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OUR BUSINESS AT A GLANCE

C T Holdings PLC then known as Ceylon Theatres Limited was incorporated in 1928 with its primary focus on the entertainment industry. The Company owned and operated a string of cinemas in various parts of the country including such well known destinations such as Regal Colombo, Empire and Majestic cinemas.

The Company also set up the first film production and processing facilities in the country with the establishment of Ceylon Studios Ltd in 1956, thus paving the way for the development of the local film production expertise.

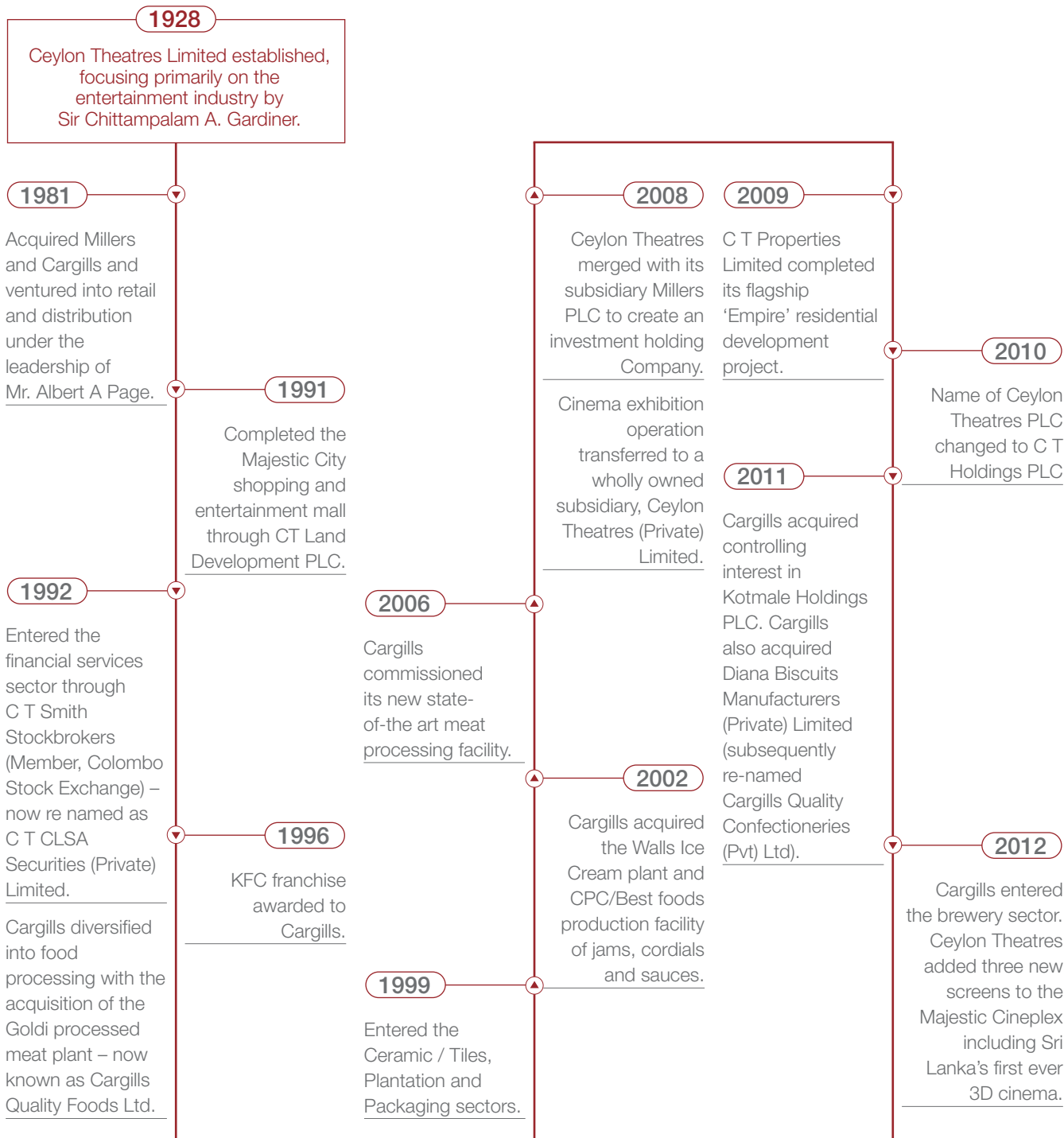
Despite the Company's first production "Asokamala" being unsuccessful, the Company persevered to subsequently produce hit films such as "Golu Hadawatha", "Akkara Paha", "Sakman Maluwa" etc. The hit film "Nidhanaya" was adjudged the best Sri Lankan film produced in the past 50 years.

