

# **Indo-Malay PLC**

ANNUAL REPORT 2020-21



**Goodhope**

A CARSON CUMBERBATCH COMPANY

## Financial Calendar

Financial Year End 31st March 2021

### Announcement of Results

First Quarter ended 30th June 2020 14th August 2020

Second Quarter ended 30th September 2020 13th November 2020

Third Quarter ended 31st December 2020 15th February 2021

Notice of 115th Annual General Meeting 05th May 2021

**115th Annual General Meeting** 31st May 2021

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# Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Indo - Malay PLC for the year ended 31 March 2021 and welcome you to the One Hundred and Fifteenth Annual General Meeting of the Company.

## Financial Performance

The COVID-19 pandemic continues to pose challenges and risks to the operating environment. The management is taking all required safety measures within the plantations to mitigate any consequent business impact. The Global Crude Palm Oil prices (CPO) which witnessed historical low prices in the recent past, has started to show signs of recovery since the 03rd Quarter of this financial year. However, the simultaneous introduction of a new duty on CPO by the Indonesian government to support its bio-diesel mandate has dented the benefit of the CPO price upside which will impact all Indonesian plantation Companies. In the midst of these prevailing industry and economic uncertainties, the investee company has been taking several measures to preserve its liquidity position and remain resilient to withstand these external challenges.

Consequently, this year too no dividend was received from the Company's long term unquoted investment. The only source of income of the Company is the interest income it earns from short term deposits in Sri Lanka, the rate of which has declined sharply following the pandemic outbreak.

Accordingly, your Company recorded a net profit after tax of Rs.5.85 Mn for the year as compared to the profit of Rs. 6.63 Mn recorded in the previous financial year.

## Minimum Public Holding

As per Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange, a Listed Entity on the Main Board having a public holding below the specified requirement in terms of the said rules, has to ensure that the public holding of such entity is maintained at a defined public holding percentage of shares in the hands of a minimum number of public shareholders as specified in the said rules.

As previously informed via annual and interim reports, the Company is not in compliance with the minimum public holding requirements in relation to a Company Listed on the Main Board of the Colombo Stock Exchange (CSE) as per Rule 7.13.1 (a) of the Listing Rules of CSE. Accordingly, the Company was transferred to the 'Watch List' of the CSE in terms of Rule 7.13.2 (b) of the previous Listing Rules of the CSE with effect from 02nd July 2018. However, the CSE via their Circular No. 03/2019 dated 3rd October 2019 amended the Listing Rules on enforcement actions applicable for non-compliance with minimum public holding requirements with effect from 12th September 2019. Accordingly, in terms of Rule 7.13.2 of the Listing Rules of the CSE, the company was transferred to the Second Board with effect from 15th November 2019.

## Chairman's Statement

In this regard, I wish to highlight that the objective of the voluntary offer made to all shareholders in 2011 was to acquire the entire minority shareholding as a step towards the consolidation of the oil palm plantation business segment of Carsons group. The offer documents also mentioned that upon completion of the voluntary offer, the rationale for remaining listed will be evaluated. Since the voluntary offer did not result in the acquisition of the entire minority shareholding, the Company continued to remain listed.

Taking into consideration that a voluntary offer had been made and also considering that there is no requirement for additional capital infusion to the Company and resultantly, there being no plans for issuing of new shares nor a dilution by the majority shareholder and as previously communicated to shareholders through market disclosures and Annual Reports and in terms of the revised Listing Rules, we will report on the proposed course of action.

On behalf of the Board of Directors of the Company, I extend our appreciation to the shareholders for their continued support and confidence placed in the Directors and to all our business associates.

I am thankful to our management and staff for their hard work and dedication. Last but not least, I would like to thank my fellow Board Members for their support

and guidance provided throughout the year, and to the members of the Audit Committee, Remuneration Committee and Related Party Transactions Review Committee for their invaluable efforts.

*(Sgd.)*

**H. Selvanathan**

*Chairman*

23rd April 2021

# Management Discussion and Analysis

## Review of Industry and Operational Performance

The equity investment in PT Agro Indomas (PTAI) in Indonesia made via Shalimar Developments Sdn. Bhd. (SDSB) and the shares held in Shalimar (Malay) PLC (SMPLC) comprise the sole operation of the company.

The Indonesian investment, PT Agro Indomas is managed by the group's fully owned management arm in Indonesia. PTAI consists of 26,981 hectares of plantation with processing facilities of 225 MT/hr. Statistics pertaining to the operating performance of the Indonesian Investment, PT Agro Indomas is provided in this annual report in section 07 under "Information to Shareholders and Investors" in pages 74 and 75.

The Investment in SDSB is recorded in the financial statements at fair value as determined by an independent professional valuer as more fully explained in Note 08 to the financial statements.

The outbreak of the COVID-19 pandemic in March 2020 continues to pose fresh challenges and risks to the operating environment in the plantations. The Global Crude Palm Oil prices (CPO) which witnessed historical low prices continuously in the past few years, has shown signs of recovery since the 03rd Quarter of this financial year. However, the CPO price upside has been constrained with the introduction of a new duty on CPO by the Indonesian government to support its bio-diesel mandate.

In the midst of these developments, PTAI has been taking several cautious measures to consolidate its position and to remain resilient in the current environment. Hence, no dividend was received from the Company's long term unquoted investment in the year under review. The only source of revenue is the interest income earned from the short term deposits in Sri Lanka, the rate of which has declined sharply following the outbreak of the pandemic.

The Company recorded a profit after tax of Rs. 5.85 Mn from operations during the year under review compared to the profit of Rs. 6.63 Mn recorded in the previous financial year. Accordingly, no dividend has been proposed for the year under review.

### Minimum Public Holding

As more fully noted in the Chairman's Review, the Company is not in compliance with the minimum public holding requirements in relation to a Company Listed on the Main Board as per Rule 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange (CSE). The CSE subsequently issued an amendment on enforcement actions applicable for non-compliance with minimum public holding requirements via their Circular No. 03/2019 dated 03rd October 2019. Accordingly, the company was transferred to the Second Board with effect from 15th November 2019.

We wish to note that taking into consideration the voluntary offer made to all shareholders in 2011 as a step towards consolidation of the oil palm business and as mentioned in the offer documents that the need for remaining listed will be evaluated. Since the voluntary offer did not result in the acquisition of the entire minority shareholding, the Company continued to remain listed. Further, considering that there is no requirement for additional capital infusion to the Company and resultantly, there being no plans for issuing of new shares nor a dilution by the majority shareholder and as previously communicated to shareholders through market disclosures and Annual Reports and in terms of the revised Listing Rules, the company will report its proposed course of action.

**Agro Harapan Lestari (Pvt) Ltd**  
*Managers*

23rd April 2021

# Risk Management

The Company's overall risk management objective is to ensure that it creates value to its shareholders, whilst minimizing any potential adverse impact. The Company's risk management framework is aligned to that of its parent company and Board approved policies and guidelines.

The integrated risk framework ensures early detection and prevention of risks as well as exploitation of opportunities, contributing to a sustainable business model. The risks are continuously reviewed and managed through the anticipation and deployment of effective corrective actions.

## Continuing Business Segment

The continuing business of the Company consists of the (i) equity investment made in Shalimar Development Sdn. Bhd. (SDSB) and (ii) shares held in Shalimar (Maly) PLC. SDSB owns shares in PT Agro Indomas of Indonesia, which is in the Oil Palm Plantation business. The Company's only source of operating income is any potential dividend income it may earn from its long term investments. The performance of the investments (both the investment value and the returns) are subject to the following key risks.

### (a) Investment Income Risk

#### I. Commodity Price Risk

The price of Crude Palm Oil (CPO), the main produce of PT Agro Indomas, is determined by international market forces. The price of CPO is volatile along with the movements in the global commodities market. The sale of CPO is the prime source of cash inflow for PT Agro Indomas. Therefore, any volatility in CPO prices will have a direct impact on the operating results and cash flows of PT Agro Indomas and its ability to pay dividends.

### II. Environmental Risk

Unfavorable weather patterns, resulting in extreme conditions impacting palm growth, natural and man-made disasters such as fire and potential crop disease could affect the quantity and/or quality of the produce. Accordingly, this can impact the volume of CPO production, and therefore, the operating results and cash flows generated by the investee companies and their ability to pay dividends.

#### (b) Investment Valuation Risk

The value of the investments in the investee companies are stated at fair value and are assessed by an independent professional valuer using the discounted cash flows methodology. Some of the key assumptions which impact the valuation include the forecasted international selling price of CPO and the applicable market discount rate, both of which are beyond the control of the Company. While adequate measures are taken to manage the controllable input of the valuation assumptions, volatility in external environment and industry dynamics such as weather patterns and biological cycles together with macro-economic and political factors including inflation rates, also can result in fluctuations in the appraised fair value of the investments in the financial statements.

#### (c) Foreign Exchange Risk

A currency risk is generated through the translation of foreign currency denominated investment to Sri Lankan Rupee for the purpose of financial reporting in Sri Lankan Rupees.

Given the unprecedented experience of a global pandemic, the price and foreign exchange risk have exacerbated significantly; and supply chain for edible oil and other commodities may face significant disruptions.

## Agro Harapan Lestari (Pvt) Ltd

Managers

23rd April 2021

## Profile of the Directors

### **HARIHARAN SELVANATHAN**

*(Appointed w.e.f. 12th August 2020)*

Hariharan Selvanathan was appointed as Chairman of Indo – Malay PLC with effect from 12th August 2020. He is the Chairman of Bukit Darah PLC and Deputy Chairman of Carson Cumberbatch PLC. He is the Deputy Chairman/Group Chief Executive officer of Goodhope Asia Holdings Ltd. He is the President Commissioner of the palm oil related companies in Indonesia. He holds Directorships in several subsidiary companies within the Carsons Group and is also a Director of Sri Krishna Corporation (Private) Limited and the Chairman of Express Newspapers (Ceylon) Ltd. He is also the Chairman of Carsons Management Services (Private) Limited and Agro Harapan Lestari (Private) Limited, the Group's Management companies.

He was the Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka). He counts over 20 years' experience in commodity trading in International Markets.

He holds a Bachelor's Degree in Commerce.

### **MANOHARAN SELVANATHAN**

*(Appointed w.e.f. 12th August 2020)*

Manoharan Selvanathan is the Chairman of Sri Krishna Corporation (Private) Limited, Ceylon Finance & Securities (Private) Ltd and Selinsing PLC. He is a Director of most of the Companies in the Carson Cumberbatch Group in Sri Lanka, Indonesia, Malaysia & Singapore

and is an active member of its Executive Management Forums.

He has served as the Chairman of the Ceylon Chamber of Commerce and The Indo Lanka Chamber of Commerce & Industry and also as the President of the Rotary Club of Colombo North. At present, he is the Honorary Consul of the Republic of Chile in Sri Lanka.

Mano Selvanathan was conferred the National Honours in Sri Lanka the 'DESAMANYA' title by H.E. The President of Sri Lanka, in recognition of the services rendered to the Nation in November 2005.

In January 2011, he was awarded with the prestigious 'PRAVASI BHARATIYA SAMMAN AWARD' by the President of India. He also received the Presidential Honour of 'ORDER OF KNIGHT COMMANDER' in October 2013 awarded by the Government of Chile.

He holds a Bachelor's Degree in Commerce.

### **ISRAEL PAULRAJ**

*(Appointed w.e.f. 12th August 2020)*

Israel Paulraj is the Chairman of Guardian Capital Partners PLC and Rubber Investment Trust Limited. He serves as a Director of several subsidiary companies within the Carsons Group.

He served as the Past Chairman of the Federation of Exporters Associations of Sri Lanka and The Coconut Products Traders Association. He was a member of the Executive Committee of the

## Profile of the Directors

Ceylon Chamber of Commerce, National Chamber of Commerce of Sri Lanka and Shippers Council. He served on the Board of Arbitrators of the Ceylon Chamber of Commerce. He has also served as the Hony. General Secretary of the Central Council of Social Services, Hony. Treasurer of the Christian Conference in Asia, President of the Church of Ceylon Youth Movement and Hony. Treasurer of the National Christian Council of Sri Lanka. He has also served as the Chairman of the Incorporated Trustees of the Church of Ceylon.

He also served on the Presidential Task Force on Non Traditional Export and Import Competitive Agriculture set up by the late President R. Premadasa. He served as the Chairman of the Ecumenical Loan Fund of Sri Lanka and on its International Board in Geneva. He was a member of the Commercial Law Reform Commission and has served on the Parliamentary Consultative Committee on Internal and International Trade.

He holds a Bachelor's Degree in Law and an Executive Diploma in Business Administration.

### **CHANDIMA GUNAWARDENA**

Chandima Gunawardena serves as a Non-Independent, Non-Executive Director of most of the Carsons Group Companies in Sri Lanka and overseas. He is also a Director of Bukit Darah PLC. Since assuming Non- Executive status in the Group, he serves as an advisor to the Group's Strategic Planning and

Management forums in Sri Lanka and serves on Board Committees, including the Audit Committees of the Group in Sri Lanka and overseas covering all operating sectors of the Group.

Mr. Gunawardena has over four decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions. He was appointed to the Carsons Group Directorate in 1990.

He has served in the Management Committee of The Ceylon Chamber of Commerce for over 10 years and was a Founder Council member of the Sri Lanka Institute of Directors (SLID) and continued to serve in the council for over 10 years.

He is a Fellow of the Chartered Institute of Management Accountants, UK.

### **SUBRAMANIAM MAHENDRARAJAH**

Subramaniam Mahendrarajah is a Director of Indo-Malay PLC, Selinsing PLC, Shalimar (Malay) PLC, Guardian Capital Partners PLC, Equity One Limited and Leechman & Company (Private) Ltd. He is also the Group Finance Director of Sri Krishna Group of Companies. He has over 40 years experience in the fields of manufacturing, trading, financial services and management. He is also the Past President of the Rotary Club of Colombo Down Town and is the recipient of the prestigious 'Service above Self' award from Rotary International.



## **SANJIV ALLES**

Sanjiv Alles is a Director/ Co-founder of Atom Technologies (Private) Ltd, Atomedia (Private) Ltd, Saberion (Private) Ltd. and Alles Holdings and Investments (Pvt) Limited.

