetings at Meetings of the Board.

## Policies and Procedures

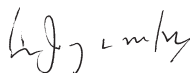
The Committee as part of its responsibility to review the related party/entities transactions, has identified the persons considered as "Related Parties". Declarations are obtained from each Director of the Company to identify such "Related Parties". Managers are requested to inform and obtain the approval prior to transactions being entered into with such "Related Parties".

The Committee ensures that they have access to the terms and conditions of the proposed transactions and reviews all aspects and where necessary, would obtain professional and expert advice from an appropriately qualified person and request the Board of Directors to approve the proposed transaction, where necessary. The Committee would further ensure that adequate and appropriate disclosures are made to the stakeholders.

## 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.

The Board of Directors has also declared in the Annual Report that there were no non-recurrent related party transactions which exceeded the respective thresholds mentioned in Section 9.14 of Colombo Stock Exchange Listing Rules. The Board further declares that recurrent related party transactions have exceeded the respective threshold and are disclosed in Note 18 of the Financial Statements and the Company has complied with the requirements of Section 9.14 of the Colombo Stock Exchange Listing Rules on Related Party Transactions.



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

*Chairman  
Related Party Transactions Review Committee*

Colombo  
06th August, 2024

# Independent Auditors' Report



**V.S. & ASSOCIATES**  
Chartered Accountants

20/62, Fairfield Gardens,  
Colombo 8.

Sri Lanka.

Tel: (94-11) 26996006, 2699917, 2691281

Fax: (94-11) 2699918

email: vsa@sf.lk

Partners

Mrs. L.R. SHAH F.C.A

L.J. SELVANAYAGAM F.C.A

## TO THE SHAREHOLDERS OF COLOMBO FORT INVESTMENTS PLC

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Colombo Fort Investments PLC ("the Company"), which comprise the statement of financial position as at 31st March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2024, and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri

Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

For each matter below, our description of how our audit addressed the matter is provided in that context.

*Valuation of Financial Assets classified as Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVTPL).*

The Investments of the Company as at 31st March 2024 comprise FVOCI financial assets of Rs. 1,600,620,517/- (in 2023 Rs. 1,377,892,089/-) and FVTPL financial assets of Rs. 445,206,668/- (2023 - 402,857,447/-) and, represent 77.85% and 21.65% of total assets respectively.

As at the reporting date, the Company's portfolio is made with;



## Independent Auditors' Report (Contd.)

### Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

	2024	2023
	Rs. Mn	Rs. Mn
1) Quoted equity shares		
a) Related Companies :	1,282.13	1,133.75
b) Non Related Companies :	299.11	242.42
2) Unquoted equity shares		
a) Related Companies :	1.38	1.52
b) Non Related Companies :	18.00	0.20

### Financial Assets at Fair Value through Profit or Loss (FVTPL)

	2024	2023
	Rs. Mn	Rs. Mn
1) Quoted equity shares		
a) Related Companies :	284.67	280.94
b) Non Related Companies :	133.42	121.91
2) Unquoted equity shares		
a) Non Related Companies :	27.12	-

Risks;

Quoted Financial Assets - due to materiality in the context of the financial statements as a whole and market volatility, this is considered to be an area which had the greatest effect on the financial statements;

Unquoted Financial Assets - due to subjective nature of the valuation methodology and management assumptions used.

Our audit procedures included;

- Documenting and testing the design, implementation and operating effectiveness of the investment valuation process and key controls in place;
- Recomputed the disposal gains & losses relating to investments by referring to underlying documents;

- Quoted Investments - Checking the CDS confirmation to verify the existence, completeness and accuracy of number of shares invested in each Company;
- Agreeing the valuation of quoted investments in portfolio to externally quoted prices as at 31.03.2024.
- Checked the individual and sector vice fair value changes of equity instruments after the reporting period in order to identify whether there is a necessity for further impairment.
- Assessing the investment realisations in the period, comparing with actual sales proceeds to prior year valuations to understand the reasons for significant variances and determining whether they are indicative of bias or error in the Company's approach;
- Assessing the adequacy of disclosures in the financial statements and inherent degree of subjectivity and key assumptions in the estimates as required by the relevant accounting standards.
- We further evaluated the adequacy of the related disclosures in the notes 2.2.1, 12 and 26.

### 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 will not express any form of assurance conclusion thereon.

## Independent Auditors' Report (Contd.)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

## Independent Auditors' Report (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements 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, actions taken to eliminate threats of safeguards applied.

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

### Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1638.

*V.S. & Associates*

**V.S. & Associates**

*Chartered Accountants*

Colombo  
06th August, 2024

# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March	Notes	2024 Rs. '000	2023 Rs. '000
<b>Revenue</b>	<b>3</b>	<b>70,276</b>	50,857
Cost of Investments disposed		-	(7,834)
Net change in Fair Value through Profit or Loss Financial Assets	<b>4</b>	<b>(15,484)</b>	48,942
Other Income	<b>5</b>	<b>369</b>	-
Administrative Expenses	<b>6</b>	<b>(5,501)</b>	(5,517)
Reversal of / (Provision for) Impairment on Amounts due from Related Party	<b>7</b>	<b>6</b>	12
<b>Operating Profit</b>		<b>49,666</b>	86,460
Finance Income		<b>1,138</b>	-
Finance Expense		-	(1,426)
Net Finance Income / ( Expenses)	<b>8</b>	<b>1,138</b>	(1,426)
<b>Profit before Tax</b>		<b>50,804</b>	85,034
Income Tax Expense	<b>9</b>	<b>(318)</b>	(1,753)
<b>Profit for the year</b>		<b>50,486</b>	83,281
<b>Other Comprehensive Income / (Expense)</b>			
<i>Items that will not to be reclassified to Profit or Loss</i>			
Financial Assets at Fair Value through Other Comprehensive Income - Net change in Fair Value		<b>214,421</b>	513,356
<b>Total Other Comprehensive Income / (Expense)</b>		<b>214,421</b>	513,356
<b>Total Comprehensive Income / (Expense)</b>		<b>264,907</b>	596,637
Earnings per Share	<b>10</b>	<b>5.75</b>	9.87
Dividend Proposed per Share		-	1.20

Figures in brackets indicate deductions.

The Notes to these Financial Statements from pages 48 to 79 form an integral part of these Financial Statements.

# Statement of Financial Position

As at 31st March	Notes	2024 Rs. '000	2023 Rs. '000
<b>Assets</b>			
<b>Non - Current Assets</b>			
Financial Assets at Fair Value through Other Comprehensive Income	12.1	1,600,620	1,377,892
<b>Total Non-Current Assets</b>		<b>1,600,620</b>	<b>1,377,892</b>
<b>Current Assets</b>			
Financial Assets at Fair Value through Profit or Loss	12.2	445,207	402,857
Receivables		6,840	5,311
Prepayments		147	89
Amounts due from Related Party	13	-	994
Cash & Cash Equivalents	14	3,209	3,961
<b>Total Current Assets</b>		<b>455,403</b>	<b>413,212</b>
<b>Total Assets</b>		<b>2,056,023</b>	<b>1,791,104</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Stated Capital	15	313,709	303,377
General Reserve	16.1	16,500	16,500
Fair Value Reserve of Financial Assets at FVOCI	16.2	1,277,928	1,063,507
Retained Earnings		447,092	406,938
<b>Total Equity</b>		<b>2,055,229</b>	<b>1,790,322</b>
<b>Non - Current Liabilities</b>			
<b>Total Non-Current Liabilities</b>		-	-
<b>Current Liabilities</b>			
Other Payables	17	476	441
Income Tax Liability		318	341
<b>Total Current Liabilities</b>		<b>794</b>	<b>782</b>
<b>Total Equity &amp; Liabilities</b>		<b>2,056,023</b>	<b>1,791,104</b>
<b>Net Asset Per Share</b>		<b>233.89</b>	<b>203.75</b>

Figures in brackets indicate deductions.

The Notes to these Financial Statements from pages 48 to 79 form an integral part of these Financial Statements.

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



**M. V. M. Paulraj**

Director

Corporate Managers & Secretaries (Private) Limited

Approved and signed for and on behalf of the Board by

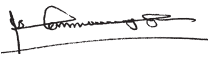


**S. D. R. Arudpragasam**

Chairman

Colombo

06th August, 2024



**S. Shanmugalingam**

Director

# Statement of Changes in Equity

For the year ended 31st March, 2024

	Stated Capital	General Reserve	Fair Value Reserve of Financial Assets at FVOCI	Retained Earnings	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Balance as at 01st April, 2022</b>	222,132	16,500	550,151	334,587	1,123,370
Profit for the year	-	-	-	83,281	83,281
Other Comprehensive Income / (Expense)	-	-	513,356	-	513,356
	<u>222,132</u>	<u>16,500</u>	<u>1,063,507</u>	<u>417,868</u>	<u>1,720,007</u>
<b>Transactions with owners of the Company recognised directly in equity</b>					
Rights Issue of Ordinary Shares	71,179	-	-	-	71,179
Rights Issue of Expenses	-	-	-	(900)	(900)
Scrip Dividend - First & Final for the year ended 31st March, 2022	-	-	-	(10,066)	-
Unclaimed Dividend Written back	-	-	-	36	36
	<u>81,245</u>	<u>-</u>	<u>-</u>	<u>(10,930)</u>	<u>70,315</u>
<b>Balance as at 31st March, 2023</b>	<b>303,377</b>	<b>16,500</b>	<b>1,063,507</b>	<b>406,938</b>	<b>1,790,322</b>
Profit for the year	-	-	-	50,486	50,486
Other Comprehensive Income / (Expense)	-	-	214,421	-	214,421
	<u>303,377</u>	<u>16,500</u>	<u>1,277,928</u>	<u>457,424</u>	<u>2,055,229</u>
<b>Transactions with owners of the Company recognised directly in equity</b>					
Scrip Dividend - First & Final for the year ended 31st March, 2023	10,332	-	-	(10,332)	-
	<u>10,332</u>	<u>-</u>	<u>-</u>	<u>(10,332)</u>	<u>-</u>
<b>Balance as at 31st March, 2024</b>	<b>313,709</b>	<b>16,500</b>	<b>1,277,928</b>	<b>447,092</b>	<b>2,055,229</b>

Refer Note No. 15 on page 68 for Stated Capital and Note No. 16 on page 69 for Fair Value Reserve of Financial Assets at FVOCI.