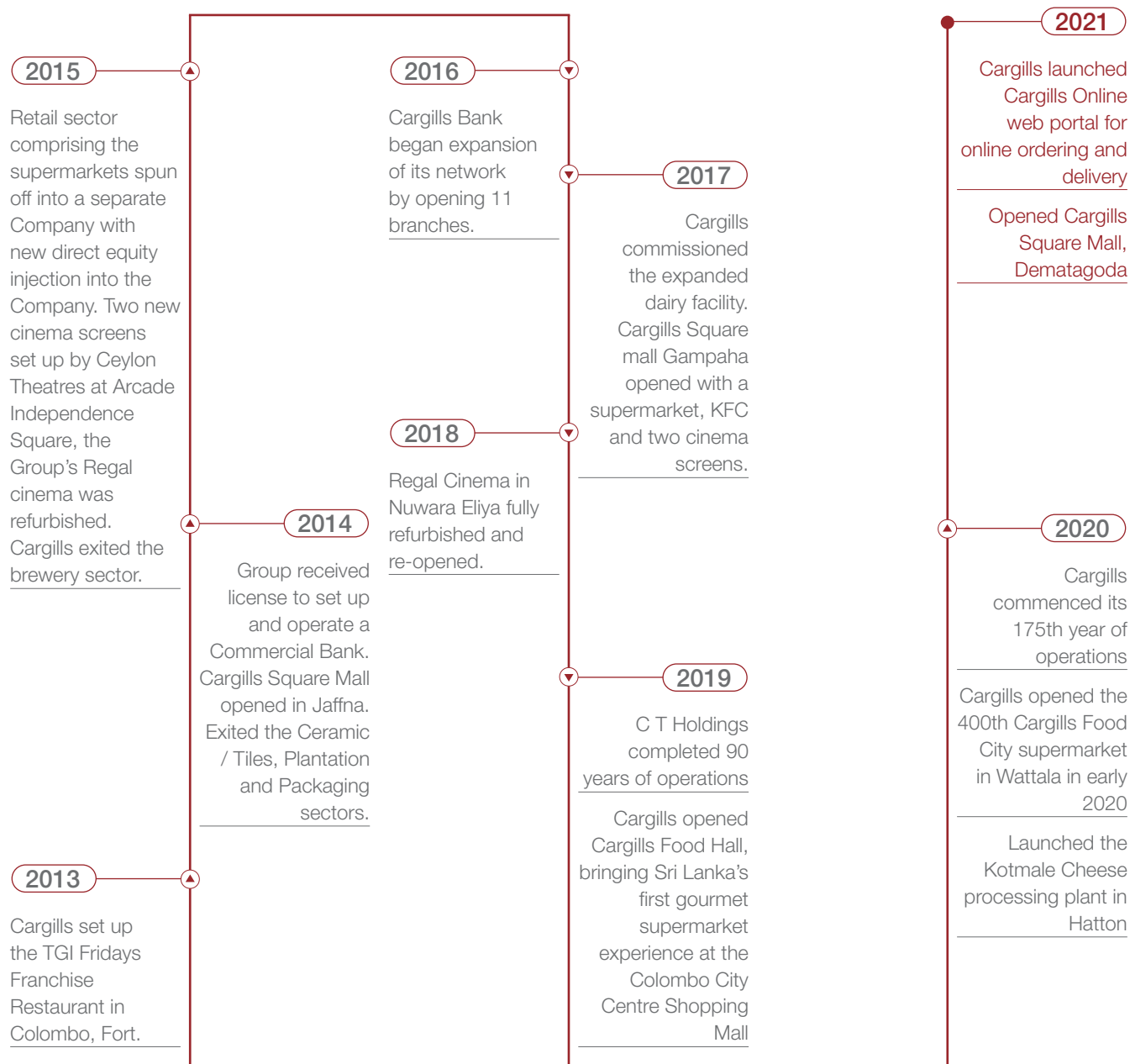
Anticipating the effects of the changes within the film industry in the 1970s and 80s, the Company began to diversify into other areas of business, notably, consolidating its interest in Millers Limited and through it, Cargills (Ceylon) Ltd. (now Cargills (Ceylon) PLC). Millers Ltd was subsequently merged with C T Holdings PLC.