Prior to this, he served as a consultant at Millennium Information Technologies for the automation of the American Stock Exchange (AMEX). Presently, he also serves on the Boards of Indo-Malay PLC, Good Hope PLC and Selinsing PLC. Sanjiv Alles holds a Bachelor of Arts degree from the Warwick Business School (UK) and a Master of Laws degree from the University of Melbourne, Australia.

## Statement of Directors' Responsibilities

The responsibilities of the Directors in relation to the Financial Statements are detailed in the following paragraphs, while the responsibilities of the Auditors are set out in the Report of the Auditors.

According to the Companies Act No. 07 of 2007 and the Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995, Directors are required to prepare Financial Statements for each financial year, giving a true and fair view of the financial position of the Company as at the end of the financial year and of the financial performance for the said period.

In preparing these Financial Statements, the Directors are required to ensure that:

- appropriate accounting policies have been selected and applied consistently while material departures, if any, have been disclosed and explained,
- all applicable Accounting Standards have been complied with,
- reasonable and prudent judgments and estimates have been made,
- Listing rules of the Colombo Stock Exchange (CSE) have been met and
- Code of best practice on corporate governance issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC) has been adopted.

The Directors are responsible for ensuring that the Company maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company in order to ensure that the Financial Statements of the Company

meet with the requirements of the Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995 and the Companies Act No. 07 of 2007. They are also responsible for taking reasonable measures to safeguard the assets of the Company and in this regard, to give proper consideration to the establishment of an appropriate system of internal controls with a view to prevent, detect and rectify frauds and other irregularities.

These Financial Statements have been prepared on a going concern basis after reviewing the financial position and the cash flows and the Directors are of the view that the Company has adequate resources to continue in operation for the foreseeable future from the date of signing these financial statements.

The Directors are also of the view that they have discharged their responsibilities as set out in this statement.

By Order of the Board,

*(Sgd.)*

**K. D. De Silva (Mrs.)**

*Director*

**Carsons Management Services (Private) Limited**

*Secretaries*

Colombo  
23rd April 2021

# Annual Report of the Board of Directors on the Affairs of the Company

The Board of Directors of Indo-Malay PLC (“the Company”) have pleasure in presenting to the Shareholders their Report, together with the Audited Financial Statements for the year ended 31st March 2021.

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

The Annual Report was approved by the Board of Directors on 23rd April 2021.

## 1. GENERAL

Indo-Malay PLC (the “Company”) is a public limited liability Company incorporated in Sri Lanka in 1906.

## 2. PRINCIPAL ACTIVITY OF THE COMPANY

The principal activity of the Company is managing and holding of an investment portfolio.

There were no significant changes in the nature of the principal activities of the Company during the financial year under review.

## 3. BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Chairman’s Statement and Business Review on pages 01 to 03 provides an overall assessment of the business performance of the Company and its future developments.

These reports together with the audited financial statements reflect the state of affairs of the Company.

## 4. FINANCIAL STATEMENTS

The financial statements which comprise of the Statement of Profit or Loss and Comprehensive Income, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Equity and Notes to the financial statements of the Company for the year ended 31st March 2021 are set out on pages 34 to 62. These financial statements comply with the requirements of Section 151 of the Companies Act No. 07 of 2007.

### 4.1 Financial results and appropriations

An abridgement of the financial performance of the Company is presented in the following table.

## Annual Report of the Board of Directors on the Affairs of the Company

<i>For the year ended 31 March</i>	<b>2020</b>	2019
<b>(In Sri Lankan Rupees thousands)</b>	<b>Rs.'000</b>	Rs.'000
<b>Profit for the year</b>	<b>5,852</b>	6,625
Retained earnings as at the beginning of the year	<b>54,267</b>	47,642
Profits available for appropriations	<b>60,119</b>	54,267
Other Comprehensive Income	-	-
Dividend Paid	-	-
Appropriations	-	-
<b>Retained earnings as at the end of the year</b>	<b>60,119</b>	54,267

### 4.2 Significant accounting policies

The accounting policies adopted in the preparation of these financial statements are given on pages 39 to 50.

### 4.3 Investment in Financial Instruments

Investments in financial instruments of the Company represents investments in available for sale financial assets and investments in fair value through profit or loss financial assets, categorised into,

- Fair value hierarchy Level 01 – quoted securities / unit trusts
- Fair value hierarchy Level 03 – unlisted entity

The details of financial instruments categorized in to levels in the fair value hierarchy are given in note 08 to the financial statements.

### 4.4 Capital expenditure

The details of capital expenditure of the Company are as follows;

<i>For the year ended 31 March</i>	<b>2021</b>	2020
<b>Rs.'000</b>	<b>Rs.'000</b>	Rs.'000

Property, Plant & Equipment	-	177
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### 4.5 Reserves

As at 31st March 2021, the total reserves of the Company stood at Rs. 6,962 Mn (2020 - Rs. 5,663 Mn)

The movements are set out in the Statement of Changes in Equity to the financial statements.

## 5 INTERESTS REGISTER

The Company maintains the Interests Register conforming to the provisions of the Companies Act, No.07 of 2007. All Directors have made declarations as provided for in Section 192(2) of the Companies Act, aforesaid.

The relevant details as required by the Companies Act, No. 07 of 2007 have been entered in the Interests Register during the year under review.

The Interests Register is available for inspection as required under the Companies Act, No. 07 of 2007.

### 5.1 Remuneration of Directors

Directors' remuneration, for the financial year ended 31st March 2021 is given in note 18.2 to the Financial Statements, on page 58.

### 5.2 Directors' Interest in Contracts and Shares

Directors' interests in contracts of the Company are disclosed in note 18.2 to these financial statements and have been declared at meetings of the Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in the ordinary shares of the Company as shown in the table below.

	No. of shares	
	31st March 2021	31st March 2020
H. Selvanathan (Chairman) (Appointed w.e.f. 12.08.2020)	-	-
M. Selvanathan (Appointed w.e.f. 12.08.2020)	1	1
I. Paulraj (Appointed w.e.f. 12.08.2020)	-	-
D. C. R. Gunawardena	-	-
S. Mahendrarajah	75	75
S. N. Alles	-	-

## 6 DIRECTORS

The names of the Directors who served during the year are given under Corporate Information provided in the inner back cover of the Annual Report.

### 6.1 Changes in Directorate

- (a) Mr. H. Selvanathan was appointed to the Board as an Executive Director and the Chairman w.e.f. 12th August 2020.
- (b) Mr. M. Selvanathan was appointed to the Board as an Executive Director w.e.f. 12th August 2020.
- (c) Mr. I. Paulraj was appointed to the Board as a Non-Executive Director w.e.f. 12th August 2020.

## Annual Report of the Board of Directors on the Affairs of the Company

### 6.2 Directors to retire by rotation

In terms of Articles 85 and 86 of the Articles of Association of the Company, Mr. S. N. Alles retires by rotation and being eligible offers himself for re-election.

### 6.3 Retirement at the first Annual General Meeting following the appointment as a Director

In terms of Article 92 of the Articles of Association of the Company, Messrs. H. Selvanathan, M. Selvanathan and I. Paulraj - Directors retire from the Board and being eligible offer themselves for re-election.

### 6.4 Re-appointment of Directors who are over 70 years of age

Messrs. H. Selvanathan, M. Selvanathan and I. Paulraj - Directors who are over 70 years of age and D. C. R. Gunawardena - Director who reached the age of 70 during the year, are to be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not be applicable to the said Directors.

## 7 CORPORATE GOVERNANCE

The Board has ensured that the Company has complied with the Corporate Governance Rules as per

the Listing Rules of the Colombo Stock Exchange (CSE).

### 7.1 Board of Directors

The following Directors held office as at the reporting date and their brief profiles are given on pages 05 to 07 of the Annual Report.

Directors	Executive/ Non-Executive/ Independent
H. Selvanathan (Chairman) (Appointed w.e.f. 12.08.2020)	Executive
M. Selvanathan (Appointed w.e.f. 12.08.2020)	Executive
I. Paulraj (Appointed w.e.f. 12.08.2020)	Non-Executive
D.C.R. Gunawardena	Non-Executive
S. Mahendrarajah*	Non-Executive / Independent
S. N. Alles**	Non-Executive / Independent

Each of the Non-Executive Directors of the Company have submitted a signed declaration on Independence/ Non-Independence as per Rule 7.10.2(b) of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at a Board Meeting of the Board of Directors of the Company held on 23rd April 2021, in order to enable the Board of Directors to determine the Independence/ Non-Independence

of each of the Non-Executive Directors, in terms of Rule 7.10.3(a) of the Listing Rules of the CSE.

\*Mr. S. Mahendrarajah is an Independent Director in spite of being a Director of Selinsing PLC & Shalimar (Malay) PLC in which the majority of the other Directors of the Board are also Directors, since he is not directly involved in the management of the Company.

\*\*Mr. S.N. Alles is an Independent Director in spite of being a Director of Good Hope PLC & Selinsing PLC in which the majority of the Directors of the Board are also Directors, since he is not directly involved in the management of the Company.

The Managers of the Company are Agro Harapan Lestari (Pvt) Ltd.

## 7.2 Directors' Meetings Attendance

As permitted by Article 93 of the Articles of Association of the Company, the Board of Directors had three virtual Board Meetings by means of Microsoft Teams during the financial year.

The attendance of the Directors were as follows;

Directors	Meetings attended (Out of 3)
H. Selvanathan (Chairman) (Appointed w.e.f. 12.08.2020)	2/3
M. Selvanathan (Appointed w.e.f. 12.08.2020)	2/3
I. Paulraj (Appointed w.e.f. 12.08.2020)	2/3
D.C.R. Gunawardena	3/3
S. Mahendrarajah	3/3
S. N. Alles	3/3

## 7.3 Audit Committee

As permitted by the Colombo Stock Exchange, the Audit Committee of Carson Cumberbatch PLC (CCPLC) the parent Company of Goodhope Asia Holdings Ltd (GAHL), functions as the Audit Committee of the Company and comprises of the following members;

### Composition

Audit Committee Members	Executive/ Non-Executive/ Independent
Mr. A. S. Amaratunga (Chairman) Appointed as Chairman w.e.f. 1/1/2021	Non-Executive/ Independent Director of CCPLC
Mr. D.C.R. Gunawardena	Non-Executive Director of CCPLC

## Annual Report of the Board of Directors on the Affairs of the Company

<b>Audit Committee Members</b>	<b>Executive/ Non-Executive/ Independent</b>
Mr. Y. H. Ong <i>Appointed as Member w.e.f. 1/1/2021</i>	Non-Executive/ Independent Director of CCPLC

\*The following members ceased to be members of the Audit Committee subsequent to their resignation as Non-Executive/ Independent Directors of CCPLC w.e.f 31st December 2020.

- *Mr. V. P. Malalasekera – Chairman of the Audit Committee*
- *Mr. F. Mohideen – Member of the Audit Committee*

The Audit Committee Report is given on pages 22 to 24 of this Annual Report.

### 7.4 Remuneration Committee

As permitted by the Colombo Stock Exchange, the Remuneration Committee of Carson Cumberbatch PLC (CCPLC) the parent Company of Goodhope Asia Holdings Ltd(GAHL), functions as the Remuneration Committee of the Company and comprises of the following members;

### Composition

<b>Remuneration Committee Members</b>	<b>Executive / Non-Executive / Independent</b>
Mr. T. de Zoysa <i>(Chairman)</i>	Non-Executive/ Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. R. Theagarajah	Non-Executive/ Independent Director of CCPLC
Mr. W. M. R. S. Dias	Non-Executive/ Independent Director of CCPLC

### Scope and Objective

The primary objective of the Remuneration Committee is to lead to establish a formal and transparent procedure for the development of a remuneration policy and the establishment of a remuneration structure.

### Functions and Proceedings

The Remuneration Committee recommends to the Board the remuneration to be paid to the Chief Executive Officer, Executive Directors and Non-Executive Directors. Based on the recommendation of the remuneration committee, the Board approves remuneration to the respective Directors.



The Chief Executive Officer, Director-in-charge and other members of senior management may be invited to attend meetings to discuss the performance of the Executive Directors and make proposals as necessary. Neither, Executive or Non-Executive Directors are involved in Remuneration Committee meetings when determinations are made in relation to the remuneration of the respective Directors.

The Committee is authorised by the Board to seek appropriate professional advice internally and externally as and when it considers this necessary.

The Remuneration Committee meets at least twice a year.

As permitted by the Remuneration Committee Charter, the Committee had Two virtual meetings during the period under review .

Remuneration Committee Members	Meeting Attended (out of two)
Mr. T. de Zoysa (Chairman)	2/2
Mr. D.C.R. Gunawardena	2/2
Mr. R. Theagarajah	2/2
Mr. W. M. R. S. Dias	2/2

#### Reporting and Responsibilities

The Committee Chairman reports to the Board on its proceedings on all matters within its duties and

responsibilities. The Committee makes recommendations to the Board as deemed appropriate on any area within its limit where action or improvements are needed.

Aggregated remuneration paid to the Non-Executive Directors of the Company are disclosed under note 18.2 on page 58 of the Annual Report. Executive Directors are not compensated for their role on the Board.

#### 7.5 Related Party Transactions Review Committee

As permitted by the Colombo Stock Exchange, the Related Party Transactions Review Committee of CCPLC the parent Company of Goodhope Asia Holdings Ltd(GAHL), functions as the Related Party Transactions Review Committee of the Company and comprises of the following members;

##### Composition

Related Party Transactions Review Committee Members*	Executive / Non-Executive / Independent
Mr. W. M. R. S. Dias (Chairman) – Appointed w.e.f. 1/1/2021	Non-Executive/ Independent Director of CCPLC
Mr. R. Theagarajah – Appointed w.e.f. 1/1/2021	Non-Executive/ Independent Director of CCPLC

## Annual Report of the Board of Directors on the Affairs of the Company

<b>Related Party Transactions Review Committee Members*</b>	<b>Executive / Non-Executive / Independent</b>
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. H. Selvanathan	Executive Director of CCPLC
Mr. M. Selvanathan	Executive Director of CCPLC
Mr. S. K. Shah	Executive Director of CCPLC

*\*The following members ceased to be members of the Related Party Transactions Review Committee subsequent to their resignation as Non-Executive/ Independent Directors of CCPLC w.e.f 31st December 2020.*

- *Mr. V. P. Malalasekera – Chairman of the Related Party Transactions Review Committee*
- *Mr. F. Mohideen – Member of the Related Party Transactions Review Committee*

The Related Party Transactions Review Committee Report is given on pages 25 to 27 of this Annual Report.