Figures in brackets indicate deductions.

The Notes to these Financial Statements from pages 48 to 79 form an integral part of these Financial Statements.

# Statement of Cash Flows

For the year ended 31st March	Notes	2024 Rs. '000	2023 Rs. '000
<b>Cash Flows from Operating Activities</b>			
Profit / (Loss) before Interest and Tax		49,666	86,460
<b>Adjustments for;</b>			
Fair Value changes on Financial Assets	4	15,484	(48,942)
(Profit) / Loss on Disposal of Financial Assets		(7)	(7,933)
Dividend received as Scrip Dividend		(7,057)	(5,001)
Provision / (Reversal) for Impairment of Amounts due from Related Party	7	(6)	(12)
Reversal of Impairment of Unquoted Investment	5	(362)	-
<b>Profit before Working Capital Changes</b>		<b>57,718</b>	<b>24,572</b>
<b>Changes in Working Capital</b>			
(Increase) / Decrease in Receivables		(1,529)	963
(Increase) / Decrease in Prepayment		(59)	(7)
(Increase) / Decrease in Amounts Due from Related Party	13	1,000	500
Increase / (Decrease) in Other Payables	17	35	(17,315)
<b>Cash generated from / (Used in) Operating Activities</b>		<b>57,165</b>	<b>8,713</b>
Tax paid		(341)	(4,054)
Interest Paid		-	(1,426)
<b>Net Cash Flows from / (used in) Operating Activities</b>		<b>56,824</b>	<b>3,233</b>
<b>Cash Flows from Investing Activities</b>			
Acquisition of Financial Assets		(58,914)	(92,549)
Proceeds from Disposal of Financial Assets		200	15,768
<b>Net Cash Flows from / (used in) Investing Activities</b>		<b>(58,714)</b>	<b>(76,781)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from Rights Issue		-	71,179
Rights Issue Expenses		-	(900)
Loan granted		(18,600)	-
Interest received	8	1,138	-
Recovery of Loan granted		18,600	-
<b>Net Cash Flows from / (used in) Financing Activities</b>		<b>1,138</b>	<b>70,279</b>
<b>Net Increase / [Decrease] in Cash &amp; Cash Equivalents</b>		<b>(752)</b>	<b>(3,269)</b>
Cash & Cash Equivalents at the beginning of the year		3,961	7,230
<b>Cash &amp; Cash Equivalents at the end of the year [Note A]</b>		<b>3,209</b>	<b>3,961</b>
<b>Note A: Cash &amp; Cash Equivalents at the end of the year</b>			
Cash at bank	14	3,209	3,961
		<b>3,209</b>	<b>3,961</b>

Figures in brackets indicate deductions

The Notes to these Financial Statements from pages 48 to 79 form an integral part of these Financial Statements.

# Notes to the Financial Statements

## 1 Reporting Entity

### 1.1 General

Colombo Fort Investments PLC is a Public Quoted Company with Limited Liability incorporated and domiciled in Sri Lanka. The registered office of the Company and the principal place of business is located at No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1.

### 1.2 Principal Activities and Nature of Operations

The principal activity of the Company, which is investing in securities, remained unchanged during the year.

### 1.3 Number of Employees

The Company did not employ any staff. All staff related services are provided by Corporate Managers & Secretaries (Private) Limited.

### 1.4 Approval of Financial Statements by the Board of Directors

The Financial Statements for the year ended 31st March, 2024 were authorised for issue by the Board of Directors in accordance with the resolution passed at the meeting held on 06th August, 2024.

### 1.5 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of these Financial Statements as per Sri Lanka Accounting Standards (SLFRS/ LKAS) and the provisions of the Companies Act No.07 of 2007.

## 2 Basis of Preparation

### 2.1 Statement of Compliance

The Financial Statements of the Company have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) laid down by The Institute of

Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the CSE.

These Financial Statements include the following components:

- The Statement of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Company for the year under review;
- The Statement of Financial Position providing the information on the financial position of the Company as at the year-end;
- The Statement of Changes in Equity depicting all changes in shareholder's equity of the Company during the year under review.
- The Statement of Cash Flows providing the information to the users, on the ability to generate cash and cash equivalents of the Company during the year under review; and
- Notes to the Financial Statements comprising Accounting Policies and other explanatory information.

### 2.1.1 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis, except for the measurement of financial assets classified as fair value through other comprehensive income (FVOCI) - Equity Instruments and fair value through profit or loss (FVTPL) - Equity in the statement of financial position which are measured at fair value.

### 2.1.2 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional currency.



## Notes to the Financial Statements

### 2.1.3 Use of Estimates, Judgements and Assumptions

The presentation of the Financial Statements in conformity with SLFRS/ LKAS requires management to make judgements, estimates and assumptions that affect the application of Accounting Policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates and judgemental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### 2.1.4 Use of Materiality and Offsetting

#### a) Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 1 on 'presentation of financial Statements'.

Notes to the Financial Statements are presented in a systematic manner which ensure the understand-ability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by observing material information or by aggregating material items that have different nature of functions.

#### b) Offsetting

Financial assets and financial liabilities are offset and the net amount reported

in the statement of financial position, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Income and expenses are not offset in the income statement, unless required or permitted by Sri Lanka Accounting Standards and as specifically disclosed in the material accounting policies of the Company.

### 2.1.5 Current Versus Non-Current Classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period.

or

Is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle and is held primarily for the purpose of trading and is due to be settled within twelve months after the reporting period.

or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

## Notes to the Financial Statements

### 2.1.6 Going Concern

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements of the Company continue to be prepared on a going concern basis.

### 2.1.7 Changes in Material Accounting Policies

The Company adopted Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2.2 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

### 2.2 Material Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

In addition, the Company adopted Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

### 2.2.1 Financial Instruments

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

#### 2.2.1.1 Financial Assets

##### a) Initial Recognition and Measurement

Receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

##### b) Subsequent Measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; fair value through other

## Notes to the Financial Statements

comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The financial assets of the Company comprise financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

### Financial Assets at Amortised Cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include cash & cash equivalent and other receivables.

### Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

### Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

This category only includes the equity instruments, which the Company intends to hold for the foreseeable future.

Gains & losses on these financial assets are never recycled to profit or loss. Dividends are recognised as income in profit or loss.

### Financial Assets at Fair Value through Profit or Loss (FVTPL)

Financial assets at fair value through profit or loss include financial assets held for trading.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category include investments in related, quoted and unquoted companies. Dividend on equity investments are also recognised as income in the statement of profit or loss when the right of payment has been established.

### c) De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of

## Notes to the Financial Statements

ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

### d) Impairment of Financial Assets

SLFRS 09 establishes a new model for impairment which is a forward looking expected credit loss model.

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. If outstanding contractual amounts remains for more than three months, management will take necessary actions to recover the balances through negotiations. Based on the likelihood of

recoverability, Company considers a financial asset to be in default.

A financial Asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.2.2.2. Financial Liabilities

#### a) Initial Recognition and Measurement

Financial liabilities within the scope of SLFRS 9 remains broadly the same as LKAS 39, are classified as financial liabilities at fair value through profit or loss, or at amortised cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include other payables.

#### b) Subsequent Measurement of Financial Liabilities

The measurement of financial liabilities depends on their classification, as described below.

#### Loans and Borrowings

This is the category most relevant to the Company. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

## Notes to the Financial Statements

### c) Derecognition

A Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification as treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### 2.2.3 Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

As per the Companies Act No. 07 of 2007, Section 58(1), Stated Capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of calls in arrears.

#### 2.2.4 Property, Plant & Equipment

Company did not own any Property, Plant & Equipment during the year.

#### 2.2.5 Provisions

A provision is recognised in the Statement of Financial Position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably in accordance with LKAS 37 - 'Provisions, Contingent Liabilities and Contingent

Assets'. The amount recognised is the best estimate of the consideration required to settle the present obligation at the Reporting date, taking into account the risks and uncertainties surrounding the obligation at the date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.

#### 2.2.6 Commitments and Contingencies

Capital commitments and contingent liabilities of the Company are disclosed in respective notes to the Financial Statements.

#### 2.2.7 Employee Benefits

##### 2.2.7.1 Defined Benefit Plan-Retirement

###### Gratuity

Provision has not been made for gratuity in the accounts as per LKAS 19 - 'Employee Benefits', since the Company did not employ any staff. All staff related services are provided by Corporate Managers & Secretaries (Private) Limited.

##### 2.2.7.2 Defined Contribution Plans-Employees' Provident Fund and Employees' Trust Fund

Contribution for Employees' Provident Fund and Employees' Trust Fund have not been made since the Company does not employ any staff.

#### 2.2.8 Statement of Profit or Loss and Other Comprehensive Income

##### 2.2.8.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the

## Notes to the Financial Statements

fair value of the consideration received or receivable.