The Company also diversified into Financial Services and Real Estate. The subsidiary Cargills shed the Department Store concept to introduce and expand the Supermarket concept to Sri Lanka. This change was to be the most significant change to the Group and the backbone of future growth. Cargills also expanded into Food Processing, Restaurants, Dairy, Agri Business and Confectionery. A fully fledged Commercial Bank under the name 'Cargills Bank' was also set up by the Group. All this while also staying true to its roots in cinema business by developing cinemas with digital sounds, 3D viewing and upgrading facilities for patrons.

C T Holdings is now a diversified Group with an interest in Retail and Wholesale Distribution, FMCG, Restaurants, Real Estate, Entertainment, and Banking & Financial Services.

MILESTONES





PROFILE OF BUSINESSES



Retail and Wholesale Distribution

The retail sector of the Group functions under Cargills Foods Company (Pvt) Ltd. The modern trade arm covers all districts of the island through Cargills Food City and Food City Express store formats. This sector maintains a backward integration model with local fruit and vegetable collection centres in every district of the island.

Millers Limited the marketing and distribution arm holds the agency rights for leading international food brands reaching 30,000 groceries islandwide. The Company is also the distributor for the Group's own brands.



Food & Beverage Manufacturing & Distribution

The Group's FMCG brands are some of the widest consumed household brands in the Country which include, 'Magic' and 'Kotmale' dairy products, 'Kist' range of jams, cordials, nectars, juices, culinary & confectionery, and 'Cargills Finest', 'Goldi' and 'Sams' and 'Island's Finest' Convenience Foods. The sector operates some of the most modern facilities with many ISO International Standard certifications among them such as ISO 9001: 2000 Quality Management System certification, ISO 22000: 2005 Food Safety Management System certification and ISO 14001: 2004 Environment Management System certification.



Real Estate

C T Land Development is a long established name in the Real Estate and Property sector. The Company owns and operates 'Majestic City' shopping and entertainment mall. The Group also owns and operates the Cargills Square Malls in Jaffna, Gampaha and Dematagoda. Property development operations under C T Properties previously completed the 'Empire' luxury apartment complex in Colombo 2 and C T Gardens Township project in Piliyandala.



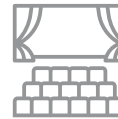
Restaurants

The restaurants' sector comprises the world renowned 'KFC' and 'TGI Fridays' franchises held by the Group.



Banking and Financial Services

Cargills Bank was promoted and launched by the Group. Capital Market operations of the Group are carried out under C T CLSA Holdings Ltd, which covers stockbroking, advisory services and capital market solutions.



Entertainment

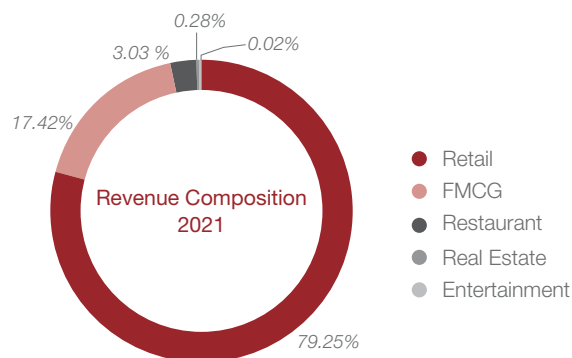
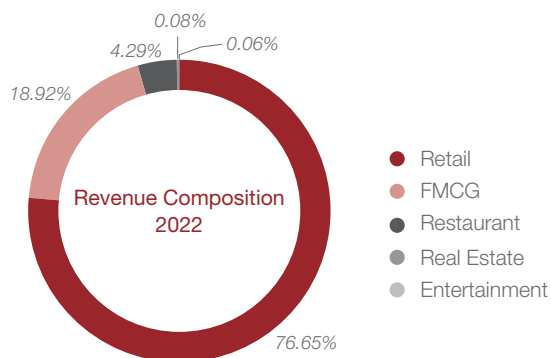
The Group has been associated with the national cinema industry for over 90 years with the making of the first national production and thereon producing landmark motion pictures that have won international acclaim. Ceylon Theatres (Private) Limited operates Thirteen cinema screens in Six locations.