### Declaration

The Company has not entered into any Related Party Transactions as per Rule 9 of the Listing Rules of the Colombo Stock Exchange, during the financial year.

### Related Party Transactions Exceeding 10% of the Equity or 5% of the Total Assets of the Company

The Directors declare in terms of the requirements of the Listing Rules of the Colombo Stock Exchange that the transactions carried out by the Company with its Related Parties during the year ended 31st March 2021, did not exceed 10% of Equity or 5% of the Total Assets of the Company as at 31st March 2020.

The details of the Related Party Transactions are given in Note 18 on page 58 of the Financial Statements.

### 7.5.1 Non-Recurrent Related Party Transactions

There were no non-recurrent related party transactions for the year ended 31st March 2021 which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31st March 2020 Audited Financial Statements as required by the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities

and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

### 7.5.2 Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the revenue of the Company as per 31st March 2020 Audited Financial Statements as required by the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

All the related party transactions are disclosed under Note 18 on page 58 to the Financial Statements.

## 8 INTERNAL CONTROL AND RISK MANAGEMENT

The ultimate responsibility to establish, monitor and review a company-wide internal control system rests with the Board of Directors. The intensity, depth and the tolerance limits for each components of the internal control system would be based on the weight of the elements of risk imposed on the sustenance of the business by the respective area of

operation. Whilst a strong internal control system would mitigate the crystallisation of risk elements to a greater extent, employment of external support structures would also be necessary based on the risk assessments made thereon.

Effective maintenance of internal controls and risk indication and mitigation is handed down to the respective members of senior management within the guidelines of benchmark policies, procedures and authority limits clearly laid down.

Group internal Audit, whose scope of scrutiny is entirely driven by grading of the risk involved, will be monitoring and providing feedback to the Management and the Audit Committee. Regular submission of compliance and internal solvency certificates vouched by the Heads of the respective divisions as a mandatory agenda item keeps the Directors abreast of the position of the Company's resource base and governance requirements.

This allows the Board to have total control of the fulfillment of governance requirements by providing opportunity to take timely preventive action in case of potential deterioration of status quo. A comprehensive description of the risk management strategies of the

## Annual Report of the Board of Directors on the Affairs of the Company

Company are given on Page 04 in the Annual Report.

### 9 INDEPENDENT AUDITORS

The Company's Auditors during the year under review were Messrs. Ernst & Young, Chartered Accountants.

A sum of Rs. 231,750/- (2020 - Rs. 231,750/-) was paid to them by the Company as audit fees for the year ended 31st March 2021. Fees paid to Auditors on audit related services are given in note 04 to the financial statements.

The retiring Auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Independent Auditors of the Company and authorising the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the Auditors, its effectiveness and their relationship with the Company, including the level of audit and non-audit fees paid to the Auditors.

#### 9.1 Auditors' relationship or any interest with the Company

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the Auditors do

not have any interest with the Company that would impair their independence.

### 10. INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the financial statements is given on pages 29 to 33 of the Annual Report.

### 11. HUMAN RESOURCES

With the disposal of the Malaysian Plantation Property, the Company does not have any employees as at 31st March 2021.

### 12. EQUITABLE TREATMENT TO SHAREHOLDERS

The Company endeavors at all times to ensure equitable treatment to all Shareholders.

### 13. ENVIRONMENT PROTECTION

The Company is sensitive to the needs of the environment and makes every endeavor to comply with the relevant environmental laws, regulations and best practices applicable in the country. After making adequate inquiries from the Management, the Directors are satisfied that the Company operates in a manner that minimizes the detrimental effects on the environment and provides services that have a beneficial effect on the customers and the communities within which the Company operates.

**14. DIVIDEND**

The Board of Directors have not recommended a final dividend for the year ended 31st March 2021.

**15. SOLVENCY TEST**

Since there is no recommendation for a payment of a dividend for the year ended 31st March 2021, it is not required to prepare a solvency statement in accordance with section 56 of the Companies Act, No.07 of 2007.

**16. STATED CAPITAL**

The Stated Capital of the Company as at 31st March 2021 was Rs. 70,033,000 consisting of 4,811,400 Ordinary Shares. There was no change in the Stated Capital of the Company during the Year.

**17. STATUTORY PAYMENTS**

The directors to the best of their knowledge and belief are satisfied that all statutory payments have been paid up to date or have been provided for in these financial statements.

**18. GOING CONCERN**

The Board of Directors is satisfied that the company has adequate resources to continue its operations in the foreseeable future. Accordingly, these financial statements are prepared based on the 'going concern' concept.

**19. EVENTS AFTER THE REPORTING DATE**

Subsequent to the reporting date, no circumstances have arisen, which would require adjustments to or disclosures in the financial statements, other than those disclosed in note 16 to the financial statements, if any.

**20. CONTINGENT LIABILITIES AND CAPITAL COMMITMENT**

There are no contingent liabilities and commitments made on account of capital expenditure as at 31st March 2021 as disclosed in note 17 and 14 to the financial statements respectively.

**21. CORPORATE DONATIONS**

There were no donations made during the year ended 31st March 2021.

**22. OUTSTANDING LITIGATION**

There were no outstanding litigations as at the reporting date.

**Annual Report of the Board of Directors on the Affairs of the Company****23. TWENTY MAJOR SHAREHOLDERS**

Name of shareholders	31st March 2021		31st March 2020	
	No. of shares	%	No. of shares	%
GOODHOPE ASIA HOLDINGS LTD	4,192,867	87.14	4,192,867	87.14
MR. R. CHANDRA (DECD).	148,052	3.08	148,052	3.08
MR. S.R. DEAN	64,540	1.34	64,540	1.34
MR. R.T. STONEHAM.	36,546	0.76	36,546	0.76
MRS. I. RAYMOND.	33,746	0.70	33,746	0.70
MS. M.E. TURNER.	33,590	0.70	33,590	0.70
MR. F.W. OBEYESEKERE (DECD)	24,882	0.52	24,882	0.52
MRS. B.F. GUZDAR	23,328	0.48	23,328	0.48
MR. C.S.A. PERERA	20,080	0.42	20,080	0.42
MRS. A. OHMAN (DECD).	19,440	0.40	19,440	0.40
MR. D. THOMSON (DECD).	15,552	0.32	15,552	0.32
MR. R.G. BARTHOLOMEW (DECD)	15,552	0.32	15,552	0.32
MR. D.D. DUBASH.	15,552	0.32	15,552	0.32
MR. R. PRASADA SINGH (DECD).	15,552	0.32	15,552	0.32
MR D.S. CAMERON	15,552	0.32	15,552	0.32
MR. N.J.P. HEWETT	13,372	0.28	13,372	0.28
MRS M.D. ABEYSURIYA	12,960	0.27	12,960	0.27
MR. J.M. URQUHART (DECD).	9,330	0.19	9,330	0.19
ADMN. of THE. RAMIAH (DECD)	8,396	0.17	8,396	0.17
MRS. R.T. ALLBON	7,776	0.16	7,776	0.16

**24. SHARE INFORMATION**

The details relating to earnings, net assets, market value per share and information on share trading is given on pages 74 and 75 of this Annual Report.

**25. ANNUAL REPORT**

The information provided herein is in pursuance of the requirements of the Companies Act No.07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The Board of Directors approved the Financial Statements of the Company together with the Reviews which form part of the Annual Report on 23rd April 2021. The appropriate number of copies of the Annual Report will be submitted to the Colombo Stock Exchange, the Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar General of Companies, within applicable time frames.

## 26. ANNUAL GENERAL MEETING

As permitted by Article 52(A) of the Articles of Association of the Company, the 115th Annual General Meeting of the Company will be held on Monday, the 31st day of May 2021, at 9.00 a.m. at the 08th Floor, No. 65C, Dharmapala Mawatha, Colombo 07, Sri Lanka by means of audio or audio and visual technology.

The Notice of the Annual General Meeting setting out the business which will be transacted thereat is on page 79 of the Annual Report.

Signed on behalf of the Board,

*(Sgd.)*

**H. Selvanathan**

*Chairman*

*(Sgd.)*

**M. Selvanathan**

*Director*

*(Sgd.)*

**K.D. De Silva (Mrs.)**

*Director*

**Carsons Management Services**

**(Pvt) Ltd.**

*Secretaries*

Colombo

23rd April 2021

# Audit Committee Report

## Audit Committee

In accordance with the Colombo Stock Exchange Listing Rules, the Audit Committee of Carson Cumberbatch PLC (CCPLC), the Parent Company of Goodhope Asia Holdings Limited (GAHL), functions as the Audit Committee of the Company.

Mr.V.P. Malalasekera, Chairman and Mr.F. Mohideen, Member of the Audit Committee resigned from the Board of CCPLC w.e.f. 31st December 2020 and ceased to be Members of the Audit Committee w.e.f. 31st December 2020.

On 1st January 2021 Mr.A.S. Amaratunga, Member of the Audit Committee was appointed Chairman of the Audit Committee and Mr.Y.H. Ong, Non-Executive, Independent Director of CCPLC was appointed a Member of the Audit Committee.

The Audit Committee consists of the following Members:

<b>Audit Committee Members</b>	<b>Executive/ Non-Executive/ Independent</b>
Mr.A.S. Amaratunga (Appointed Chairman w.e.f. 01st January 2021)	Non-Executive, Independent (CCPLC)
Mr.D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr.Y.H. Ong (Appointed Member w.e.f. 01st January 2021)	Non-Executive, Independent (CCPLC)
Mr.V.P. Malalasekera (Ceased to be Chairman w.e.f. 31st December 2020)	Non-Executive, Independent (CCPLC)

<b>Audit Committee Members</b>	<b>Executive/ Non-Executive/ Independent</b>
Mr.F. Mohideen (Ceased to be a Member w.e.f. 31st December 2020)	Non-Executive, Independent (CCPLC)

Mr.A.S. Amaratunga, a Non-Executive, Independent Director of CCPLC, is also a Non-Executive, Independent Director of Hemas Holdings PLC, Chairman of Hemas Holdings PLC-Audit Committee and a Commissioner of PT Agro Indomas, Indonesia, a subsidiary of CCPLC.

Mr.D.C.R. Gunawardena is a Non-Executive Director of CCPLC and in most of its Group Companies. He is a Fellow of the Chartered Institute of Management Accountants, U.K.

Mr.Y.H. Ong is a Non-Executive, Independent Director of CCPLC. He is also an Independent Non-Executive Director, Member of the Executive Committee, Audit Committee and the Board Risk Committee of United Overseas Bank Ltd., Singapore. Mr.Ong had served at Ernst & Young, Singapore for 30 years and was involved in audit and financial advisory work etc.

Mr.V.P. Malalasekera was a Non-Executive, Independent Director of CCPLC upto 31st December 2020 and was a former Director of Ceylon Tobacco Company PLC. Mr. F. Mohideen was a Non-Executive, Independent Director of CCPLC upto 31st December 2020 and was a former Deputy Secretary to the Treasury, a former Director of Bank of Ceylon and Securities and Exchange Commission of Sri Lanka.



The audit aspects of Indo-Malay PLC are conducted within the Agenda of CCPLC - Audit Committee.

The Company holds and manages an investment portfolio.

### Meetings of the Audit Committee

As allowed by the CCPLC-Audit Committee Charter, CCPLC-Audit Committee held Five (05) virtual Meetings during the financial year to discuss matters relating to the Company.

The attendance of the Members at Committee Meetings were as follows:

	Meetings (virtual) attended (out of five)
Mr.A.S. Amaratunga (Chairman)	05
Mr.D.C.R. Gunawardena	05
Mr.Y.H. Ong *	02
Mr.V.P. Malalasekera**	03
Mr.F. Mohideen***	03

*\*Appointed Member w.e.f. 01st January 2021*

*\*\*Ceased to be Chairman w.e.f. 31st December 2020*

*\*\*\*Ceased to be a Member w.e.f. 31st December 2020*

The Audit Committee Meetings were attended by the Country Head (Sri Lanka) and Head of Finance-MIS & Reporting, Agro Harapan Lestari (Private) Limited, Managers.

The Audit Committee met the External Auditors, Messrs.Ernst & Young twice during the year to discuss the audit scope

and to deliberate the draft Financial Report and Accounts. The Committee also discussed the draft Financial Report and Accounts with the External Auditors, without the management being present.

The Chairman-Audit Committee issues a written update for circulation to the Board following the Audit Committee Meetings, as relevant, indicating the important matters discussed and decisions taken in respect of the Company. In addition, Minutes/ extracts of the Minutes of Audit Committee Meetings are circulated to the Board of Directors.

### Purpose of the Audit Committee

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with laws and regulations, Company policies and procedures and the code of conduct.

To ensure that the internal audit activity is well managed, so that it adds value to the organization by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes.

### Financial Statements

The interim financial statements of Indo-Malay PLC have been reviewed by the Audit Committee Members. The draft financial statements of Indo-Malay PLC for the year ended 31st March 2021 were also reviewed at a Meeting of the Audit Committee Members, together with the External Auditors, Messrs. Ernst & Young,

## Audit Committee Report

prior to release of same to the Regulatory Authorities and to the shareholders.

The Audit Committee Members were provided with confirmations and declarations as required by the Managers, Agro Harapan Lestari (Private) Limited that the said financial statements were prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

### Internal Audit

The operations of the Company have been scaled down only to the investments in Shalimar Developments Sdn Bhd, which is the investment arm within the Group. Since no new investments were made, the risks are very minimal and thus no internal audits were carried out during the year.

### Performance of the investments held by the Company

The Company's investments in PT Agro Indomas (PTAI), held through Shalimar Developments Sdn Bhd is managed by the group's (GAHL) fully owned management arm in Indonesia, PT Agro Harapan Lestari. GAHL's Audit Committee covers audit obligations over Indonesian plantation operations incorporated in Indonesia, including PTAI.

### External Audit

The External Auditors' Letter of Engagement was reviewed and discussed by the Committee with them and the Management prior to the commencement

of the audit and the Committee followed up on the issues raised by the External Auditors.