Revenue represents dividend income, interest income and Proceeds from sale of shares.

The following specific criteria are used for the purpose of recognition of revenue.

### a) Dividend Income

Dividend Income is recognised when the Shareholders right to receive such dividend is established.

### b) Proceeds from Sale of Shares

Proceeds from sale of shares are recognized on an accrual basis.

#### 2.2.8.2 Expenditure Recognition

All expenditure incurred in the running of the business has been charged to revenue in arriving at the profit or loss for the year. For the purpose of presentation of the Statement of Profit or Loss, the Directors are of the view that "function of expense method" fairly presents the elements of the Company's performance, hence such presentation method is adopted.

#### Net Finance Costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in the Statement of Profit or Loss, using the effective interest method.

Finance costs comprises of interest expense on borrowings. Interest expenses are recognised using the effective interest method.

#### Income Tax Expense

Income tax expense comprises of tax for the current period. Income tax expense

is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

#### Current Tax

The provision for taxation is based on the elements of Income & Expenditure as reported in the Financial Statements & computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and Inland Revenue (Amendment) Act, No. 10 of 2021, Inland revenue (Amendment) Act, No. 45 of 2022 and Inland Revenue (Amendment) Act, No. 04 of 2023.

#### Deferred Tax

Deferred tax is not applicable since the Company does not have temporary differences.

### 2.3 Segmental Reporting

A segment is a distinguishable component of the Company that is engaged in providing related products or services which is subject to different risks and rewards. However, there are no distinguishable components to be identified as segments of the Company (geographical segments) which is subject to different risks and rewards.

### 2.4 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "Indirect method".

### 2.5 Earnings per Share

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

## Notes to the Financial Statements

### 2.6 Dividend Distribution

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

### 2.7 Transactions with Related Parties

Disclosures have been made in respect of the transactions between parties who are defined as related parties as per Sri Lanka Accounting Standard (LKAS) 24 - "Related Party Disclosures".

Related Party Receivables are treated as Current Assets as they are deemed to be of a temporary nature.

### 2.8 New Accounting Standards Issued But Not Yet Effective

A number of new standards are effective for annual periods beginning on or after 01st January, 2024 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

#### **Classification of Liabilities as Current or Non- Current (Amendments to LKAS 1)**

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 01st January 2023. However, the IASB has subsequently proposed further amendments to LKAS 1 and the deferral of the effective date of the 2020 amendments to no earlier than 01st January 2024. Due to these

ongoing developments, the Company is unable to determine the impact of these amendments on the financial statements in the period of initial application. The Company is closely monitoring the developments.

#### **Supplier Finance Arrangements (Amendments to LKAS 7 and SLFRS 7)**

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 01st January 2024.

#### **Other Accounting Standards**

The following new and amended accounting standards are not expected to have a significant impact on the financial statements.

- Lease Liability in a Sale and Leaseback (Amendments to SLFRS 16)
- Lack of Exchangeability (Amendments to LKAS 21)

## Notes to the Financial Statements

For the year ended 31st March	2024 Rs.'000	2023 Rs.'000
<b>3 Revenue</b>		
Dividend Income	70,276	35,090
Proceeds from disposal of investments	-	15,767
	<b>70,276</b>	<b>50,857</b>
<b>4 Net change in Fair Value through Profit or Loss Financial Assets</b>		
Profit / (Loss) on Financial Assets at fair value through profit or loss	(15,484)	48,942
	<b>(15,484)</b>	<b>48,942</b>
<b>5 Other Income</b>		
Profit on Amalgamation	7	-
Reversal of Impairment of Unquoted Investments	362	-
	<b>369</b>	<b>-</b>
<b>6 Administrative Expenses</b>		
<i>Include the following:</i>		
Auditors' Fees	300	270
Directors' Fees	505	500
Audit Committee Fees	90	90
Secretarial Fees	569	500
<b>7 Impairment (Expense) / Reversal for Related Party Receivable</b>		
Reversal of Impairment on Related Party Balances	6	12
	<b>6</b>	<b>12</b>
<b>8 Net Finance Income / (Expenses)</b>		
<b>Finance Income</b>		
Interest on Related Party Loan	1,138	-
<b>Finance Expense</b>		
Interest on Margin Trading	-	1,426
	<b>1,138</b>	<b>1,426</b>



## Notes to the Financial Statements

For the year ended 31st March	2024 Rs.'000	2023 Rs.'000
<b>9 Income Tax Expense</b>		
<b>Current Income Tax</b>		
Tax Expense on Ordinary Activities for the Year (9.1)	<b>318</b>	1,753
	<b>318</b>	1,753
<b>9.1 Reconciliation of Accounting Profit and Taxable Income for the year</b>		
Accounting Profit / (Loss) before Tax	<b>50,804</b>	85,034
Aggregate Disallowed Expenses	<b>20,907</b>	6,943
Aggregate Allowable Expenses	<b>(71,789)</b>	(91,977)
a) Assessable Income/ (Expense) from Business	<b>(78)</b>	-
Dividend Income		
- First period	-	11,577
- Second period	-	878
Interest Income	<b>1,138</b>	-
Utilisation of Tax Losses	<b>(78)</b>	-
b) Assessable Income from Investment	<b>1,060</b>	12,455
Taxable Income		
Assessable Income from Investment	<b>1,060</b>	12,455
	<b>1,060</b>	12,455
Income Tax expense for the year is made up		
Statutory Tax Rate		
Dividend Income		
- First period	14%	-
- Second period	15%	-
Interest Income	30%	-
	<b>318</b>	1,753
	<b>318</b>	1,753

In accordance with Inland Revenue (Amendment) Act, No. 10 of 2021, Business Income is liable to Income Tax at 24% and in accordance with the provision of the Inland Revenue (Amendment) Act, No. 45 of 2022, as per para 4 (a) (ii) (c) of the first schedule, the Business Income is liable to income tax at 30% w.e.f from 01st October 2022.

Further as per the Inland Revenue (Amendment) Act, No. 10 of 2021, Dividend received from a resident company is liable to income tax at 14% and a dividend paid by a resident company to a member to the extent that dividend payment is attributable to, or derived from, another dividend received by that resident company or another resident company exempt from income tax w.e.f. 01.01.2020.

As per the Inland Revenue (Amendment) Act, No. 45 of 2022, amendment of Third Schedule item (35) (4) (ooo) (ii) on or after 1st October 2022 a dividend paid by a resident company to a member to the extent that such dividend payment is attributable to, or derived from, another dividend received by that resident company or another resident company which is subject to Advance Income Tax, is exempt from income tax.

In accordance with the Inland Revenue (Amendment) Act, No. 45 of 2022, item (19) (aa) on or after 1st January 2023, dividends paid by a resident company shall be subject to a final withholding payment of 15% which is considered as a final tax.

Further according to Notice PN/IT/2023-01, applicable Income Tax rate for dividend received or derived by residents during the period from 1st October, 2022 to December 31, 2022 is 15%.

In terms of item (h) of third schedule of the Inland Revenue Act, No. 24 of 2017, gains made on the realisation of an asset consisting of shares quoted in any official list published by any stock exchange licensed by the Securities and Exchange Commission of Sri Lanka are exempt from income tax.

## Notes to the Financial Statements

### 10 Earnings Per Share

The Calculation of basic earnings per share has been based on the following profit / (loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year.

<b>For the year ended 31st March</b>	<b>2024</b>	2023
<b>Amounts used as the Numerator</b>		
Profit / (Loss) for the year (Rs'000)	<b>50,486</b>	83,281
<b>Number of Ordinary Shares used as Denominator</b>		
Weighted average number of Ordinary Shares (No.'000) (10.1)	<b>8,787</b>	8,441
Basic Earnings / (Loss) Per Share (Rs.)	<b>5.75</b>	9.87

<b>10.1 Weighted Average Number of Ordinary Shares for Basic Earnings Per Share</b>	<b>Outstanding No. of Shares</b>	
	<b>2024</b>	2023
	<b>'000</b>	'000
Number of shares in issue as at 1st April	<b>8,610</b>	7,020
Number of shares issued due to scrip dividend on 08th September, 2022	-	222
Number of shares issued due to scrip dividend on 10th July, 2023	<b>177</b>	177
Effect of Rights Issue	-	1,022
Number of shares in issue as at 31st March	<b>8,787</b>	8,441

There was no dilution of ordinary shares outstanding. Therefore, diluted earnings per share is the same as basic earnings per share.

## Notes to the Financial Statements

As at 31st March	2024 Rs.'000	2023 Rs.'000
<b>11 Dividend Proposed per Share</b>		
First & Final Proposed Dividend (Rs.'000)	-	10,332
Number of Ordinary Shares entitled for Dividend (No.'000)	-	8,610
Dividend Per Share (Rs.)	-	1.20
<b>12 Financial Assets</b>	<b>2024</b> <b>Rs.'000</b>	2023 Rs.'000
<b>12.1 Financial Assets at Fair Value through Other Comprehensive Income (Equity Instruments)</b>		
Financial Assets in Related Companies - Quoted (Note 12.1.1)	<b>1,282,133</b>	1,133,752
Financial Assets in Quoted Companies (Note 12.1.2)	<b>299,108</b>	242,421
Financial Assets in Related Companies - Unquoted (Note 12.1.3)	<b>1,379</b>	1,519
Financial Assets in Unquoted Companies (Note 12.1.4)	<b>18,000</b>	200
	<b><u>1,600,620</u></b>	<u>1,377,892</u>
<b>12.2 Financial Assets at Fair value through Profit or Loss</b>		
Financial Assets in Related Companies - Quoted (Note 12.2.1)	<b>284,665</b>	280,943
Financial Assets in Quoted Companies (Note 12.2.2)	<b>133,421</b>	121,907
Financial Assets in Unquoted Companies (Note 12.2.3)	<b>27,121</b>	7
	<b><u>445,207</u></b>	<u>402,857</u>
<b>Total of Financial Assets</b>	<b><u>2,045,827</u></b>	<u>1,780,749</u>

The fair value of the Company's listed equity portfolio is based on the volume weighted average price published by the Colombo Stock Exchange on the last day of trading for the financial year ended 31st March 2024.