FINANCIAL HIGHLIGHTS

In thousands of rupees	Group			Company		
	2022	2021	Change %	2022	2021	Change %
Operations						
Revenue	136,872,756	112,940,971	21.19	-	-	-
Results from operating activities	8,668,900	7,179,102	20.75	963,416	750,403	28.39
Profit before taxation	5,468,375	4,311,617	26.83	925,342	749,094	23.53
Profit for the year	4,170,305	3,321,269	25.56	925,342	740,248	25.00
Profit attributable to owners of the Parent	2,838,029	2,061,487	37.67	925,342	740,248	25.00
Per Share Data						
Earnings Per Share (Rs.)	14.09	10.24	37.60	4.59	3.68	24.85
Dividends Per Share (Rs.)	4.55	4.35	4.60	4.55	4.35	4.60
Dividend Cover (Times)	3.10	2.35	31.55	1.01	0.84	20.21
Shareholders' Interest						
Stated Capital	6,489,758	6,489,758		6,489,758	6,489,758	
Total equity attributable to equity holders of the parent	23,787,323	23,359,195		7,694,856	7,668,843	
Return on equity attributable to equity holders of the parent (%)	11.93	8.83		12.03	9.65	
Total equity attributable to equity holders of the parent per Share (Rs.)	118.11	115.98		38.21	38.08	
Leverage						
Net Finance Costs	(3,372,811)	(2,598,434)		(40,674)	7,569	
Interest Cover (Times)	2.62	2.66		23.75	-	
Borrowings (including overdrafts)	40,861,602	37,738,776		826,399	456	
Borrowing as a Percentage of total equity attributable to equity holders of the parent (%)	171.78	161.56		10.74	0.01	

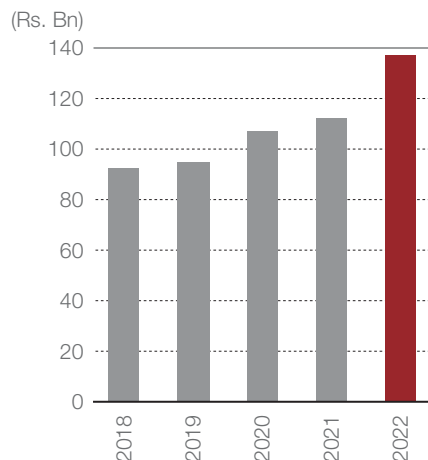
Note: Earnings, dividends and shareholders' funds per share have been calculated based on the number of issued shares presently in issue.