The Members of the Audit Committee have determined that the independence of Messrs. Ernst & Young, Chartered Accountants has not been impaired by any event or service that gives rise to a conflict of interest. The Committee also reviewed the arrangements made by the Auditors to maintain their independence and confirmation has been received from the Auditors of their compliance with the independence guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The Members of the Audit Committee have concurred to recommend to the Board of Directors the re-appointment of Messrs. Ernst & Young, Chartered Accountants, as Auditors for the financial year ending 31st March 2022, subject to the approval of the shareholders of Indo-Malay PLC at the Annual General Meeting.

*(Sgd.)*

**A.S. Amaratunga**

*Chairman – Audit Committee*

**Carson Cumberbatch PLC**

Colombo

23rd April 2021

## Related Party Transactions Review Committee Report

In accordance with the Colombo Stock Exchange Listing Rules, the Related Party Transactions Review Committee (RPTRC) of Carson Cumberbatch PLC (CCPLC), the Parent Company of Goodhope Asia Holdings Limited, functions as the RPTRC of the Company.

The Company holds and manages an investment portfolio.

### Composition of the Committee

Mr.V.P. Malalasekera, Chairman and Mr.F. Mohideen, Member of the RPTRC resigned from the Board of CCPLC w.e.f. 31st December 2020 and ceased to be Members of the RPTRC w.e.f. 31st December 2020.

On 1st January 2021 Mr.W.M.R.S. Dias, Non-Executive, Independent Director of CCPLC was appointed Chairman of the RPTRC and Mr.R. Theagarajah, Non-Executive, Independent Director of CCPLC was appointed as a Member of the RPTRC.

The Members of the RPTRC are as follows :

RPTRC Members	Executive/ Non-Executive/ Independent
Mr.W.M.R.S. Dias (Appointed Chairman w.e.f. 01st January 2021)	Non-Executive, Independent (CCPLC)
Mr.D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr.H. Selvanathan	Executive Director (CCPLC)
Mr.M. Selvanathan	Executive Director (CCPLC)

RPTRC Members	Executive/ Non-Executive/ Independent
Mr.S.K. Shah	Executive Director (CCPLC)
Mr.R. Theagarajah (Appointed Member w.e.f. 01st January 2021)	Non-Executive, Independent (CCPLC)
Mr.V.P. Malalasekera (Ceased to be Chairman w.e.f. 31st December 2020)	Non-Executive, Independent (CCPLC)
Mr.F. Mohideen (Ceased to be a Member w.e.f. 31st December 2020)	Non-Executive, Independent (CCPLC)

### Meetings of the Related Party Transactions Review Committee

As allowed by the Related Party Transactions Compliance Code (Carsons Group RPT code), CCPLC-RPTRC held Four (04) Virtual Meetings during the financial year. In addition, the approval of the RPTRC Members were sought via 15 Circular Resolutions, as well as 06 Circular Letters were circulated for their information during the financial year.

The attendance of the Members at Committee Meetings were as follows:

	Meetings (virtual) attended (out of 04)
Mr.W.M.R.S. Dias (Chairman)*	01
Mr.D.C.R. Gunawardena	04
Mr.H. Selvanathan	01
Mr.M. Selvanathan	-
Mr.S.K. Shah	04

## Related Party Transactions Review Committee Report

	Meetings (virtual) attended (out of 04)
Mr.R. Theagarajah**	01
Mr.V.P. Malalasekera***	03
Mr.F. Mohideen****	01

*\*Appointed Chairman w.e.f. 01st January 2021*

*\*\*Appointed Member w.e.f. 01st January 2021*

*\*\*\*Ceased to be Chairman w.e.f. 31st December 2020*

*\*\*\*\*Ceased to be a Member w.e.f. 31st December 2020*

### Purpose of the Committee

The objective of the RPTRC is to review all Related Party Transactions (RPTs) of the Listed Companies of the Carsons Group, other than those exempted by the Carsons Group RPT Code, prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

### Policies and procedures

- The RPTRC reviews the relevant Related Party Transactions of the Listed Companies of the Carsons Group and where the Committee decides that the approval of the Board of Directors of the respective Companies are necessary to approve a Related Party Transaction, such Board approval is obtained prior to entering into the relevant Related Party Transaction.

- When reviewing a transaction, the RPTRC would decide whether the proposed transaction is carried out on an arm's length basis irrespective of whether it is recurrent or non-recurrent in nature.
- Reviewing and approval would be either by meeting of members (subject to quorum being present) or by circulation.
- In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the RPTRC will take into account, among other factors it deems appropriate, whether the proposed RPTs pose a conflict of interest to the Directors.

The self-declarations from the Directors and Key Management Personnel are obtained for the purpose of identifying parties related to them. Further, the guidelines which senior management must follow in routing Related Party Transactions to the relevant forum, including transaction threshold values and pricing where applicable have been documented even in the case of once approved recurrent transactions which are of operational nature, which as per the Carsons Group RPT Code need not be repeatedly approved if within the broad thresholds.

The RPTRC in discharging its function endeavours to ensure that :

- there is compliance with the Carsons Group RPT Code;
- shareholder interests are protected; and
- fairness and transparency are maintained.

The Committee has a criteria for designating Carsons Group Key Management Personnel (KMP) and quarterly disclosures are made by the KMPs so designated, as relevant.

The Related Party Transactions of the Company for the period 01st April 2020 to 31st March 2021 have been reviewed by the Members of the RPTRC and the comments and observations of the Committee have been communicated to the Board of Directors of the Company.

*(Sgd.)*

**W.M.R.S. Dias**

Chairman – Related Party Transactions  
Review Committee

**Carson Cumberbatch PLC**

Colombo  
23rd April 2021

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# Independent Auditors' Report



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## TO THE SHAREHOLDERS OF INDO-MALAY PLC

Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Indo-Malay PLC ("the Company"), which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2021 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 issue by The Institute of Chartered Accountant of 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 the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's 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.

We have fulfilled the responsibilities described in the Auditor's responsibilities section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of

Partners: W R H Fernando FCA FCMA, P N de Saram ACA FCMA, Ms. N A De Silva FCA, Ms. Y A De Silva FCA, W R H De Silva ACA ACMA, W K B S P Fernando FCA FCMA, Ms. K R M Fernando FCA FCMA, Ms. L K H L Fonseka FCA, A P S Gunasekera FCA FCMA, A Herath FCA, D R Nulungunwa FCA FCMA LLB (Lond), H M A Jayasinghe FCA FCMA, Ms. A A Ludowyke FCA FCMA, Ms. G G S Manatunga FCA, A A J R Perera ACA ACMA, Ms. P V K N Sajeevan FCA, N M Sulaiman ACA ACMA, B E Wijesuriya FCA FCMA  
Principals: G B Goudan ACA, T P M Riberu FCA FCMA

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## Independent Auditors' Report

the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our audit addressed the key audit matter
<b>Valuation of unquoted equity investments</b>	
<p>As at 31st March 2021, unquoted equity investments designated at fair value through other comprehensive income amounts to Rs. 6,896.13 Mn which represents 96% of the Company's total assets</p> <p>The fair value of such equity investments predominantly depends on the estimated fair value of the palm oil plantations located in Indonesia owned by PT Agro Indomas, the subsidiary of the Company's investee.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>- The materiality of the fair value reported</li> <li>- Complexity of calculations involved</li> <li>- The degree of assumptions and judgements used in determining the significant unobservable inputs associated with its estimation such as crude palm oil price ("CPO"), discount rate and yield per hectare</li> </ul>	<p>Our audit procedures among others, included the following:</p> <ul style="list-style-type: none"> <li>• We considered the competence, objectivity, independence and expertise of the external valuer engaged by management</li> <li>• We obtained an understanding of the methodologies used to estimate the value of the palm oil plantation in Indonesia and to derive the fair value of the unquoted equity investment.</li> <li>• Engaged our internal specialized resources to assist us to.             <ul style="list-style-type: none"> <li>- Evaluate the appropriateness of the methodologies applied</li> <li>- Check underlying calculations</li> <li>- Assess the reasonableness of the assumptions and judgements, including probable effects of COVID – 19 – pandemic, when determining significant unobservable inputs such as CPO, discount rate and yield per hectare</li> </ul> </li> <li>• We assessed the adequacy of the related disclosures in the notes 3 and 8.</li> </ul>



### **Other information included in the Company's 2020/21 Annual Report**

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the 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:

## Independent Auditors' Report

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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, related safeguards.

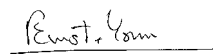
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and

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

#### **Report on other legal and regulatory requirements**

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

The Institute of Chartered Accountant of Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2440.



**Of Ernst & Young**

*Chartered Accountants*

23rd April 2021  
Colombo

## Statement of Profit or Loss

<i>For the Year Ended 31 March</i>		2021	2020
	Notes	Rs. '000	Rs. '000
Interest Income		2,222	2,677
Other Income	13.1	4,865	7,518
Administrative Expenses		(1,235)	(3,570)
<b>Profit before Tax</b>	4	<b>5,852</b>	6,625
Income Tax Expense	5	-	-
<b>Profit for the year</b>		<b>5,852</b>	6,625
<b>Earnings per Share (Rs.)</b>	6	<b>1.22</b>	1.38

The Accounting Policies and Notes from pages 39 to 62 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

# Statement of Comprehensive Income

<i>For the Year Ended 31 March</i>		2021	2020
	Notes	Rs. '000	Rs. '000
<b>Profit for the year</b>		<b>5,852</b>	<b>6,625</b>
<b>Other Comprehensive Income</b>			
<b>Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods;</b>			
Gain/(Loss) on Change in Fair Value of Financial Assets classified under FVOCI		<b>1,292,917</b>	(210,835)
<b>Net Other Comprehensive Income/(Expense) not to be reclassified to Profit or Loss in subsequent periods;</b>		<b>1,292,917</b>	(210,835)
<b>Other Comprehensive Income/(Expense) for the year, Net of Tax</b>		<b>1,292,917</b>	(210,835)
<b>Total Comprehensive Income/(Expense) for the year, Net of Tax</b>		<b>1,298,769</b>	(204,210)

The Accounting Policies and Notes from pages 39 to 62 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

# Statement of Financial Position

As at 31 March		2021	2020
	Notes	Rs. '000	Rs. '000
<b>Assets</b>			
<b>Non-Current Asset</b>			
Property, Plant and Equipment	7	113	172
Other Non-Current Financial Assets	8	7,039,855	5,746,938
<b>Total Non-Current Asset</b>		<b>7,039,968</b>	<b>5,747,110</b>
<b>Current Assets</b>			
Advances and Prepayments		379	124
Income Tax Receivable		820	820
Short Term Investment	10	43,087	25,395
Cash and Cash Equivalents	9	2,274	19,686
<b>Total Current Assets</b>		<b>46,560</b>	<b>46,025</b>
<b>Total Assets</b>		<b>7,086,528</b>	<b>5,793,135</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated Capital	11	70,033	70,033
Retained Earnings		60,119	54,267
Other Reserves	12	6,901,710	5,608,793
<b>Total Shareholders' Funds</b>		<b>7,031,862</b>	<b>5,733,093</b>
<b>Current Liabilities</b>			
Other Payables	13	54,407	59,272
Provisions and Accrued Expenses		259	770
<b>Total Current Liabilities</b>		<b>54,666</b>	<b>60,042</b>
<b>Total Liabilities</b>		<b>54,666</b>	<b>60,042</b>
<b>Total Equity and Liabilities</b>		<b>7,086,528</b>	<b>5,793,135</b>
<b>Net Assets per Ordinary Share (Rs.)</b>		<b>1,461.50</b>	<b>1,191.56</b>

The Accounting Policies and Notes from pages 39 to 62 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. 7 of 2007.

(Sgd.)

**Aneesh Dudeja**

President / Chief Financial Officer

The Board of Directors is responsible for these Financial Statements.

Signed for and on behalf of the Managers.

Signed for and on behalf of the Board.

(Sgd.)

**A.R. Azeez**

Director

**Agro Harapan Lestari (Pvt) Ltd.**

(Sgd.)

**H. Selvanathan**

Chairman

(Sgd.)

**M. Selvanathan**

Director

23rd April 2021  
Colombo

## Statement of Changes In Equity

	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders Funds
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April 2019	70,033	5,819,628	47,642	5,937,303
Profit for the year	-	-	6,625	6,625
Other Comprehensive Income	-	(210,835)	-	(210,835)
Total Comprehensive Income for the year	-	(210,835)	6,625	(204,210)
Balance as at 31 March 2020	70,033	5,608,793	54,267	5,733,093
<b>Profit for the year</b>	<b>-</b>	<b>-</b>	<b>5,852</b>	<b>5,852</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>1,292,917</b>	<b>-</b>	<b>1,292,917</b>
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>1,292,917</b>	<b>5,852</b>	<b>1,298,769</b>
<b>Balance as at 31 March 2021</b>	<b>70,033</b>	<b>6,901,710</b>	<b>60,119</b>	<b>7,031,862</b>

The Accounting Policies and Notes from pages 39 to 62 form an integral part of these Financial Statements.

# Cash Flow Statement

<i>For the Year Ended 31 March</i>		2021	2020
	Notes	Rs. '000	Rs. '000
<b>Operating Activities</b>			
Profit before Tax		5,852	6,625
Adjustments for:			
Depreciation	7	59	5
Unclaimed Dividend Forfeited	13.1	(4,865)	(7,518)
Interest Income		(2,222)	(2,677)
<b>Operating Loss before Working Capital Changes</b>		<b>(1,176)</b>	<b>(3,565)</b>
<b>Working Capital Changes:</b>			
Advances and Prepayments		565	914
Provisions and Accrued Expenses		(511)	(1,145)
<b>Cash Flows Used In Operations</b>		<b>(1,122)</b>	<b>(3,796)</b>
Income Tax Paid		-	-
<b>Net Cash Flows used in Operating Activities</b>		<b>(1,122)</b>	<b>(3,796)</b>
<b>Investing Activities</b>			
Acquisition of Property, Plant and Equipment	7	-	(177)
Investment in Fixed Deposits	10	(17,692)	910
Interest Received		1,402	1,627
<b>Net Cash Flows From / (Used In ) Investing Activities</b>		<b>(16,290)</b>	<b>2,360</b>
<b>Financing Activities</b>			
Dividend Re-instated	13.1	-	2
<b>Net Cash Flows From Financing Activities</b>		<b>-</b>	<b>2</b>
<b>Net Decrease in Cash and Cash Equivalents</b>		<b>(17,412)</b>	<b>(1,434)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>19,686</b>	<b>21,120</b>
<b>Cash and Cash Equivalents at the end of the year</b>	9	<b>2,274</b>	<b>19,686</b>

The Accounting Policies and Notes from pages 39 to 62 form an integral part of these Financial Statements.