## Notes to the Financial Statements

As at 31st March	2024			2023		
	No. of Shares	Cost Rs. '000	Fair Value Rs. '000	No. of Shares	Cost Rs. '000	Fair Value Rs. '000
<b>12.1 Financial Assets at Fair Value through Other Comprehensive Income (Equity Instruments)</b>						
<b>12.1.1 Financial Assets in Related Companies - Quoted</b>						
Agarapatana Plantations PLC	364,600	1,532	2,698	-	-	-
Beruwala Resorts PLC	3,000,000	3,735	4,200	3,000,000	3,735	4,200
C M Holdings PLC	109,400	2,363	8,796	109,400	2,363	6,903
E B Creasy & Company PLC	15,929,000	3,594	366,367	15,929,000	3,594	320,173
Lankem Ceylon PLC	1,290,673	62,692	87,766	1,290,673	62,692	97,704
Marawila Resorts PLC	1,500,000	4,647	5,100	1,430,000	4,507	3,003
Muller and Phipps (Ceylon) PLC	90,000	58	99	90,000	58	108
Sigiriya Village Hotels PLC	5,300	306	240	5,300	306	297
The Colombo Fort Land & Building PLC	26,888,895	170,530	806,667	26,863,895	169,741	701,147
York Arcade Holdings PLC	1,525	82	200	1,525	82	217
<b>Total</b>		<b>249,539</b>	<b>1,282,133</b>		<b>247,078</b>	<b>1,133,752</b>
<b>12.1.2 Financial Assets in Quoted Companies</b>						
<b>Banks</b>						
Commercial Bank of Ceylon PLC-Voting	1,269,823	58,188	124,062	1,183,936	52,079	75,298
Commercial Bank of Ceylon PLC-Non-Voting	11,125	574	948	10,401	534	563
DFCC Bank PLC	19,036	1,575	1,447	18,565	1,538	815
		<b>60,337</b>	<b>126,457</b>		<b>54,151</b>	<b>76,676</b>

## Notes to the Financial Statements

As at 31st March		2024		2023			
		No. of Shares	Cost Rs. '000	Fair Value Rs. '000	No. of Shares	Cost Rs. '000	Fair Value Rs. '000
<b>12.1.2 Financial Assets in Quoted Companies</b>							
<b>Capital Goods</b>							
	Aitken Spence PLC	60,360	215	7,862	60,360	215	7,907
	Hayleys PLC	30,000	43	2,463	30,000	43	2,160
	John Keells Holdings PLC	72,977	4,348	14,157	72,977	4,348	10,217
			<u>4,606</u>	<u>24,482</u>		<u>4,606</u>	<u>20,284</u>
<b>Consumer Services</b>							
	Aitken Spence Hotel Holdings PLC	24,633	270	1,631	24,633	270	1,476
	Asian Hotels & Properties PLC	20,000	253	1,220	20,000	253	880
			<u>523</u>	<u>2,851</u>		<u>523</u>	<u>2,356</u>
<b>Food Beverage &amp; Tobacco</b>							
	Ceylon Cold Stores PLC	229,160	213	12,352	229,160	213	9,166
	Ceylon Tobacco Company PLC	24,144	253	29,655	24,144	253	16,436
	Nestle Lanka PLC	-	-	-	12,000	82	12,828
			<u>466</u>	<u>42,007</u>		<u>548</u>	<u>38,430</u>
<b>Materials</b>							
	Chevron Lubricants Lanka PLC	28,700	1,683	3,092	28,700	1,683	2,629
	CIC Holdings PLC	1,260,000	2,572	88,830	1,260,000	2,572	89,712
	Union Chemicals Lanka PLC	5,500	77	3,274	5,500	77	3,843
			<u>4,332</u>	<u>95,196</u>		<u>4,332</u>	<u>96,184</u>
<b>Real Estate</b>							
	Overseas Realty (Ceylon) PLC	47,410	773	806	47,410	772	730
			<u>773</u>	<u>806</u>		<u>772</u>	<u>730</u>
<b>Retailing</b>							
	John Keells PLC	112,800	90	7,309	112,800	90	7,761
			<u>90</u>	<u>7,309</u>		<u>90</u>	<u>7,761</u>
	<b>Total</b>		<u>71,126</u>	<u>299,108</u>		<u>65,022</u>	<u>242,421</u>

## Notes to the Financial Statements

	2024		2023			
	No. of Shares	Cost Rs. '000	Fair Value Rs. '000	No. of Shares	Cost Rs. '000	Fair Value Rs. '000
<b>12.1.3 Financial Assets in Related Companies - Unquoted</b>						
Agarapatana Plantations Ltd	-	-	-	250,000	501	501
Capital Leasing Company Limited	150,000	1,500	1,350	150,000	1,500	989
Union Group (Private) Limited	2,998	29	29	2,998	29	29
Imperial Hotels Limited	625	125	-	625	125	-
		1,654	1,379		2,155	1,519
Diminution in value of Financial Assets		(275)	-		(636)	-
<b>Total</b>		<b>1,379</b>	<b>1,379</b>		<b>1,519</b>	<b>1,519</b>

Investments in Related Companies are recorded at cost less impairment in the financial statements of the Company. The net assets of above Companies are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the investment is estimated and the impairment loss is recognised to the extent of its net assets loss.

Since the Net Assets Per Share of the Capital Leasing Company Ltd is Rs. 9.13 as at 31st March 2024, the impairment loss recognised has been reversed by Rs. 2.41 Per Share.

### 12.1.4 Financial Assets in Unquoted Companies

Bartleet Transcapital Limited	-	-	-	10,000	200	200
Nestle Lanka Limited	12,000	83	18,000	-	-	-
<b>Total</b>		<b>83</b>	<b>18,000</b>		<b>200</b>	<b>200</b>
<b>Total Financial Assets at Fair Value through Other Comprehensive Income</b>		<b>322,127</b>	<b>1,600,620</b>		<b>313,819</b>	<b>1,377,892</b>

Investment in Bartleet Transcapital Ltd shares were disposed during the year due to the amalgamation.

Cost and Fair Value as at date of Disposal  
Rs. 200,000/-  
Cumulative Gain or Loss on Disposal

Nestle Lanka PLC delisted from Colombo Stock Exchange during the year and shares of same identified as Unquoted Investment and valued as at 31st March 2024 using the Offer price announced by the Company before delisting.



## Notes to the Financial Statements

As at 31st March	2024		2023			
	No. of Shares	Cost Rs. '000	Fair Value Rs. '000	No. of Shares	Cost Rs. '000	Fair Value Rs. '000
<b>12.2.2 Financial Assets in Quoted Companies</b>						
<b>Commercial &amp; Professional Services</b>						
Gestetner of Ceylon PLC	230	32	27	230	32	15
		<u>32</u>	<u>27</u>		<u>32</u>	<u>15</u>
<b>Consumer Durables &amp; Apparel</b>						
Dankotuwa Porcelain PLC	6,187	87	152	6,187	87	127
Hayleys Fabric PLC	12,000	263	493	12,000	263	302
Hayleys Fibre PLC	4,800	23	250	4,800	23	240
Hela Apparel Holdings PLC	39,900	416	243	39,900	416	319
Regnis (Lanka) PLC	-	-	-	2,484	12	114
Singer Industries (Ceylon) PLC	-	-	-	1,210	10	45
Teejay Lanka PLC	85,000	2,564	3,196	85,000	2,564	2,720
		<u>3,353</u>	<u>4,334</u>		<u>3,375</u>	<u>3,867</u>
<b>Consumer Services</b>						
Eden Hotel Lanka PLC	565	5	7	565	5	10
John Keells Hotels PLC	30,000	475	558	30,000	475	567
Tal Lanka Hotels PLC	3,000	14	54	3,000	14	46
The Nuwara Eliya Hotels Company PLC	29	39	50	29	39	43
		<u>533</u>	<u>669</u>		<u>533</u>	<u>666</u>
<b>Diversified Financials</b>						
Asia Capital PLC	1,550	42	5	1,550	42	7
Capital Alliance PLC	2,600	26	138	2,600	26	85
Lanka Ventures PLC	15,300	155	408	15,300	155	581
L B Finance PLC	30,000	1,890	1,881	-	-	-
LOLC Holdings PLC	37,000	23	14,708	37,000	23	13,875
Merchant Bank of Sri Lanka & Finance PLC	9,000	108	46	9,000	108	31
People's Leasing & Finance PLC	28,633	461	315	27,138	445	214
Singer Finance (Lanka) PLC	2,500	32	31	2,500	32	28
		<u>2,737</u>	<u>17,532</u>		<u>831</u>	<u>14,821</u>