# Notes to the Financial Statements

## 1. CORPORATE INFORMATION

### 1.1 General

Indo-Malay PLC ("the Company") is a public quoted company with limited liability, incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 61, Janadhipathi Mawatha, Colombo 01.

### 1.2 Principal Activities and Nature of Operations

The principal activity of the Company is managing and holding of an investment portfolio.

### 1.3 Parent Entity and Ultimate Parent Entity

The Company's parent entity is Goodhope Asia Holdings Limited incorporated in Singapore. In the opinion of the directors, the Company's ultimate parent undertaking and controlling party is Bukit Darah PLC which is incorporated in Sri Lanka.

### 1.4 Date of Authorization for Issue

The Financial Statements of Indo-Malay PLC for the year ended 31st March 2021 was authorized for issue in accordance with a resolution of the Board of Directors on 23rd April 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 General Accounting Policies

#### 2.1.1 Statement of Compliance

The Financial Statements of Indo-Malay PLC comprises the Statement of Profit or Loss and the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement

of Cash Flows, together with the Accounting Policies and Notes to the Financial Statements.

These financial statements are prepared in accordance with the Sri Lanka Accounting Standards comprising SLFRS and LKAS (hereafter "SLFRS") as issued by the Institute of Chartered Accountants of Sri Lanka, and also in compliance with the requirements of the Companies Act No. 07 of 2007.

#### 2.1.2 Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS and LKAS) as issued by Institute of Chartered Accountants of Sri Lanka.

The Financial Statements have been prepared on a historical cost basis, except for the following material items in the statement of Financial Position;

- Financial assets classified under Fair Value through Other Comprehensive Income.

#### 2.1.3 Comparative Figures

Certain comparatives figures have been reclassified in order to conform to the presentation for the current period. Such reclassifications were made to improve the quality of presentation and do not affect previously reported profit or equity.

#### 2.1.4 Rounding

All financial information presented in Sri Lankan Rupees has been rounded

## Notes to the Financial Statements

to the nearest thousand (Rs'000), except when otherwise indicated.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

#### 2.2.1 New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the changes in accounting policies described in Note 2.2.2.

#### 2.2.2 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective to the date of issuance of these financial statements are disclosed below.

- SLFRS 17 - Insurance Contracts  
Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 – Interest Rate Benchmark Reform (Phase 1 & 2)
- Amendments to SLFRS 16 - COVID – 19 Related Rent Concessions
- Amendments to LKAS 1 and LKAS 8: Definition of Material
- Amendments to SLFRS 3: Definition of a Business
- Amendments to references to the conceptual framework in SLFRS standards

While SLFRS 17 is effective for reporting periods beginning on or after 1 January 2023 all the other amendments are effective for the

annual periods beginning on or after 1 January 2020.

#### Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 – Interest Rate Benchmark Reform (Phase 1 & 2)

The amendments to SLFRS 9 & LKAS 39 provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

IBOR reforms Phase 2 include number of reliefs and additional disclosures. Amendments supports companies in applying SLFRS when changes are made to contractual cashflows or hedging relationships because of the reform.

These amendments to various standards are effective for the annual reporting periods beginning on or after 01 January 2021.

#### Amendments to SLFRS 16 - COVID – 19 Related Rent Concessions

The amendments provide relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 Pandemic.

As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election

accounts for any change in lease payments resulting from Covid-19 related rent concession the same way it would account for the change under SLFRS16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 01 June 2020.

### **Amendments to LKAS 1 and LKAS 8: Definition of Material**

Amendments to LKAS 1 Presentation of Financial Statements and IAS 8 Accounting policies, Changes in accounting Estimates and Errors are made to align the definition of “material” across the standard and to clarify certain aspects of the definition. The new definition states that, “information is material if omitting or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments are applied prospectively for the annual periods beginning on or after 1 January 2020 with early application permitted.

### **Amendments to SLFRS 3: Definition of a Business**

Amendments to the definition of a business in SLFRS 3 Business Combinations are made to help the entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a

business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definition of a business and of outputs, and introduce an optional fair value concentration test.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted.

### **Amendments to references to the conceptual framework in SLFRS standards**

Revisions to the Conceptual Framework were made because some important issues were not covered and some guidance was unclear or out of date. The revised Conceptual Framework includes: a new chapter on measurement; guidance on reporting financial performance; improved definitions of an asset and a liability, and guidance supporting these definitions; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The amendments are effective for annual periods beginning on or after 1 January 2020, with early application is permitted.

The Company does not expect significant impact on its financial statements resulting from the

## Notes to the Financial Statements

application of the above standards, amendments and interpretations.

### 2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.3.1 Conversion of Foreign Currencies

##### (a) Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees.

##### (b) Investment Operations in Sri Lanka

The functional currency of the investment operations in Sri Lanka is Sri Lanka Rupees. Transactions in foreign currencies are initially translated into functional currency using the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated at the functional currency rate of exchange ruling at that date. The exchange differences arising on translation are taken to the Statement of Profit or Loss. The exchange gains or losses of Fair Value through Other Comprehensive Income (FVOCI) are taken to Other Comprehensive Income.

#### 2.3.2 Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment loss. Such cost includes the cost of replacing part of the property, plant and equipment. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment and the cost can be reliably measured.

All other expenditure is recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Computer Equipment  
Over 03 Years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell and their value in use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 2.3.3 Financial Instruments — Initial Recognition and Subsequent Measurement

#### Financial Assets

##### *Initial Recognition and Measurement*

Financial assets within the scope of SLFRS 09 are broadly categorised as financial assets at amortised cost, fair value through profit or loss and financial assets at fair value through other comprehensive income.

The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus (in the case of assets not at fair value through profit or loss) directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include bank balances, short-term deposits, and fair value through other comprehensive income (FVOCI) financial assets.

#### Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### **(a) Debt Instruments at Amortized 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 (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 includes bank balances and short term deposits under current financial assets.

##### **(b) Financial Assets classified under Fair Value through Other Comprehensive Income**

This category only includes the equity instruments, which the Company intends to hold for the foreseeable future and which the Company has irrevocably elected to classify upon transition. There is no recycling of gains or losses to profit or loss on derecognition and the dividend received as a result of holding this investment will be recognized to profit or loss.

## Notes to the Financial Statements

### De-recognition

A financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Company's continuing involvement in it.

### 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.

### Financial Assets categorized as Fair Value through OCI

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined based on income approach that estimates the fair value by discounting projected cash flows in a discrete projection period to present value.

### Financial Liabilities

#### *Initial Recognition and Measurement*

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.

#### **Subsequent Measurement**

The subsequent measurement of financial liabilities depends on their classification as follows:

#### **Other Payables**

Liabilities are recognised for amounts to be paid in the future for assets or services received, whether billed

by the supplier or not. The financial liabilities are subsequently measured at amortised cost using the (Effective Interest Rate) EIR method.

### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

### **Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **2.3.4 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

## **2.3.5 Income**

### **Gains and Losses**

Net gains and losses of a revenue nature arising from the disposal

of other noncurrent assets, are accounted in the Statement of Profit or Loss, after deducting the carrying amount from proceeds on disposal of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented on a net basis.

### **Interest Income**

Interest income is recorded as it accrues using the effective interest method.

### **Dividend Income**

Dividend income is recognised when the Company's right to receive the payments is established.

### **Others**

Other income is recognized on an accrual basis.

## **2.3.6 Expenditure Recognition**

Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business has been charged to the Statement of Profit or Loss.

For the purpose of presentation of the Statement of Profit or Loss, the Directors are of the opinion that "function of expenses" method presents fairly the elements of

## Notes to the Financial Statements

the Company's performance, and hence such presentation method is adopted.

### Others

Other expenses are recognized on an accrual basis.

### 2.3.7 Taxation

#### (a) Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred Taxation

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all temporary differences, except:

- Where the deferred tax liability arises from an asset or liability in a transaction that affects neither the accounting profit nor the taxable profit.

Deferred tax assets are recognized for all deductible differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax assets relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor the taxable profit.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets are realized or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside



the Statement of Profit or Loss. Deferred tax items are recognised in correlation to the underlying transaction either in the Statement of Profit or Loss or Statement of Other Comprehensive Income.

### 2.3.8 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 classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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 normal operating cycle
- It is held primarily for the purpose of trading
- It 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.

The Company classifies all other liabilities as non-current.

### 2.3.9 Fair Value Measurement

The Company measures equity instruments at fair value at each reporting date. Fair value related disclosures for financial instruments are summarised in the following notes;

	Notes
Disclosures for valuation methods, significant estimates and assumptions	Note 8
Quantitative disclosures of fair value measurement hierarchy	Note 20
Investment in unquoted equity shares	Note 8
Financial instruments	Note 20

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

## Notes to the Financial Statements

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of unquoted investments. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets which are required to be remeasured or reassessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

The Management presents the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

#### 2.3.10 Cash and Cash Equivalents

Cash and Cash Equivalents in the Statement of Financial Position comprise cash at banks and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of bank balances and short-term deposits with a maturity of three months or less.

#### 2.3.11 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the senior management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the senior management and board of directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Company operates under one single segment.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is 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.

#### *Deferred Taxes*

Deferred tax asset of Rs. 1.15Mn (2020: 1.43 Mn) as at 31 March 2021 has not been recognized on the carried forward tax losses as the Company is unable to assess with reasonable certainty that taxable profits would be available to

## Notes to the Financial Statements

recover the deferred tax asset in the foreseeable future. If the Company recognize deferred tax asset, profit and equity would have increased by Rs. 1.15Mn (2020: 1.43 Mn). Further details on deferred taxes are disclosed in Note 5.

Company has computed deferred tax at the rate of 28% because 24% is still not enacted and it has been used as a provisional rate as of balance sheet date. Therefore, company has used 28% rate on deferred tax.

### *Fair Value Measurement of Assets classified under FVOCI*

The Company engaged an independent valuation specialist to assess fair value of unquoted equity shares as at 31 December 2020 and 31 December 2019. Unquoted equity shares of Shalimar Developments Sdn. Bhd. has been valued based on adjusted net asset basis. Such net assets represent the market value of PT Agro Indomas (PTAI) which was determined based on income approach using discounted cash flow method. A degree of judgement is required in establishing fair value and changes in assumptions could affect the reported fair value. The key assumptions used to determine the fair value of the unquoted equity shares and sensitivity analyses are provided in Notes 8 and 20.

### *Going Concern*

The outbreak and spread of the coronavirus globally since January 2020 have caused disruption to business and activities, and uncertainty to the global economy.

In preparing these financial statements, based on available information, the management has assessed the existing and anticipated effects of COVID-19 on the Company and the appropriateness of the use of the going concern basis.

Quarantine measures taken by respective countries widely affected the Company's operations directly or indirectly linked to industry sectors such as Financials, Agriculture, Manufacturing, Tourism, Transportation, Construction, Trade, Services, Consumption.

Having presented the outlook to the Board, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing these financial statements.

**4. PROFIT BEFORE TAX**

Profit before tax is stated after charging all expenses including the following:

<i>For the Year Ended 31 March</i>	<b>2021</b>	<b>2020</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
Auditors' Remuneration	<b>232</b>	232
Directors' Fees (Note 18.2)	<b>140</b>	60
Professional Fees	<b>83</b>	1,727

**5. TAXATION****5.1 Major Components of Income Tax Expense of the Continuing Operations**

The major components of income tax expense for the financial year ended 31 March are as follows:

<i>For the Year Ended 31 March</i>	<b>2021</b>	<b>2020</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>

**Statement of Profit or Loss****Current Income Tax**

Current Income Tax Expense	-	-
Under Provision of Current Income Tax in respect of prior years	-	-
<b>Income Tax Expense recognised in Statement of Profit or Loss</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

### 5.2 Relationship between Income Tax Expense and Accounting Profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 March are as follows:

<i>For the Year Ended 31 March</i>	<b>2021</b>	<b>2020</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
Profit before Tax	<b>5,852</b>	6,625
Allowable Items	<b>(7,122)</b>	(10,231)
Disallowable Items	<b>59</b>	523
<b>Taxable Loss</b>	<b>(1,211)</b>	(3,083)
Interest Income	<b>2,222</b>	2,677
Deductions under Section 19	<b>(2,222)</b>	(2,677)
<b>Taxable Income</b>	-	-
Income Tax at 28% on Taxable Income	-	-
Notional Tax Credit	-	-
<b>Current Income Tax Charge</b>	-	-
Current Income Tax Charge	-	-
Deferred Tax attributable to Gain on Change in Fair Value of Financial Assets classified under FVOCI (Note 5.3)	-	-
<b>Total Income tax Reversal</b>	-	-
<b>Business Losses</b>		
Balance as at 01 April	<b>5,110</b>	4,704
Loss incurred during the year	<b>1,211</b>	3,083
Loss set-off for the current year	<b>(2,222)</b>	(2,677)
Balance as at 31 March	<b>4,100</b>	5,110

## 6. EARNINGS PER SHARE

The calculation of earnings per ordinary share is based on the profit after taxation over the weighted average number of ordinary shares in issue during the year.

Given below is the computation of earning per share:

<i>For the Year Ended 31 March</i>	<b>2021</b>	<b>2020</b>
<b>Numerator</b>		
Profit for the year (Rs.)	<b>5,851,940</b>	6,624,608
Profit attributable to Ordinary Shareholders (Rs.)	<b>5,851,940</b>	6,624,608
<b>Denominator</b>		
Weighted Average Number of Ordinary Shares	<b>4,811,400</b>	4,811,400
<b>Earnings per Share (Rs.)</b>	<b>1.22</b>	1.38

## 7. PROPERTY, PLANT AND EQUIPMENT

### 7.1. Gross Carrying Amounts

	Balance As at 01.04.2020 Rs. '000	Additions Rs. '000	Write-off/ Disposals Rs. '000	Balance As at 31.03.2021 Rs. '000
<b>At Cost</b>				
Computer Equipment	177	-		177
<b>Total Value of Depreciable Assets</b>	<b>177</b>	-	-	177

### 7.2 Accumulated Depreciation

	Balance As at 01.04.2020 Rs. '000	Charge for the year Rs. '000	Write-off/ Disposals Rs. '000	Balance As at 31.03.2021 Rs. '000
<b>At Cost</b>				
Computer Equipments	5	59		64
<b>Total Depreciation</b>	<b>5</b>	59	-	64

### 7.3 Net Book Values

	<b>2021</b> Rs. '000	<b>2020</b> Rs. '000
Computer Equipments	<b>113</b>	172
	<b>113</b>	172

## Notes to the Financial Statements

- 7.4** During the year, the Company acquired property plant and equipment to the aggregate value of Rs. Nil (2020: 177,000)
- 7.5** Cash payments amounting to Rs. Nil (2020: 177,000) were made during the period for the purchase of property, plant and equipment.

### 8. OTHER NON-CURRENT FINANCIAL ASSETS

Unquoted equity shares		Quoted equity shares		Total	
2021	2020	2021	2020	2021	2020
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000

#### Financial Assets classified under

##### Fair Value through OCI

At the beginning of the year	5,568,053	5,778,888	178,885	178,885	5,746,938	5,957,773
Gain / (Loss) on Change in Fair Value	1,328,082	(210,835)	(35,165)	-	1,292,917	(210,835)
At the end of the year	6,896,135	5,568,053	143,720	178,885	7,039,855	5,746,938

#### 8.1.a Financial Assets classified under Fair Value through OCI - Unquoted Equity Shares

The Company holds a 13.33% equity investment (2020: 13.33%) in Shalimar Development Sdn. Bhd. (SDSB), an investment holding company incorporated in Malaysia. The sole equity investment of SDSB is in PT Agro Indomas (PTAI), an oil palm plantation company based in Indonesia, in which it has a controlling interest. The Company has designated its investment in SDSB as a financial assets classified under Fair Value through OCI, and is measured at fair value, the basis of which is detailed in Note 8.2 below.

#### 8.1.b Financial Assets classified under Fair Value through OCI - Quoted Equity Shares

The Company holds a non-controlling interests of 2.21% (2020: 2.21%) in Shalimar (Malay) PLC. The fair value of the said investment is determined by reference to published price quotations in Colombo Stock Exchange.

### 8.2 Fair Value of Unquoted Equity Shares

The Company obtained the services of PricewaterhouseCoopers (Private) Ltd (PwC Sri Lanka) to carry out an independent indicative fair market valuation of the equity interest in the unquoted investment in SDSB as at valuation date of 31 December 2020. Unquoted equity shares of Shalimar Developments Sdn. Bhd. has been valued based on adjusted net asset basis. Such net assets represent the investment value of PT Agro Indomas (PTAI) which was determined based on income approach using discounted cash flow method.

The fair value of the equity investment of SDSB in PTAI has been valued based on the following key assumptions/bases:

- Estimated economic life of the oil palm plantations of PTAI is 26 years (including the immature period) (2020: 26 years).
- Consider one planting cycle (i.e. no replantation at the end of the economic life).
- Yield per hectare based on year of planting, maturity profile and terrain. .



- (d) CPO ex-mill prices in FY 2021/22 is estimated to be USD 543/MT (2020: USD 488/MT) and this is assumed to change in line with the change in forward Rotterdam prices and Indonesia Palm oil levy during the forecast period, i.e until FY 2039/40. After FY 2030/31 prices are assumed to remain unchanged.
- (e) Weighted average cost of capital (WACC) of 9.12% (2020: 9.76%).
- (f) Indonesian corporate taxation rate at 22% in FY 2021 and 20% thereafter (2020: 25% p.a.).
- (g) Inflation assumed approximately 3% p.a. (2020: 3.25%)

### 8.3 Sensitivity of Key Assumptions

The significant unobservable inputs used in the above fair value measurement categorised within level 3 of the fair value hierarchy (Note 20) together with a quantitative sensitivity analysis are shown below:

The below values are based on 13.33% (2019: 13.33%) equity stake in SDSB and base case is at WACC of 9.12% (2019: 9.76%).

CPO Ex-mill Price		Discounted Rate (WACC)		Yield	
5% Increase	5% Decrease	1% increase	1% Decrease	5% Increase	5% Decrease
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000

#### As at 31 March 2021

Effect of fair value in unquoted

equity shares in SDSB designated

as Financial Assets classified under

FVOCI	2,105	(2,111)	(749)	806	1,271	(1,277)
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#### As at 31 March 2020

Effect of fair value in unquoted equity

shares in SDSB designated as Financial

Assets classified under FVOCI	1,712	(1,712)	(790)	865	830	(830)
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Despite the Covid-19 pandemic, Palm oil production and consumption has increased by 2.9% year on year and 4.1% year on year respectively as at October 2020.

## Notes to the Financial Statements

### 9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Statement of Cash Flows include the following Statement of Financial Position amounts:

<i>As at 31 March</i>	<b>2021</b>	<b>2020</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
Bank Balances	<b>758</b>	17,642
Short Term Deposits	<b>1,516</b>	2,044
	<b>2,274</b>	19,686

### 10. SHORT TERM INVESTMENTS

<i>As at 31 March</i>	<b>2021</b>	<b>2020</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
Fixed Deposits	<b>43,087</b>	25,395
	<b>43,087</b>	25,395

### 11. STATED CAPITAL

<i>As at 31 March</i>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
Fully paid Ordinary Shares	<b>4,811,400</b>	4,811,400	<b>70,033</b>	70,033
	<b>4,811,400</b>	4,811,400	<b>70,033</b>	70,033

### 12. OTHER RESERVES

<i>As at 31 March</i>	<b>2021</b>	<b>2020</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
Fair Value Reserve*	<b>6,901,710</b>	5,608,793
	<b>6,901,710</b>	5,608,793

#### \*Fair Value Reserve

Fair Value Reserve represents excess between the fair value and the cost of Financial assets classified under Fair Value through Other Comprehensive Income as per SLFRS 09.

**13. OTHER PAYABLES**

<i>As at 31 March</i>	<b>2021</b>	<b>2020</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
Unclaimed Dividend (Note 13.1)	<b>54,407</b>	59,272
	<b>54,407</b>	59,272

**13.1 Movement in Unclaimed Dividend;**

	<b>2021</b>	<b>2020</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
Balance as at 01 April	<b>59,272</b>	66,788
Dividend Forfeited	<b>(4,865)</b>	(7,518)
Payment of unclaimed dividends	-	-
Dividend Re-instated	-	2
<b>Balance as at 31 March</b>	<b>54,407</b>	59,272

**14. CAPITAL COMMITMENTS**

There were no significant capital expenditure commitments as at the reporting date.

**15. ASSETS PLEDGED**

There were no assets pledged as at the reporting date.

**16. EVENTS AFTER THE REPORTING PERIOD**

There have been no material events occurring after the reporting date that require adjustments to or disclosures in the financial statements..

**17. CONTINGENT LIABILITIES**

There were no material contingent liabilities as at the reporting date.

## Notes to the Financial Statements

### 18. RELATED PARTY DISCLOSURES

Related parties represent Shareholders, Key management personnel (KMPs) of the Company, Close family members of KMPs, Parent, Ultimate Parent and entities belonging to the group the Company belongs to. Pricing policies and terms of transactions with these related parties are approved by the Company's management.

#### 18.1 Related Party Transactions

Transactions with related parties are as follows:

Name of the Company	Relationship	Nature of Transaction	Terms	Transaction Value	
				2021	2020
				Rs. '000	Rs. '000
Recurrent Transactions					
Carsons Management Services (Pvt) Ltd	Fellow Subsidiary	Secretarial Expenses	Note (a)	218	230
				218	230
Aggregate Value of Related Party Transactions as a % of Net revenue				8%	11%

**Note (a)** - Carsons Management Services (Pvt) Ltd was appointed to provide secretarial services to the Company.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There are no outstanding related party balances at the year-end and no corporate guarantees provided to/received from related parties.

#### Non-Recurrent Transactions

There were no non-recurrent related party transactions for the year ended 31st March 2021.

#### 18.2 Transaction with Key Management Personnel

Key Management Personnel include the Board of Directors of the Company.

Year Ended 31 March	2021 Rs. '000	2020 Rs. '000
<b>Short term employee benefit</b>	140	60

Executive directors are not compensated for their role on the Board.

Key Management Personnel of the Company to whom the above fees relates for the year ended 31st March 2021, are non-executive members of the Board of Directors.

- 18.3** No material transactions have taken place during the year with the parties / entities in which key management personnel or their close family members have control or jointly control, which require disclosure in these Financial Statements other than those disclosed under 18.1 and 18.2.

## 19. FINANCIAL RISK MANAGEMENT

### Objectives and Policies

The Company's principal financial assets include bank balances and short-term deposits that derive directly from its operations. The Company also holds financial assets at Fair value through other comprehensive income. The Company's principal financial liabilities comprise other payables.

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### (a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk of the Company comprises interest rate risk, foreign currency risk and equity price risk.

#### (b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk as there are no financial assets and financial liabilities with floating interest rates at the reporting date.

#### (c) Foreign Currency Risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

<i>As at 31 March</i>	<b>2021</b>	<b>2020</b>
Investment Value ( In MYR )	<b>143,908</b>	127,450
If Rupee Depreciated by 1%	<b>(-1%)</b>	(-1%)
Impact on Equity ( In Rs )	<b>68,961</b>	55,681
If Rupee Appreciated by 1%	<b>(+1%)</b>	(+1%)
Impact on Equity ( In Rs )	<b>(68,961)</b>	(55,681)

## Notes to the Financial Statements

### (d) Equity Price Risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the equity price and key assumptions used to fair value listed and unlisted equity securities.

At the reporting date, the unlisted equity security is fair valued at Rs. 6,896 Mn (2020: Rs. 5,568 Mn). Sensitivity analysis of this investment has been provided in Note 8.

The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	Change in Equity Price 2021	Effect on Equity 2021 Rs. '000	Change in Equity Price 2020	Effect on Equity 2020 Rs. '000
Quoted Equity Shares				
Shalimar (Malay) PLC	+10%	14,372	+10%	14,372

### (e) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk primarily from its deposits with Banking Institutions. The Company seeks to limit its credit risk with respect to banks by dealing with reputable banks.

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as follows:

As at 31 March	2021 Rs. '000	2020 Rs. '000
Bank Balances	758	17,642
Short Term Deposits	1,516	2,044
Short Term Investments	43,087	25,395
	<b>45,361</b>	<b>45,081</b>

**(f) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet obligations as they fall due. The table below summarises the maturity profile of the Company's undiscounted financial liabilities at 31 March, based on contractual payment dates.

<i>As at 31 March</i>	<b>2021</b>	2020
	<b>Less than 3 months</b>	Less than 3 months
	<b>Rs. '000</b>	Rs. '000
Other Payables	<b>54,407</b>	59,272
	<b>54,407</b>	59,272

**(g) Capital Management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Company makes adjustments to its capital structure, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Company may issue new shares or adjust dividend payments to shareholders. No changes were made in the objectives, policies or processes during the year ended 31 March 2021 and 2020.

Capital, which includes stated capital, fair value reserve and retained earnings is measured at Rs. 6,961.8 Mn as at 31 March 2021 (2020: Rs. 5,663.1 Mn).

## Notes to the Financial Statements

### 20. FAIR VALUE MEASUREMENT

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of bank balances, short-term deposits and financial assets classified under Fair Value through OCI ( FVOCI )

Financial liabilities consist of other payables.

The following table provides the fair value measurement hierarchy of the Company's assets which are stated at Fair value.

Fair value measurement hierarchy for assets as at 31 March :

	Date of valuation	Total Rs. '000	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			Rs. '000	Rs. '000	Rs. '000

**Assets measured at fair value:**

**As at 31 March 2021**

**Financial Assets classified under**

**FVOCI**

**Quoted Equity Shares**

Shalimar (Malay) PLC	31 March 2021	143,720	143,720	-	-
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**Unquoted Equity Shares**

Shalimar Developments Sdn. Bhd.	31 December 2020	6,896,135	-	-	6,896,135
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**Financial Assets classified under**

<b>FVOCI as at 31 March 2021</b>		<b>7,039,855</b>	<b>143,720</b>	<b>-</b>	<b>6,896,135</b>
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**As at 31 March 2020**

**Financial Assets classified under FVOCI**

**Quoted Equity Shares**

Shalimar (Malay) PLC	31 March 2020	178,885	178,885	-	-
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**Unquoted Equity Shares**

Shalimar Developments Sdn. Bhd.	31 December 2019	5,568,053	-	-	5,568,053
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**Financial Assets classified under**

<b>FVOCI as at 31 March 2020</b>		<b>5,746,938</b>	<b>178,885</b>	<b>-</b>	<b>5,568,053</b>
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Key assumptions, methods of valuations and significant unobservable inputs for assets categorised under level 3 of the fair value measurement hierarchy are disclosed under Note 8 to the Financial Statements.

During the reporting period ending 31 March 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair values of other financial instruments are not materially different from their carrying values.