## Notes to the Financial Statements

As at 31st March	2024		2023	
	No. of Shares	Cost Rs. '000	No. of Shares	Cost Rs. '000
<b>12.2.2 Financial Assets in Quoted Companies</b>				
<b>Energy</b>				
Lanka IOC PLC	31,000	2,342	31,000	2,342
Laufgs Gas PLC	1,000	23	1,000	23
		<u>2,365</u>		<u>2,365</u>
				Fair Value Rs.'000
				5,317
				29
				<u>5,346</u>
<b>Food &amp; Staples Retailing</b>				
Cargills (Ceylon) PLC	7,429	1,120	7,429	1,120
C.T.Holdings PLC	3,190	663	3,190	663
		<u>1,783</u>		<u>1,783</u>
				Fair Value Rs.'000
				1,731
				574
				<u>2,305</u>
<b>Food Beverage &amp; Tobacco</b>				
Agalawatte Plantations PLC	30,500	1,339	30,500	1,339
Browns Investments PLC	22,000	55	22,000	55
Carson Cumberbatch PLC	3,000	489	3,000	489
Ceylon Beverage Holdings PLC	516	15	516	15
Hapugastenne Plantations PLC	100	1	100	1
HVA Foods PLC	1,800	29	1,800	29
Kahawatte Plantations PLC	165	2	165	2
Lanka Milk Foods (CWE) PLC	16,450	82	16,450	82
Lion Brewery Ceylon PLC	1,550	43	1,550	43
Nestle Lanka PLC	-	-	18,076	16,715
Renuka Agri Foods PLC	11,071	25	10,900	25
Talawakelle Tea Estate PLC	2,000	38	2,000	38
Melstacorp PLC	50,000	2,279	50,000	2,279
		<u>4,397</u>		<u>21,112</u>
				Fair Value Rs.'000
				26,096
<b>Healthcare Equipment &amp; Services</b>				
Asiri Hospitals Holdings PLC	30,000	233	30,000	233
Nawaloka Hospitals PLC	20,000	37	20,000	37
The Lanka Hospitals Corporation PLC	500	8	500	8
		<u>278</u>		<u>278</u>
				Fair Value Rs.'000
				747
				114
				57
				<u>918</u>
<b>Insurance</b>				
Ceylinco Insurance PLC	3,626	30	3,626	30
HNB Assurance PLC	51,000	249	51,000	249
Janashakthi Insurance Co PLC	4,000	48	4,000	48
LOLC General Insurance PLC	4,600	32	4,600	32
People's Insurance PLC	17,571	278	17,571	278
Union Assurance PLC	20,000	1,099	-	-
		<u>1,736</u>		<u>637</u>
				Fair Value Rs.'000
				11,024

## Notes to the Financial Statements

As at 31st March	2024		2023			
	No. of Shares	Cost Rs. '000	Fair Value Rs. '000	No. of Shares	Cost Rs. '000	Fair Value Rs. '000
<b>12.2.2 Financial Assets in Quoted Companies</b>						
<b>Materials</b>						
ACL Plastics PLC	300	12	118	300	12	118
Chevron Lubricants Lanka PLC	11,300	1,114	1,218	6,300	608	577
Haycarb PLC	327,169	13,904	25,028	317,742	13,182	17,889
PGP Glass Ceylon PLC	100,000	795	2,950	100,000	795	1,920
Richard Pieris Exports PLC	100	5	44	100	5	56
Swisstek (Ceylon) PLC	3,000	24	57	3,000	24	42
Tokyo Cement Company (Lanka) PLC	50,993	1,695	2,626	46,358	1,695	2,318
		<u>17,549</u>	<u>32,041</u>		<u>16,321</u>	<u>22,920</u>
<b>Real Estate</b>						
C T Land Development PLC	3,527	13	81	3,527	13	96
Lee Hedges PLC	1,375	12	129	1,375	12	107
		<u>25</u>	<u>210</u>		<u>25</u>	<u>203</u>
<b>Retailing</b>						
John Keells PLC	1,200	79	78	1,200	79	83
RIL Property PLC	6,666	53	42	6,666	53	37
Sathosa Motors PLC	466	15	93	466	15	70
Singer (Sri Lanka) PLC	15,313	163	247	3,000	8	45
United Motors Lanka PLC	11,934	247	692	11,934	247	715
		<u>557</u>	<u>1,152</u>		<u>402</u>	<u>950</u>
<b>Telecommunication Services</b>						
Dialog Axiata PLC	11,830	156	138	11,830	156	123
SriLanka Telecom PLC	100	3	9	100	3	9
		<u>159</u>	<u>147</u>		<u>159</u>	<u>132</u>

## Notes to the Financial Statements

As at 31st March	2024		2023			
	No. of Shares	Cost Rs. '000	Fair Value Rs. '000	No. of Shares	Cost Rs. '000	Fair Value Rs. '000
<b>12.2.2 Financial Assets in Quoted Companies</b>						
<b>Transportation</b>						
Expolanka Holdings PLC	83,000	23,666	12,492	83,000	23,666	11,454
		<u>23,666</u>	<u>12,492</u>		<u>23,666</u>	<u>11,454</u>
<b>Utilities</b>						
Laugfs Power PLC	1,000	-	9	1,000	-	8
Panasian Power PLC	20,000	60	82	20,000	60	68
Resus Energy PLC	11,954	255	210	11,954	255	161
		<u>315</u>	<u>301</u>		<u>315</u>	<u>237</u>
<b>Total</b>		<b>81,701</b>	<b>133,421</b>		<b>87,549</b>	<b>121,907</b>
<b>12.2.3 Financial Assets in Unquoted Companies</b>						
Laugfs Eco Sri Limited	1,000	-	1	1,000	-	1
Laugfs Leisure Limited	1,000	-	6	1,000	-	6
Nestle Lanka Ltd	18,076	16,715	27,114	-	-	-
		<u>16,715</u>	<u>27,121</u>		-	-
<b>Total</b>		<b>293,954</b>	<b>445,207</b>		<b>235,995</b>	<b>402,857</b>

Nestle Lanka PLC delisted from Colombo Stock Exchange during the year and shares of same identified as Unquoted Investment and valued as at 31st March 2024 using the Offer price announced by the Company before delisting.

The fair value of the Laugfs Eco Sri Ltd and Laugfs Leisure Ltd are based on the net assets per share of each company's audited accounts for the financial year ended 31st March 2018 published in the Colombo Stock Exchange under Laugfs Gas PLC folio.

### 12.3 Disclosure of Interest in Other Entities

The Company holds 28.97% of the voting rights (in 2023 - 26.05%) of Colombo Investment Trust PLC (CIT). The Board of Directors of both Companies consists of common members who act independently. The Company does not participate in the financial and operating policy decisions of CIT and does not have significant influence even though it holds more than 20% of the voting rights of CIT. The investment in CIT is held under the trading portfolio and classified as financial assets at fair value through profit or loss.

## Notes to the Financial Statements

As at 31st March	2024 Rs.'000	2023 Rs.'000
<b>13 Amounts due from Related Party</b>		
<b>Non Interest bearing receivables</b>		
The Colombo Fort Land & Building PLC	-	1,000
	-	1,000
Less: Provision for Impairment of Amounts due from Related Party (13.1)	-	(6)
	-	994
<b>13.1 Provision for Impairment of Amounts due from Related Party</b>		
Balance at the beginning of the year	6	18
Provision / (Reversal) provided during the year	(6)	(12)
Balance at the end of the year	-	6
The above amounts due from related party are receivable "on demand".		
<b>14 Cash &amp; Cash Equivalents</b>		
Cash at Banks	3,209	3,961
	3,209	3,961

As at 31st March	2024 No of Shares	2023
<b>15 Stated Capital</b>		
Ordinary Shares as at beginning of the year	8,610,121	7,019,579
Shares issued during the year due to Scrip Dividend	176,920	221,719
Shares issued during the year due to Rights Issue	-	1,368,823
Ordinary Shares as at end of the year	8,787,041	8,610,121
<b>Issued and Fully Paid</b>	Rs.'000	Rs.'000
Balance as at beginning of the year	303,377	222,132
Shares issued during the year due to Scrip Dividend	10,332	10,066
Shares issued during the year due to Rights Issue	-	71,179
Balance as at end of the year	313,709	303,377

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at a meeting of the Company.

## Notes to the Financial Statements

**As at 31st March**

	<b>2024</b>	2023
	<b>Rs.'000</b>	Rs.'000

### 16 Reserves

General Reserve (Note 16.1)	16,500	16,500
Fair Value Reserve of Financial Assets at FVOCI (16.2)	<u>1,277,928</u>	<u>1,063,507</u>
	<b><u>1,294,428</u></b>	<b><u>1,080,007</u></b>

#### 16.1 General Reserve

General Reserve is the Reserve set aside for General purposes.

#### 16.2 Fair Value Reserve of Financial Assets at Fair Value through Other Comprehensive Income

Balance at the beginning of the year	1,063,507	550,151
Fair Value changes in Financial Assets at Fair Value through Other Comprehensive Income	<u>214,421</u>	<u>513,356</u>
Balance at the end of the year	<b><u>1,277,928</u></b>	<b><u>1,063,507</u></b>

Fair value reserve of financial assets at FVOCI includes changes in fair value of financial instruments designated as financial assets at FVOCI.

<b>As at 31st March</b>	<b>2024</b>	2023
	<b>Rs.'000</b>	Rs.'000

### 17 Other Payables

Other Payables	476	441
<b>Total</b>	<b><u>476</u></b>	<b><u>441</u></b>

## Notes to the Financial Statements

### 18 Related Party Disclosures

#### a) Parent and Ultimate Controlling Party

The Company does not have an identifiable parent on its own.

#### b) Identity of the Related Parties

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) - "Related Party Disclosures", the details of which are reported in Note 18 (c) below.