## Five Year Summary

<i>For the year ended 31st March</i>	<b>2021</b>	2020	2019	2018	2017
	<b>Rs. '000</b>	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Operating Results</b>					
<b>Continuing Operations</b>					
<b>Revenue</b>	<b>2,222</b>	2,677	2,142	3,754	8,233
Profit before taxation from Continuing Operations	<b>5,852</b>	6,625	2,728	(221)	76,382
Taxation	-	-	-	(202)	(598)
<b>Profit for the Year from Continuing Operations</b>	<b>5,852</b>	6,625	2,728	(423)	75,784
<b>Discontinued Operations</b>					
Profit for the Year from Discontinued Operations	-	-	-	-	42,025
Profits from disposal of Overseas plantation assets	-	-	-	-	2,160,986
Transfer from translation reserve on discontinued Overseas Branch operations	-	-	-	-	(335,886)
<b>Profit before taxation from discontinuing Operations</b>	-				1,867,125
Taxation	-	-	-		(10,808)
<b>Profit for the Year from Discontinued Operations</b>	-	-	-	-	1,856,317
<b>Total Profit for the year</b>	<b>5,852</b>	6,625	2,728	(423)	1,932,101

<i>As at 31st March</i>	<b>2021</b>	2020	2019	2018	2017
	<b>Rs. '000</b>	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Statement of Financial Position</b>					
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	<b>113</b>	172	-	-	-
Non-current financial assets	<b>7,039,855</b>	5,746,938	5,957,773	5,783,465	5,580,687
	<b>7,039,968</b>	5,747,110	5,957,773		
Assets of Disposal Group held for Sale					
<b>Current Assets</b>	<b>46,560</b>	46,025	48,233	36,962	240,039
<b>Total Assets</b>	<b>7,086,528</b>	5,793,135	6,006,006	5,820,427	5,820,726

<b>Equity and Liabilities</b>					
Stated capital	<b>70,033</b>	70,033	70,033	70,033	70,033
Reserves	<b>6,961,829</b>	5,663,060	5,867,270	5,667,221	5,487,879
	<b>7,031,862</b>	5,733,093	5,937,303	5,737,254	5,557,912
<b>Non-Current Liabilities</b>					
Deferred tax liability	-	-	-	23,013	-
Retirement benefit obligations	-	-	-	-	-
<b>Current Liabilities</b>	<b>54,666</b>	60,042	68,703	60,160	262,814
<b>Total Equity &amp; Liabilities</b>	<b>7,086,528</b>	5,793,135	6,006,006	5,820,427	5,820,726

## Five Year Summary

<i>For the year ended 31st March</i>	<b>2021</b>	2020	2019	2018	2017
	<b>Rs. '000</b>	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cash Flow Statements</b>					
<b>Continuing Operations</b>					
Net cash (outflows)/inflows from operating activities	<b>(1,122)</b>	(3,796)	(2,612)	(26,330)	5,193
Net cash (outflows)/inflows from investing activities	<b>(16,290)</b>	2,360	(24,163)	3,754	81,080
Net cash inflows / (outflows) from financing activities	-	2	11,741	(181,045)	(3,238,257)
<b>Net (decrease)/increase in cash &amp; cash equivalents from Continuing Operations</b>	<b>(17,412)</b>	(1,434)	(15,034)	(203,621)	(3,151,984)
<b>Discontinued Operations</b>					
Net Cash Flows from Discontinued Operations	-	-	-	-	3,376,590
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>	<b>(17,412)</b>	(1,434)	(15,034)	(203,621)	224,606

<i>For the year ended 31st March</i>	<b>2021</b>	2020	2019	2018	2017
<b>Ratios and Statistics</b>					
Return on ordinary shareholders' funds (%)	<b>0.08</b>	0.12	0.05	(0.01)	34.76
Current ratio (times)	<b>0.85</b>	0.77	0.70	0.61	0.91
Quick asset ratio (times)	<b>0.85</b>	0.77	0.70	0.61	0.91
Gross profit margin (%) (a)	-	-	-	-	75.32
Net profit margin (%) (a)	<b>263.37</b>	247.48	127.36	(11.26)	162.22
Combined Earnings per ordinary share (EPS) (Rs.) (b)	<b>1.22</b>	1.38	0.57	(0.09)	285.11
EPS from Continuing Operations	<b>1.22</b>	1.38	0.57	(0.09)	11.18
EPS from Discontinued Operations	-	-	-	-	273.93
Dividend per ordinary share (Rs.) (c)	-	-	-	-	50.93
Dividend payout (%)	-	-	-	-	17.86
Net assets per ordinary share (Rs.) (d)	<b>1,461.50</b>	1,191.56	1,234.01	1,192.43	1,155.15
Market value per share (Rs.)	<b>1,123.20</b>	1,050.40	1,300.00	1,300.00	1,429.60
P/E ratio (times)	<b>927.47</b>	762.85	2,292.82	(14,717.22)	5.01
Market capitalisation (Rs.'000)	<b>5,404.164</b>	5,053,895	6,254,820	6,254,820	6,878,377

- (a) Gross profit margin and Net profit margin consist of dividend income received from its investment.
- (b) The earnings per ordinary share is calculated by dividing the profit for the year over the weighted average number of ordinary shares in issue during the year.
- (c) Based on proposed dividend and interim dividend paid.
- (d) Net assets per ordinary share is calculated by dividing shareholders' funds by the number of ordinary shares.

## Statement of Value Added

<i>For the year ended 31 March</i>	<b>2021</b>	<b>%</b>	<b>2020</b>	<b>%</b>
	<b>Rs. '000</b>		<b>Rs. '000</b>	
<b>Revenue</b>	<b>2,222</b>		2,677	
Other income & gains	<b>4,865</b>		7,518	
	<b>7,087</b>		10,195	
Bought in services	<b>(1,176)</b>		(3,565)	
	<b>5,911</b>		6,630	

### **Distributed as follows:**

#### **Retained in the Business**

as depreciation	<b>59</b>	<b>1%</b>	5	0%
as retained profits	<b>5,852</b>	<b>99%</b>	6,625	100%
	<b>5,911</b>	<b>100.00%</b>	6,630	100%

The Statement of Value Added shows the quantum of wealth generated by the activities of the Company and its application.

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## **US\$ Financials**

Preparation of  
US Dollar Financials

The Financial Statements of the Company are stated in Sri Lankan Rupees.  
The translation of the Sri Lankan Rupee amounts into US Dollars is  
included solely for the convenience of Shareholders, Investors,  
Bankers and other users of Financial Statements.

US Dollar financials do not form part of the  
Audited Financial Statements of the Company.

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## Statement of Profit or Loss

<i>Year Ended 31 March 2021</i>	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>
Continuing Operations		
Revenue	<b>11,780</b>	14,930
Other Income and Gains	<b>25,793</b>	41,933
Administration Expenses	<b>(6,548)</b>	(19,914)
Profit Before Tax	<b>31,025</b>	36,949
Income Tax Expense	-	-
<b>Profit/(Loss) for the Year</b>	<b>31,025</b>	36,949

*Figures in brackets indicate deductions.*

# Statement of Financial Position

<i>As at 31 March</i>	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	<b>565</b>	906
Other Non Current Financial Assets	<b>35,229,220</b>	30,262,062
<b>Total Non-Current Assets</b>	<b>35,229,785</b>	30,262,968
<b>Current Assets</b>		
Advance and Prepayments	<b>1,897</b>	652
Income Tax Receivable	<b>4,103</b>	4,320
Short Term Investment	<b>215,618</b>	133,726
Cash and Bank Balances	<b>11,380</b>	103,662
<b>Total Current Assets</b>	<b>232,998</b>	242,360
<b>Total Assets</b>	<b>35,462,783</b>	30,505,328
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Stated Capital	<b>880,554</b>	880,554
Retained Earnings	<b>379,683</b>	348,658
Other Reserves	<b>33,928,984</b>	28,959,945
<b>Total Shareholders' Funds</b>	<b>35,189,221</b>	30,189,157
<b>Current Liabilities</b>		
Other Taxes Payable	<b>272,266</b>	312,111
Provision and Accrued Expenses	<b>1,296</b>	4,060
<b>Total Current Liabilities</b>	<b>273,562</b>	316,171
<b>Total Equity &amp; Liabilities</b>	<b>35,462,783</b>	30,505,328

# Notes to the Financial Statements

## 1. BASIS OF CONVERSION

The translation of Sri Lankan Rupee amounts into US Dollar amounts is solely for the convenience of the shareholders, investors, bankers and other users of Financial Statements.

The translation of the Financial Statements into US Dollar was affected on the following exchange rates.

	2021 Rs.	2020 Rs.
Income Statement	<b>188.62</b>	179.29
Monetary assets and liabilities	<b>199.83</b>	189.91
Non-current assets and liabilities	<b>199.83</b>	189.91

## 2. RETAINED EARNINGS

	2021 US\$	2020 US\$
Balance as at 1st April	<b>348,658</b>	311,709
Profit for the year	<b>31,025</b>	36,949
Other Comprehensive Income / (Loss)	-	-
Ordinary Dividend	-	-
<b>Balance as at 31 March</b>	<b>379,683</b>	348,658



## Five Year Summary

<i>For the year ended 31st March</i>	<b>2021</b>	2020	2019	2018	2017
	<b>US\$</b>	US\$	US\$	US\$	US\$
<b>Operating Results</b>					
<b>Continuing Operations</b>					
<b>Revenue</b>	<b>11,780</b>	14,930	12,710	24,481	55,774
Profit / (Loss) before taxation from Continuing Operations	<b>31,025</b>	36,949	16,188	(1,454)	517,447
Taxation	-	-	-	(1,317)	(4,051)
<b>Profit / (Loss) for the Year from Continuing Operations</b>	<b>31,025</b>	36,949	16,188	(2,772)	513,395
<b>Discontinued Operations</b>					
Profit for the Year from Discontinued Operations	-	-	-	-	284,697
Profits from disposal of Overseas plantation assets	-	-	-	-	14,639,507
Transfer from translation reserve on discontinued Overseas Branch operations	-	-	-	-	(2,275,445)
<b>Profit before taxation from Discontinued Operations</b>	<b>-</b>	-	-	-	12,648,759
Taxation	-	-	-	-	(73,218)
<b>Profit for the Year from Discontinued Operations</b>	<b>-</b>	-	-	-	12,575,540
<b>Total Profit / (Loss) for the year</b>	<b>31,025</b>	36,949	16,188	(2,772)	13,088,935
<hr/>					
<i>For the year ended 31st March</i>	<b>2021</b>	2020	2019	2018	2017
	<b>US\$</b>	US\$	US\$	US\$	US\$
<b>Statement of Financial Position</b>					
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	<b>565</b>	906	-	-	-
Non-current financial assets	<b>35,229,220</b>	30,262,062	33,833,324	37,167,723	36,718,670
	<b>35,229,785</b>	30,262,968	33,833,324	37,167,723	36,718,670
<hr/>					
<b>Current Assets</b>	<b>232,998</b>	242,360	273,908	237,538	1,579,360
<b>Total Assets</b>	<b>35,462,783</b>	30,505,328	34,107,232	37,405,261	38,298,030
<hr/>					
<b>Equity and Liabilities</b>					
Stated capital	<b>880,254</b>	880,554	880,554	880,554	880,554
Reserves	<b>34,308,966</b>	29,308,603	32,836,525	35,990,179	35,688,259
	<b>35,189,220</b>	30,189,157	33,717,079	36,870,733	36,568,813
<hr/>					
<b>Non-Current Liabilities</b>					
Deferred tax liability	-	-	-	147,894	-
	-	-	-	147,894	-
<hr/>					
<b>Current Liabilities</b>	<b>273,563</b>	316,171	390,153	386,634	1,729,217
<b>Total Equity &amp; Liabilities</b>	<b>35,462,783</b>	30,505,328	34,107,232	37,405,261	38,298,030

## Five Year Summary

<i>For the year ended 31st March</i>	<b>2021</b>	2020	2019	2018	2017
	<b>US\$</b>	US\$	US\$	US\$	US\$

### Cash Flow Statements

#### Continuing Operations

Net cash (outflows)/inflows from operating activities	<b>(5,948)</b>	(21,168)	(15,500)	(169,216)	34,167
Net cash inflows/(outflows) from investing activities	<b>(86,364)</b>	13,160	(143,384)	24,126	533,456
Net cash inflows / (outflows) from financing activities	-	11	69,671	(1,163,528)	(21,237,035)

#### Net (decrease)/increase in

#### cash & cash equivalents from Continuing Operations

<b>(92,313)</b>	(7,997)	(89,212)	(1,308,618)	(20,669,412)
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#### Discontinued Operations

Net Cash Flows from Discontinued Operations	-	-	-	-	22,147,181
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#### Net (decrease)/increase in

<b>(92,313)</b>	(7,997)	(89,212)	(1,308,618)	1,477,768
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<i>For the year ended 31st March</i>	<b>2021</b>	2020	2019	2018	2017
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### Ratios and Statistics

Return on ordinary shareholders' funds (%)	<b>0.09</b>	0.12	0.05	(0.01)	34.76
Current ratio (times)	<b>0.85</b>	0.77	0.70	0.61	0.91
Quick asset ratio (times)	<b>0.85</b>	0.77	0.70	0.61	0.91
Gross profit margin (%) (a)	-	-	-	-	75.32
Net profit margin (%) (a)	<b>263.37</b>	247.48	127.36	(11.26)	162.22
Combined Earnings per ordinary share (EPS) (US\$. ) (b)	<b>0.64</b>	0.77	0.34	(0.001)	1.93
EPS from Continuing Operations	<b>0.64</b>	0.77	0.34	(0.001)	0.08
EPS from Discontinued Operations	-	-	-	-	1.86
Dividend per ordinary share (US\$. ) (c)	-	-	-	-	0.35
Dividend payout (%)	-	-	-	-	17.86
Net assets per ordinary share (US\$. ) (d)	<b>7.3</b>	6.3	7.01	7.66	7.83
Market value per share (US\$. )	<b>5.62</b>	5.53	7.38	8.35	9.41
P/E ratio (times)	<b>8.72</b>	7.2	21.83	(14,717.22)	5.01
Market capitalisation (US\$. '000)	<b>27,044</b>	26,613	35,521	40,198	45,255

- (a) Gross profit margin and Net profit margin consist of dividend income received from its investment.
- (b) The earnings per ordinary share is calculated by dividing the profit for the year over the weighted average number of ordinary shares in issue during the year.
- (c) Based on proposed dividend and interim dividend paid.
- (d) Net assets per ordinary share is calculated by dividing shareholders' funds by the number of ordinary shares.

# Information to Shareholders and Investors

## 1. Stock Exchange Listing

Indo-Malay PLC is a Public Quoted Company, the ordinary shares of which are listed on the Second Board of the Colombo Stock Exchange of Sri Lanka.

## 2. Share Valuation

Market value of the Company's shares as at 31st March 2021 was Rs. 1,123.20 per share (2020: Rs 1,050.40 per share).

## 3. Shareholders

<i>As at 31st March</i>	<b>2021</b>	<b>2020</b>
No. of Ordinary Shareholders	<b>358</b>	356

The number of ordinary shares held by non – residents as at 31st March 2021 were 4,682,172 which amounts to 97.31% of the total number of ordinary shares.

### Resident/Non-resident shareholders as at 31st March 2021

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%
1 - 1,000	320	10,793	0.22	1	1	0.00	321	10,794	0.22
1,001 - 10,000	11	41,073	0.85	9	58,370	1.21	20	99,443	2.07
10,001 - 100,000	4	77,362	1.61	11	282,882	5.88	15	360,244	7.49
100,001 - 1,000,000	-	-	-	1	148,052	3.08	1	148,052	3.08
Above 1,000,000	-	-	-	1	4,192,867	87.14	1	4,192,867	87.14
<b>Grand Total</b>	<b>335</b>	<b>129,228</b>	<b>2.69</b>	<b>23</b>	<b>4,682,172</b>	<b>97.31</b>	<b>358</b>	<b>4,811,400</b>	<b>100</b>

### Categorisation of Shareholders as at 31st March 2021

	<b>No. of Shareholders</b>	<b>No. of Shares</b>	<b>%</b>
Individuals	334	617,547	12.84
Institutions	24	4,193,853	87.16

### Public Shareholding

The Company is not in compliance with the minimum public holding requirements set out in Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange.

Public shareholding as at 31st March 2021

- Market capitalization of the public holding – Rs. 694,435,136/-
- Percentage of the Ordinary Shares held by Public – 12.85%
- No. of public shareholders - 345

**4. Market Performance - Ordinary Shares**

<i>For the year ended 31st March</i>	<b>2021</b>	2020
Highest - (Rs.)	<b>1,400.00</b>	1,473.40
Lowest - (Rs.)	<b>793.60</b>	930.00
Volume Traded (Shares)	<b>1233</b>	248
No. of Trades	<b>207</b>	71
Value of Shares Traded (Rs.'000)	<b>1,358</b>	272

**5. Market Capitalisation**

Market capitalization of the Company, which is the number of ordinary shares in issue multiplied by the market value of a share, was Rs.5,404.16 Mn as at 31st March 2021 (2020: Rs. 5,053.89 Mn).

**6. Record of Scrip Issues**

The under mentioned scrip issues had been made by the Company.

<b>Year ended 31st March</b>	<b>Issue</b>	<b>Basis</b>	<b>No. of Shares Ordinary</b>	<b>Cumulative Ordinary Share Capital Rs.</b>
1994	-	-	405,000	4,050,000
1995	Bonus	01:03	405,000	8,100,000
1998	Bonus	01:02	405,000	12,150,000
1999	Bonus	01:01	1,215,000	24,300,000
2002 April	Bonus	01:05	486,000	29,160,000
2003 May	Bonus	01:05	583,200	34,992,000
2004 March	Bonus	01:02	3,499,200	69,984,000

During the financial year 2016/2017, the Company repurchased 2,187,000 shares.

## Information to Shareholders and Investors

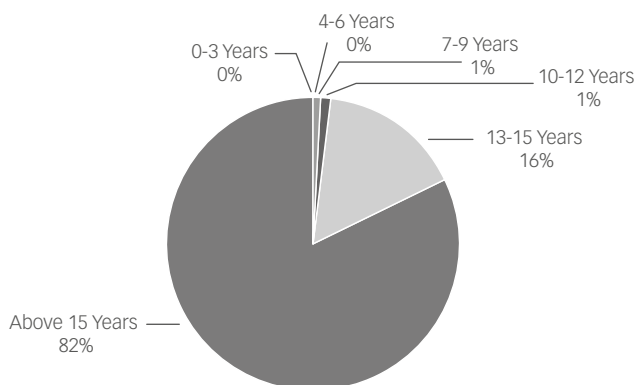
### 7. Indonesian Property

PT Agro Indomas (PTAI), the Company's investment made through Shalimar Developments Sdn. Bhd. (Investment vehicle in Malaysia) is located in Kalimantan province, Indonesia.

The Indonesian investment, PT Agro Indomas is managed through the group's (GAHL) fully owned management arm in Indonesia. The Indonesia operation consists of 26,981 hectares of plantation with processing facilities of 225 MT/hr within the plantations.

	2021	2020	2019	2018	2017
Crop Production (MT)	<b>613,994</b>	651,873	711,427	495,381	407,349
CPO (MT)	<b>130,553</b>	134,612	139,405	98,891	96,038
PK (MT)	<b>30,602</b>	32,644	31,559	21,939	21,914
CPO Ex Mill Price (US\$)	<b>484</b>	474	459	572	517
FFB Yield (MT per Hectare)	<b>25.57</b>	23.15	26.57	19.90	20.40
CPO / Ha (MT)	<b>5.57</b>	4.92	5.24	4.00	4.11
Milling Capacity (MT per Hour)	<b>225</b>	225	225	225	225

**Plantation Age Analysis of PTAI**



# Glossary of Financial Terms

## Capital Reserves

Reserves identified for specific purposes and considered not available for distribution.

## Cash Equivalents

Liquid investments with original maturities of six months or less.

## Contingent Liabilities

Conditions or situations at the Balance Sheet date, the financial effects of which are to be determined by future events which may or may not occur.

## Discontinued Operations

Operations of an entity that either has been disposed of, or is classified as held for sale.

## Current Ratio

Current assets divided by current liabilities.

## Quick Ratio

Current assets less inventories divided by current liabilities.

## Gross Profit Margin

Gross profit divided by revenue.

## Net Profit Margin

Net profit divided by revenue.

## Dividend Per Share

Dividend paid interim and proposed, divided by the number of shares in issue which ranked for those dividends.

## Dividend Payout

Total interim and proposed dividends divided by profit after tax.

## Earnings Per Ordinary Share

Profits attributable to ordinary shareholders before extraordinary items and after preference dividend divided by the weighted average number of ordinary shares in issue, ranking for dividend.

## Equity

Shareholders' funds.

## Events Occurring after Reporting Date

Significant events that occur between the Reporting date and the date on which Financial Statements are authorized for issue.

## Market Capitalization

The market value of a company at a given date obtained by multiplying the share price by the number of shares in issue.

## Net Assets Per Share

Total assets less total liabilities divided by the number of ordinary shares in issue.

## Net Current Assets

Current assets less current liabilities. Measures the capital required to finance day-to-day operations.

## Price Earnings Ratio (P/E)

Market price of a share divided by earnings per share.

## **Glossary of Financial Terms**

### **Rate of Ordinary Dividend**

The Rupee amount of the dividend per share as a percentage of the nominal value of the shares.

### **Reserves**

The total of capital and revenue reserves.

### **Related Parties**

Parties who could control or significantly influence the financial and operating policies/decisions of the business.

### **Return on Shareholders' Funds**

Profit attributable to ordinary shareholders divided by shareholders' funds (total of ordinary share capital and reserves).

### **Revenue Reserves**

Reserves considered as being available for distribution.

### **Segment**

Constituent business units grouped in terms of nature and similarity of operations.

### **Value Addition**

The quantum of wealth generated by the activities of the Company.

### **Others**

PK - Palm Kernel

FFB - Fresh Fruit Bunches

Ha - Hectare

MYR - Malaysian Ringgit

MPC - Malaysian Plantation Companies

MT – Metric Tonnes



## Notice of Meeting

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND FIFTEENTH ANNUAL GENERAL MEETING of INDO-MALAY PLC will be held on Monday, the 31st day of May 2021, at 9.00 a.m. at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 07, Sri Lanka, by means of audio or audio and visual technology for the following purposes:

1. To consider the Annual Report of the Board of Directors including the financial statements of the Company for the financial year ended 31st March 2021 together with the Report of the Auditors thereon.
2. To re-elect Mr. S. N. Alles who retires by rotation in terms of Articles 85 & 86 of the Articles of Association of the Company.
3. To re-elect Mr. H. Selvanathan as a Director in terms of Article 92 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. H. Selvanathan who is seventy two years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year".

4. To re-elect Mr. M. Selvanathan as a Director in terms of Article 92 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. M. Selvanathan who is seventy four years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year".

5. To re-elect Mr. I. Paulraj as a Director in terms of Article 92 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. I. Paulraj who is eighty four years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year".

6. To reappoint Mr. D. C. R. Gunawardena as a Director of the Company who is seventy years of age and to consider and if deemed fit to pass the following resolution:

## Notice of Meeting

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. D. C. R. Gunawardena who is seventy years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."

7. To re-appoint Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act No. 7 of 2007 and to authorize the Directors to determine their remuneration.

By Order of the Board

(Sgd.)

**K.D. De Silva (Mrs.)**

*Director*

**Carsons Management Services (Pvt) Limited**

*Secretaries*

Colombo

23rd April 2021

### Notes

1. THIS NOTICE SHOULD BE READ IN CONJUNCTION with the document titled "Procedure to be followed at the 115th Annual General Meeting of the Company" which is enclosed with the Annual Report.
2. Having considered the prevailing COVID 19 pandemic situation in the country and the health and safety guidelines issued by the Health authorities in order to prevent the spread of COVID-19, the Board of Directors decided to convene the Annual General Meeting (AGM) through an "audio-visual" technology in conformity with the applicable regulatory provisions and Article 52(A) of the Articles of Association of the Company.
3. Shareholders who wish to participate the AGM through the online platform are kindly requested to complete and forward the "Registration Form (Annexure 1) as morefully explained in the said "Procedure to be followed at the 115th Annual General Meeting of the Company" enclosed to the Annual Report.
4. A member is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A Form of Proxy accompanies this notice.
5. The completed Form of Proxy should be submitted to the Company not later than 4.45 p.m. on 29th May 2021 via email to INDOAGM2021@carcumb.com or by fax to +94 11 2337671 or by post to or handed over to the Registered Office of the Company at No. 61, Janadhipathi Mawatha, Colombo 1.
6. A person representing a Corporation is required to submit a certified copy of the resolution authorising him/her to act as the representative of the Corporation. A representative need not be a member.
7. The transfer books of the Company will remain open.

## Notes

## Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## Form of Proxy

\*I/We..... of  
 ..... being \*a Member/  
 Members of INDO-MALAY PLC, hereby appoint .....  
 .....  
 of.....  
 bearing NIC No./Passport No..... or failing him/her.

Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Israel Paulraj	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Sanjiv Neville Alles	or failing him,
Subramaniam Mahendrarajah	

As \*my/our proxy to attend at the Annual General Meeting of the Company to be held on Monday, the 31st May 2021 at 9.00 a.m. at the 8th Floor, No. 65 C, Dharmapala Mawatha, Colombo 07, by means of audio or audio and visual technology and any adjournment thereof and at every poll which may be taken in consequence thereof.

		For	Against
1.	To re-elect Mr. S. N. Alles who retires by rotation in terms of Articles 85 & 86 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
2.	To re-elect Mr. H. Selvanathan as a Director in terms of Article 92 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age.	<input type="checkbox"/>	<input type="checkbox"/>
3.	To re-elect Mr. M. Selvanathan as a Director in terms of Article 92 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age.	<input type="checkbox"/>	<input type="checkbox"/>
4.	To re-elect Mr. I. Paulraj as a Director in terms of Article 92 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age.	<input type="checkbox"/>	<input type="checkbox"/>
5.	To reappoint Mr. D. C. R. Gunawardena who is seventy years of age, as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
6.	To re-appoint Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act No. 7 of 2007 and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this ..... day of ..... Two Thousand and Twenty One.

.....  
 Signature/s

### Notes

- \* Please delete the inappropriate words.
- A shareholder entitled to attend and vote at a General Meeting of the Company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the Company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.
- A shareholder is not entitled to appoint more than one proxy on the same occasion.
- Instructions are noted on the reverse hereof.

## Form of Proxy

### Instructions as to Completion

1. Kindly perfect the form of proxy by filling in legibly your full name and address and sign in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.
3. In terms of Article 67 of the Articles of Association of the Company: The instrument appointing a proxy shall be in writing and -
  - (i) in the case of an individual shall be signed by the Appointor or by his Attorney; and
  - (ii) in the case of a Corporation shall be either under its common seal or signed by its Attorney or by an officer on behalf of the Corporation.

The Company may, but shall not be bound to, require evidence of the authority of any such Attorney or officer.

A proxy need not be a member of the Company.
4. In terms of Article 62 of the Articles of Association of the Company;
 

In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by Attorney or by representative, shall be accepted to the exclusion of the votes of the other joint- holders and for this purpose seniority shall be determined by the order in which the names stands in the Register of Members in respect of the joint holding.
5. To be valid the completed Form of Proxy should be submitted to the Company not later than 4.45 p.m. on 29th May 2021 or via e-mail to INDOAGM2021@carcumb.com or by fax to +94 11 2337671 or by post to or handed over to the Registered Office of the Company situated at No. 61, Janadhipathi Mawatha, Colombo 1.

Please fill in the following details

Name : .....

.....

Address : .....

.....

.....

Jointly with : .....

Share Folio No. : .....

# Corporate Information

## NAME OF THE COMPANY

Indo - Malay PLC

## COMPANY REGISTRATION NO.

PQ 45

## LEGAL FORM

A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1906

## DIRECTORS

H. Selvanathan (Appointed w.e.f. 12.08.2020)  
(Chairman)

M. Selvanathan (Appointed w.e.f. 12.08.2020)

I. Paulraj (Appointed w.e.f. 12.08.2020)

D. C. R. Gunawardena

S. Mahendrarajah

S. N. Alles

## BANKERS

Standard Chartered Bank

Commercial Bank of Ceylon PLC

Hatton National Bank PLC

## AUDITORS

Messrs. Ernst & Young

Chartered Accountants

201, De Saram Place,  
Colombo 10, Sri Lanka.

Tel: + 94 11 2463500

Fax: +94 11 2697369

## SECRETARIES

Carsons Management Services (Pvt) Ltd

61, Janadhipathi Mawatha

Colombo 01, Sri Lanka

Tel: + 94 11 2039200

Fax: + 94 11 2039300

## MANAGERS

Agro Harapan Lestari (Pvt) Ltd

Level 20, East Tower,

World Trade Centre,

Echelon Square,

Colombo 01, Sri Lanka

Tel: + 94 114357777

+ 94 114357788

## REGISTERED OFFICE

61, Janadhipathi Mawatha,

Colombo 01, Sri Lanka

Tel: + 94 11 2039200

Fax: + 94 11 2039300

## CORPORATE WEBSITE

[www.goodhopeholdings.com](http://www.goodhopeholdings.com)

## HOLDING COMPANY

Goodhope Asia Holdings Ltd

## ULTIMATE PARENT & CONTROLLING ENTITY

Bukit Darah PLC

Designed & produced by

**emagewise**

Printed by Printage (Pvt) Ltd



**Goodhope**

A CARSON CLIMBERBATCH COMPANY

[www.goodhopeholdings.com](http://www.goodhopeholdings.com)