#### c) Transactions with Related Parties

Name of the Related Party	Nature of Transactions	Transaction Value	
		2024 Rs.'000	2023 Rs.'000
Agarapatana Plantations PLC	Acquisition of Financial Assets	<b>(24,919)</b>	-
C M Holdings PLC	Acquisition of Financial Assets	-	(542)
	Dividend received	<b>657</b>	657
Colombo Investment Trust PLC	Dividend Received - Form of Scrip Dividend	<b>2,192</b>	2,159
	Dividend Paid - Form of Scrip Dividend	<b>(3,566)</b>	(3,474)
	Acquisition of Financial Assets	<b>(20,542)</b>	-
C.W.Mackie PLC	Acquisition of Financial Assets	<b>(470)</b>	(18,424)
	Dividend received	<b>3,147</b>	523
E. B. Creasy & Co. PLC	Acquisition of Financial Assets	-	(260)
	Dividend received	<b>23,893</b>	15,929
Lankem Ceylon PLC	Dividend received	<b>12,907</b>	-
Lankem Developments PLC	Disposal of Financial Assets	-	15,493
Laxapana Batteries PLC	Dividend received	<b>472</b>	583
Marawila Resorts PLC	Acquisition of Financial Assets	<b>(140)</b>	-
The Colombo Fort Land & Building PLC	Acquisition of Financial Assets	<b>(789)</b>	(1,603)
	Dividend received	<b>6,716</b>	-
	Dividend paid - Form of Scrip Dividend	<b>(1,453)</b>	(1,416)
	Part settlement of outstanding balances	-	(500)
	Non interest bearing receivable	-	1,000
	Interest bearing Loan Given	<b>(18,600)</b>	-
	Settlement of Interest bearing Loan	<b>18,600</b>	-
	Settlement of Non interest bearing receivable	<b>(1,000)</b>	-
	Interest on Loan	<b>1,138</b>	-
	Provision / (Reversal) for Impairment	<b>(6)</b>	(12)

The Related Party Transactions Review Committee has reviewed the transactions mentioned above.

## Notes to the Financial Statements

### d) Terms and Conditions of Transactions with Related Parties

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

There were no Guarantees received from or given to Related Parties during the financial year.

### e) Non-Recurrent Related Party Transactions

During the year there were no non-recurrent-related party transactions that exceeded the respective thresholds mentioned in the Rule 9.14.7 of the Listing Rules of the Colombo Stock Exchange.

### f) Recurrent Related Party Transactions

Recurrent related party transactions which in aggregate value exceeds 10% of the Company Revenue as per 31st March 2023 Audited Financial Statements, which required additional disclosures under Colombo Stock Exchange listing Rule 9.14.8 (2) is as follows.

Name of the Related Party	Relationship	Nature of Transaction	Aggregate value of Related Party Transactions entered into during the financial year	Aggregate value of Related Party Transactions as a % of Net Revenue/ Income	Terms and Conditions of the Related Party Transactions
Agarapatana Plantations PLC	Affiliate	Acquisition of Financial Assets	24,919	49%	Transactions are carried out in the normal course of business
Colombo Investment Trust PLC	Affiliate	Acquisition of Financial Assets	20,542	40%	

### g) Transaction with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard (LKAS 24) - "Related Party Disclosures", Key Management Personnel (KMP) are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company (including executive and non-executive directors) and their immediate family members have been classified as Key Management Personnel of the Company.

### h) Loans to Key Management Personnel

No Loans have been given to the Key Management Personnel and their close family members during the year.

### i) Key Management Personnel Compensation

Details of compensation are given in Note 6 to the Financial Statements.

**j) The Directors of the Company for the year under review are also Directors of the following Companies**

Name of the Company	Relationship	Name of the Common Director								
		Mr. A.Rajaratnam (Decd. 26.08.2023)	Mr. S.D.R. Arudpragasam	Mr. S. Shanmugalingam	Mr. A.M.de S.Jayarathne	Mr. S. Rajaratnam	Dr. J.M. Swaminathan	Mr. Amrit Rajaratnam	Mr. Anushman Rajaratnam	Mr. P.M.A. Sirimane
Acme Printing & Packaging PLC	Related	-	✓	-	-	-	✓	-	✓	✓
Agarapatana Plantations PLC	Related	-	✓	-	✓	-	-	-	✓	✓
Beruwala Resorts PLC	Related	-	✓	-	-	✓	-	✓	✓	-
C.M. Holdings PLC	Related	✓	✓	-	✓	✓	✓	-	✓	-
C.W. Mackie PLC	Related	-	✓	-	✓	✓	-	-	✓	-
Colombo Investment Trust PLC	Related	✓	✓	✓	✓	✓	✓	✓	✓	✓
E.B. Creasy & Co. PLC	Related	✓	✓	-	✓	✓	-	-	-	✓
Kotagala Plantations PLC	Related	-	✓	-	✓	-	-	-	✓	✓
Lankem Ceylon PLC	Related	-	✓	-	-	-	-	-	✓	✓
Lankem Developments PLC	Related	-	✓	-	✓	-	-	-	✓	✓
Laxapana Batteries PLC	Related	-	✓	-	-	✓	-	-	-	✓
Marawila Resorts PLC	Related	-	✓	-	-	✓	-	✓	✓	-
Muller and Phipps (Ceylon) PLC	Related	-	✓	-	-	✓	-	-	-	✓
Sigiriya Village Hotels PLC	Related	-	✓	-	-	✓	-	✓	✓	-
The Colombo Fort Land & Building PLC	Related	✓	✓	-	✓	✓	-	✓	✓	✓
York Arcade Holdings PLC	Related	-	✓	✓	✓	✓	-	✓	✓	-

- Mr. A. Rajaratnam, Director expired on 26.08.2023.
- Mr. Amrit Rajaratnam was appointed to the Board of The Colombo Fort Land & Building PLC w.e.f. 29.11.2023.

There were no other related party transactions other than the above and those disclosed in Notes 12, 13 and 18 to the financial statements.



## Notes to the Financial Statements

### 19 Transactions with Managers and Secretaries

The Company has made following transactions with Corporate Managers & Secretaries (Private) Limited during the year.

<b>For the year ended 31st March</b>	<b>2024</b>	<b>2023</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
Administration fees paid	<b>1,068</b>	938
Secretarial fees paid	<b>569</b>	500
Registrar's fees paid	<b>569</b>	500

All staff related services are provided by Corporate Managers & Secretaries (Private) Limited.

### 20 Capital Expenditure Commitments

There were no capital commitments outstanding as at 31st March, 2024.

### 21 Contingent Liabilities

There were no contingent liabilities as at 31st March, 2024.

### 22 Restatement of Comparative Figures

Comparative information including quantitative, narrative and descriptive information are disclosed in respect of the previous periods for all amounts reported in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability.

### 23 Events after the Reporting Period

Subsequent to the Reporting date no circumstances have arisen which would require adjustments to or disclosure in the Financial Statements as at 31st March, 2024.

## Notes to the Financial Statements

### 24 Assets Pledged

#### Margin Trading Facility

The Company has entered into a Margin Trading facility with Acuity Partners (Pvt) Ltd, for Rs. 20 million with effect from 3rd November, 2016 at an interest rate of 12.80%. Subsequently it was adjusted to 21.83% w.e.f. 01st September 2023 and current interest rate on same is 14.94%. This facility has been enhanced up to Rs. 25 million as at 31st March 2018.

The following shares held by the Company have been pledged as security for the aforementioned facility.

<b>Company</b>	<b>No. of Shares</b>
Ceylon Cold Stores PLC	150,000
Ceylon Tobacco Company PLC	15,000
Chevron Lubricants Lanka PLC	10,000
C I C Holdings PLC	40,000
Commercial Bank of Ceylon PLC	259,823
C.W. Mackie PLC	15,000
Expolanka Holdings PLC	50,000
Haycarb PLC	80,000
Lankem Developments PLC	1,380,000
Tokyo Cement Company (Lanka) PLC	11,000

### 25 Directors' Responsibility

The Board of Directors acknowledge the responsibility for the preparation and presentation of these Financial Statements.

## Notes to the Financial Statements

### 26 Financial Instruments

#### 26.1 Financial Instruments - Statement of Financial Position

<b>As At 31st March</b>	<b>2024</b>	2023
	<b>Rs.'000</b>	Rs.'000
<b>Financial Assets</b>		
<i>Non Current</i>		
Financial Assets at Fair Value through OCI	<b>1,600,620</b>	1,377,892
<i>Current</i>		
Financial Assets at Fair Value through Profit or Loss	<b>445,207</b>	402,857
<b>Total</b>	<b>2,045,827</b>	1,780,749
Receivables	<b>6,840</b>	5,311
Amount due from Related Party	-	994
	<b>6,840</b>	6,305
Cash and cash equivalents	<b>3,209</b>	3,961
<b>Total</b>	<b>10,049</b>	10,266
<b>Financial Liabilities</b>		
	-	-
	-	-

## Notes to the Financial Statements

### 26.2 Financial Risk Management

#### Overview

The Company has exposure to the following risks from its use of financial instruments.

- a) Credit Risk
- b) Liquidity Risk
- c) Market Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

#### Risk Management Framework

The Board of Directors have overall responsibility for the establishment and oversight of the risk management framework, including policies and procedures. In discharging its governance responsibility it operates through the Board of Directors and Audit Committee. Risk management framework is reviewed regularly to reflect changes.

#### a) Credit risk

##### Exposure to Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The exposure to credit risk at the reporting date was,

<b>As at 31st March</b>	<b>2024</b>	2023
	<b>Rs.'000</b>	Rs.'000
Receivables	<b>6,840</b>	5,311
Amount due from Related Party	-	994
Cash and Cash Equivalents	<b>3,209</b>	3,961
	<b>10,049</b>	10,266

## Notes to the Financial Statements

### Impairment Losses

The aging of Receivables at the reporting date was,

<b>As at 31st March</b>	<b>Gross 2024 Rs.'000</b>	<b>Impairment 2024 Rs.'000</b>	Gross 2023 Rs.'000	Impairment 2023 Rs.'000
Not Past Due	6,840	-	5,311	-
Past Due 0-31 days	-	-	-	-
Past Due 31-365 days	-	-	-	-
More than One Year	-	-	-	-
	<u>6,840</u>	<u>-</u>	<u>5,311</u>	<u>-</u>

Based on historic default rates, the Company believes that, no impairment allowance is needed in respect of Receivables.

The aging of Amounts due from Related Party as at the reporting date was,

<b>As at 31st March</b>	<b>Gross 2024 Rs.'000</b>	<b>Impairment 2024 Rs.'000</b>	Gross 2023 Rs.'000	Impairment 2023 Rs.'000
Not Past Due	-	-	-	-
Past Due 0-31 days	-	-	-	-
Past Due 31-365 days	-	-	1,000	6
More than One Year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>6</u>

The Company has provided impairment provision for the Amounts due from Related Party according to Expected Credit Loss (ECL) model.

### b) Liquidity Risk

Liquidity Risk is the risk that an entity will encounter difficulty in meeting obligations associated with Financial Liabilities.

The following are the contractual maturities of Financial Liabilities, including estimated interest payments.

<b>As at 31 March 2024</b>	<b>Carrying amount Rs.'000</b>	<b>Contractual cash flows Rs.'000</b>	<b>12 months or less Rs.'000</b>	<b>1-2 years Rs.'000</b>	<b>2-5 Years Rs.'000</b>
<b>Financial Liabilities at Amortised Cost</b>					
Other Payables	476	(476)	(476)	-	-
	<u>476</u>	<u>(476)</u>	<u>(476)</u>	<u>-</u>	<u>-</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

## Notes to the Financial Statements

### c) Market Risk

Market Risk is the risk that Fair Value of future Cash Flow of a Financial Instrument will fluctuate because of changes in market prices. Market Risk will have an implication on the value of the Company's Financial Assets.

A description of the valuation methods used is given below.

#### Fair Value Hierarchy

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>31st March 2024</b>				
Financial assets at fair value through				
- Other Comprehensive Income	1,581,241	-	19,379	1,600,620
- Profit or Loss	418,086	-	27,121	445,207
	<u>1,999,327</u>	<u>-</u>	<u>46,500</u>	<u>2,045,827</u>
<b>31st March 2023</b>				
Financial assets at fair value through				
- Other Comprehensive Income	1,376,173	-	1,719	1,377,892
- Profit or Loss	402,850	-	7	402,857
	<u>1,779,023</u>	<u>-</u>	<u>1,726</u>	<u>1,780,749</u>

#### Currency Risk

Currency Risk is the risk that the Fair Value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the Company did not have any Financial Assets designated in currency's other than Sri Lankan Rupees, the Company was not exposed to currency risk at the reporting period.

#### Interest Rate Risk

Interest Rate Risk is the risk that the Fair Value of future cash flows of a Financial Instrument will fluctuate because of changes in Market Interest Rate. At the reporting date the Company has no exposure towards interest rate risk.

## Notes to the Financial Statements

### 26.3 Fair values of Financial Assets and Liabilities not carried at fair value

The carrying amounts and fair values of the financial assets and liabilities of the Company which are not measured at fair value in the financial statements are given below.

As at 31st March	Explanatory Reference	2024		2023	
		Fair Value Rs.'000	Carrying Value Rs.'000	Fair Value Rs.'000	Carrying Value Rs.'000
<b>Amortised Cost</b>	<b>(a)</b>				
Receivables		6,840	6,840	5,311	5,311
Cash and Cash Equivalents		3,209	3,209	3,961	3,961
<b>Financial Liabilities at Amortised Cost</b>	<b>(b)</b>	-	-	-	-

- (a) The carrying values of Receivables has been considered as the fair value due to uncertainty of the timing of the cash flows.

The carrying value of cash and bank balances have been considered as the fair value due to the short maturity of the financial instruments.

- (b) Carrying values of the financial liabilities have been considered as the fair value, due to uncertainty of the timing of the cash flow.

# Financial Summary

Year ended 31st March	SLFRS 9				
	2024 Rs.'000	2023 Rs.'000	2022 Rs.'000	2021 Rs.'000	2020 Rs.'000
<b>Trading Results</b>					
Revenue	<b>70,276</b>	50,857	41,227	17,222	12,515
Other Income	<b>369</b>	-	1,024	6	4,287
Profit / (Loss) Before Income Tax Expense	<b>50,804</b>	85,034	54,531	112,676	2,777
Income Tax Expense	<b>(318)</b>	(1,753)	(3,675)	(1,371)	(1,111)
Profit / (Loss) for the year	<b>50,486</b>	83,281	50,856	111,305	1,666
<b>As at 31st March</b>					
	<b>2024 Rs.'000</b>	2023 Rs.'000	2022 Rs.'000	2021 Rs.'000	2020 Rs.'000
<b>Equity</b>					
Stated Capital	<b>313,709</b>	303,377	222,132	213,840	213,840
General Reserve	<b>16,500</b>	16,500	16,500	16,500	16,500
Fair Value Reserve of Financial Assets at OCI	<b>1,277,928</b>	1,063,507	550,151	806,018	202,209
Retained Earnings	<b>447,092</b>	406,938	334,587	292,068	181,194
	<b>2,055,229</b>	1,790,322	1,123,370	1,328,426	613,743
<b>Assets Less Liabilities</b>					
Current & Non-Current Assets	<b>2,056,023</b>	1,791,104	1,143,804	1,349,275	639,727
Current & Non-Current Liabilities	<b>(794)</b>	(782)	(20,434)	(20,849)	(25,984)
Net Assets	<b>2,055,229</b>	1,790,322	1,123,370	1,328,426	613,743
<b>Financial Statistics</b>					
Earnings / (Loss) Per Share	<b>5.75</b>	9.87	7.02	15.86	0.24
Net Asset Per Share	<b>233.89</b>	203.75	155.13	189.25	88.82
Market Price Per Share	<b>65.00</b>	67.50	70.50	65.80	55.00
Price Earnings Ratio	<b>11.30</b>	6.83	10.04	4.15	229.17
Dividend Per Share	-	1.20	1.20	1.20	-



# Information to Shareholders and Investors

## Distribution of Shareholdings

	31st March 2024			31st March 2023		
	No.of Shareholders	Total Shareholdings	%	No.of Shareholders	Total Shareholdings	%
1 - 1,000	654	88,212	1.00	680	91,990	1.07
1,001 - 10,000	105	294,016	3.35	111	314,649	3.65
10,001 - 100,000	24	554,419	6.31	23	611,162	7.10
100,001 - 1,000,000	5	1,110,775	12.64	4	988,396	11.48
Over 1,000,000	3	6,739,619	76.70	3	6,603,924	76.70
Total	791	8,787,041	100.00	821	8,610,121	100.00

## Categories of Shareholders

	31st March 2024			31st March 2023		
	No.of Shareholders	Total Shareholdings	%	No.of Shareholders	Total Shareholdings	%
Individuals	728	652,587	7.47	756	682,259	7.92
Institutions	63	8,094,454	92.53	65	7,927,862	92.08
Total	791	8,747,041	100.00	821	8,610,121	100.00

## Public Holding

The percentage of the Issued Share Capital held by the public as at 31st March, 2024 was 15.20%. (31.03.2023 - 15.20%)

The applicable option under Colombo Stock Exchange Rule 7.13.1 (i) (b) on Minimum Public Holding is option 2 and the Float Adjusted Market Capitalisation as at 31st March, 2024 was Rs. 86.82 Million.

## Public Shareholders

The number of Public Shareholders as at 31st March, 2024 were 781 (31.03.2023 - 810).

## Market Performance - Ordinary Shares

	2023/24 Rs.	2022/23 Rs.
Highest Price	82.00	74.50
Lowest Price	54.00	37.50
Market Value as at the Year end	65.00	67.50

## Information to Shareholders and Investors

### Twenty Major Shareholders of the Company

	31st March 2024		31st March 2023	
	Shares	%	Shares	%
Colombo Investment Trust PLC	<b>3,032,577</b>	<b>34.51</b>	2,971,519	34.51
Financial Trust Ltd	<b>2,470,965</b>	<b>28.12</b>	2,421,215	28.12
The Colombo Fort Land & Building PLC	<b>1,236,077</b>	<b>14.07</b>	1,211,190	14.07
Property & Investment Holdings (Private) Ltd.	<b>628,512</b>	<b>7.15</b>	615,858	7.15
People's Leasing & Finance PLC / Dr.H.S.D.Soyas & Mrs. G.Soyas	<b>143,515</b>	<b>1.63</b>	140,626	1.63
Mrs. M. L. De Silva	<b>130,975</b>	<b>1.49</b>	128,338	1.49
Tranz Dominion, L.L.C.	<b>104,343</b>	<b>1.19</b>	93,823	1.09
Mr. G. M. Dhansingani	<b>103,430</b>	<b>1.18</b>	103,574	1.20
Capital Investments Ltd.	<b>49,234</b>	<b>0.56</b>	48,243	0.56
Hatton National Bank PLC / K.K. Shujeevan	<b>47,773</b>	<b>0.54</b>	46,812	0.54
People's Leasing & Finance PLC / Mr.M.A.N. Yoosufali Seylan Bank PLC / E.J.Gunasekera & M. G. M. Gunasekera	<b>43,492</b>	<b>0.49</b>	42,617	0.49
Mr. M.S. Goonatilake	<b>37,707</b>	<b>0.43</b>	44,317	0.51
Ceylon Galvanising Industries Ltd.	<b>26,930</b>	<b>0.31</b>	26,388	0.31
Mr. Mohamed Naizer	<b>25,000</b>	<b>0.28</b>	23,052	0.27
Commercial Bank of Ceylon PLC / N.H.Dawoodbhoy and Company (Private) Limited	<b>24,787</b>	<b>0.28</b>	25,442	0.30
J.B. Cocoshell (Pvt) Ltd.	<b>24,419</b>	<b>0.28</b>	23,928	0.28
Trust Holdings & Investments (Pvt) Ltd	<b>22,939</b>	<b>0.26</b>	22,478	0.26
Mr. S.S. Nagodavithana	<b>19,521</b>	<b>0.22</b>	-	-
Sampath Bank PLC / Mr. Abishek Sithampalam	<b>18,778</b>	<b>0.21</b>	18,400	0.21
<b>Total</b>	<b>8,235,974</b>	<b>93.71</b>	8,051,820	93.50

### Financial Statistics

	2023/24 Rs.	2022/23 Rs.
Earnings / (Loss) per Share	<b>5.75</b>	9.87
Net Assets per share	<b>233.89</b>	203.75
Dividend per Share	-	1.20
Dividend Payout Ratio	-	0.12

# Notice of Meeting

NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting of Colombo Fort Investments PLC will be conducted as a virtual meeting from the Registered Office of the Company 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1 on Thursday, 19th September 2024 at 10.00 a.m. 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, 2024 together with the Report of the Auditors thereon.
2. To re-elect Mr. Amrit Rajaratnam, who retires by rotation in terms of Articles 85 and 86 of the Articles of Association as a Director.
3. To reappoint Mr. A.M.de S.Jayaratne, who is over seventy years of age as a Director.

A Special Notice has been received by the Company from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment (see Note vi on page 86).

4. To reappoint Dr. J.M.Swaminathan who is over seventy years of age as a Director.

A Special Notice has been received by the Company from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment (see Note vii on page 86).

5. To reappoint Mr. S.D.R.Arudpragasam who is over seventy years of age as a Director.

A Special Notice has been received by the Company from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment (see Note viii on Page 86).

6. To appoint Messrs. MOORE Aiyar, Chartered Accountants as Auditors in place of the retiring auditors V.S. & Associates and to authorise the Directors to determine their fees.

## 7. Special Business

To consider and if thought fit to pass the following Special Resolution to amend the Articles of Association of the Company in compliance with the Listing Rules of the Colombo Stock Exchange in the manner following:

### RESOLVED –

- That the existing Article 75 (1) be deleted and the following be substituted therefor:

75 (1) The Directors shall not be less than five (5) or more than nine(9) in number. Subject to the provisions of the Act and these presents, the Company may from time to time, by Special Resolution, increase or reduce the number of Directors.

- That the existing Article 106 be deleted in its entirety and the following be substituted therefor:

106 (1) A Director, may by notice in writing left at the office, appoint any person to be his Alternate to act in his place for such period as the appointor may stipulate and such appointment shall become effective upon approval thereof by the Board, provided however that:-

- (a) An Alternate Director shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment;

## Notice of Meeting

- (b) If an Alternate Director is appointed by a Non-Executive Director such Alternate should not be an Executive of the Company.
- (c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in the Listing Rules of the Colombo Stock Exchange and the Company shall satisfy the requirements relating to the minimum number of Independent Directors specified in the Listing Rules. The Nominations and Governance Committee of the Company shall review and determine that the person so nominated as the Alternate would qualify as an Independent Director before such appointment is made.
- (d) The Company shall make an immediate Market Announcement on the Colombo Stock Exchange regarding the appointment of an Alternate Director. Such Market Announcement shall include the following:
  - i) The exceptional circumstances leading to such appointment
  - ii) The information on the capacity in which such Alternate Director is appointed, i.e. whether as an Executive, Non-Executive or Independent Director.
  - iii) The time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment and
  - iv) A statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company.
- (2) A person appointed to be an Alternate Director shall not in respect of such appointment be entitled to receive any remuneration from the Company, nor be required to hold any share qualification, but the Board may repay the Alternate Director such reasonable expenses as he may incur in attending and returning from meetings of the Directors which he is entitled to attend or which he may otherwise properly incur in or about the business of the Company or may pay such allowances as the Board may think proper in respect of these expenses.
- (3) An Alternate Director shall be entitled to receive notices (on his giving an address for such notices to be served upon him) of all meetings of the Directors and to attend and vote as Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director in the absence of such appointor.
- (4) If an Alternate Director is also a Director in his own right he shall have at any Board meeting two (2) votes, one (1) vote in his own right and one (1) vote in his capacity as an Alternate Director.
- (5) An Alternate Director shall ipso facto cease to be an Alternate Director on the happening of any of the following events;
  - (a) Upon the Appointor's resumption of duties as a Director;
  - (b) If the appointment of the Alternate Director is revoked by notice in writing left at the office by his appointor;

## Notice of Meeting

- (c) If his appointor ceases for any reason to be a Director; Provided that if any Director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired;
  - (d) If the Alternate Director shall have a receiving order made against him or compounds with his Creditors or is adjudicated an insolvent;
  - (e) If the Alternate Director be lunatic or becomes of unsound mind;
  - (f) If the Alternate Director resigns by a notice in writing given under his hand to the Company;
  - (g) If he becomes subject to any of the provisions of Article 84 of these presents which, if he were a Director of the Company, would render his office vacated;
  - (h) If the Board resolves that the appointment of the Alternate Director be terminated; provided that such termination shall not take effect until the expiration of thirty (30) days after the date of the resolution of the Board.
- (6) A Director shall not vote on the question of the approval of an Alternate Director to act for him or on the question of the termination of the appointment of such an Alternate Director under the forgoing sub-clause of this Article, and if he does so his vote shall not be counted; nor for the purpose of any resolution for either of these purposes shall he be counted in the quorum present at the meeting.
  - (7) The attendance of any Alternate Director at any meeting subject to (6) above, including Board Committee meetings shall be counted for the purpose of quorum.

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

Colombo  
06th August, 2024

## Notice of Meeting

### Notes:

- i. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his/her stead.
- ii. A proxy need not be a Member of the Company. The Form of Proxy is attached hereto.
- iii. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than forty eight hours before the time appointed for the holding of the Meeting.
- iv. 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 in accordance with the instructions given on the reverse of the Form of Proxy.
- v. Please refer the Circular to shareholders and CSE website for further instructions relating to the AGM and for joining the meeting virtually.
- vi. A 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 four 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. 07 of 2007 shall not apply to the said Director, Mr. A.M.de S.Jayaratne."
- vii. A 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 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. 07 of 2007 shall not apply to the said Director, Dr.J.M.Swaminathan."
- viii. A 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 as at the date of the Annual General Meeting would have reached seventy 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. 07 of 2007 shall not apply to the said Director, Mr. S.D.R.Arudpragasam".

# Form of Proxy

I/We the undersigned .....Of.....

being a member/members of Colombo Fort Investments PLC, do hereby appoint : .....  
.....Of..... whom failing

Sri Dhama Rajendram Arudpragasam  
Sriskandamoorthy Shanmugalingam  
Ajit Mahendra de Silva Jayaratne  
Sanjeev Rajaratnam  
Jayanta Mootatamby Swaminathan  
Amrit Rajaratnam  
Anushman Rajaratnam  
Parakrama Maithri Asoka Sirimane

of Colombo whom failing  
of Colombo whom failing  
of Colombo whom failing  
of Colombo whom failing  
of Colombo whom failing  
of Colombo whom failing  
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 19th September, 2024 and at any adjournment thereof and at every poll which may be taken in consequence thereof. I/We the undersigned hereby authorise my/ our proxy to vote on my/our behalf in accordance with the preferences indicated below:

<b>RESOLUTIONS</b>							
Resolution Numbers as set out in the Notice convening the Meeting	1	2	3	4	5	6	7
For							
Against							

As witness, my / our \* hand/s this.....day of .....2024.

.....  
Signature of Shareholder

## Notes :

Please indicate with an X in the space provided how your proxy is to vote. If there is in the view of the Proxy Holder doubt (by reason of the way in which the instructions contained in the proxy have been completed) as to the way in which the Proxy holder should vote, the Proxy holder shall vote as he thinks fit.

A Proxy holder need not be a member of the Company.

Instructions as to completion appear on the reverse hereof.

**Instructions as to Completion**

- 1 To be valid the completed Form of Proxy must be deposited at the Registered Office of the Company at No 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01 not less than 48 hours before the time appointed for the holding of the Meeting.
- 2 The Instrument appointing a proxy shall in the case of an individual be signed by the appointor by his Attorney and in the case of a Company/Corporation the Proxy Form must be executed under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association or other constitutional document.
- 3 If the Proxy Form is signed by an Attorney, the relevant Power of Attorney or a notarially certified copy thereof, should also accompany the completed Form of Proxy if it has not already been registered with the Company.
- 4 The full name and address of the Proxy and of the shareholder appointing the Proxy should be entered legibly in the Form of Proxy. Please sign in the space provided and fill in the date of signature.