Composition of group revenue

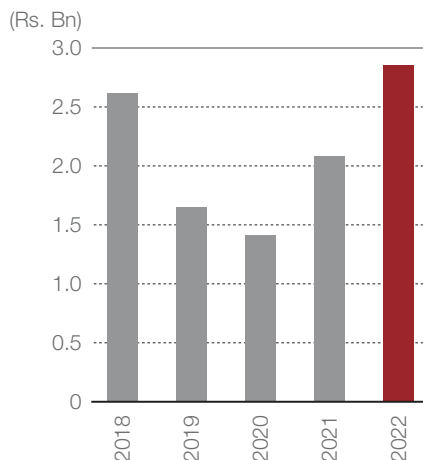


OPERATIONAL SPOTLIGHT

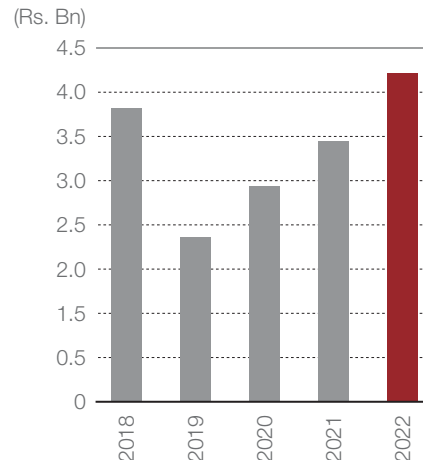
Revenue - Group



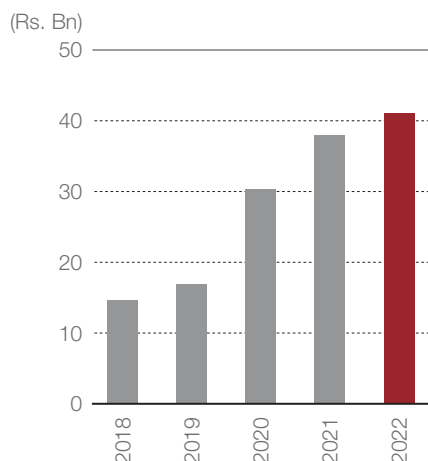
Profit for the Year Attributable to Equity Holders of the Parent - Group



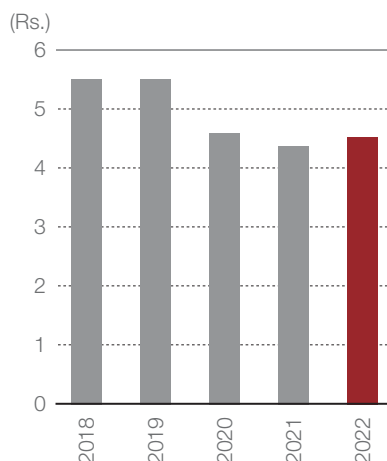
Profit for the year - Group



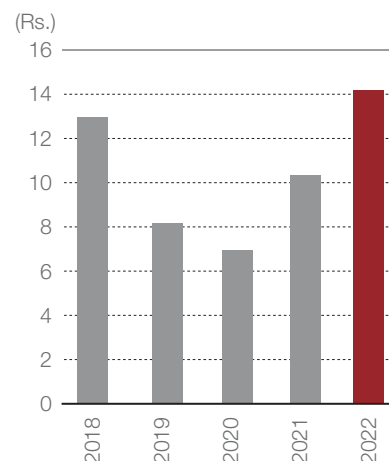
Borrowings - Group



Dividends per share - Group



Earnings Per Share - Group



Revenue

Rs.136.87 Bn

Total Assets

Rs.104.65 Bn

Profit for the year

Rs.4.17 Bn

Dividend Per Share

Rs.4.55

Earnings Per Share

Rs.14.09

Total Equity

Rs.33.34 Bn

CHAIRMAN'S MESSAGE

“CT Holdings will continue to make investments on a selective basis, to support the upliftment of our partners and reduce costs for the consumer.”

It gives me great pleasure to share with you the Annual Report and Financial Statements of CT Holdings for the year ended 31st March 2022.

Present economic climate

The year under review saw the delta and omicron variants of Covid-19 spread across the world, taking a significant human and economic toll. The pandemic, however, is now nearing its end, with a large part of the global population achieving immunity. As the health crisis comes to an end, the world is getting ready for a marked slowdown in economic activity due to the aftereffects of the pandemic and the conflict in Ukraine. Meanwhile, Central banks across the world have started monetary tightening measures as inflationary pressure continues to rise amidst supply chain bottlenecks and rising commodity prices.

Amidst these global challenges, Sri Lanka faces its own set of problems with a severe shortage of foreign currency leading to power interruptions and shortages of essential food, fuel, and cooking gas. The Sri Lankan economy rebounded with 3.7% growth in 2021 after 3.6% contraction in 2020. However, these gains are likely to be short-lived as a slowdown is expected in 2022 given the current situation. Year-over-year inflation which was 12% at the end of 2021 has increased sharply to 45% as of May 2022, highlighting the rapid increase in the cost of living.

Our response

Your Company remains conscious of the impact of price increases on consumers, especially on essential food products. The Group is focused on improving

productivity and reducing wastage, to ensure that the burden of rising costs is minimized for the consumer. As a leading distributor and processor of food in the country, our core objective remains to provide affordable nutrition to consumers. During the reporting period, there were many obstacles which made this objective challenging, including rising cost of raw materials and packaging material, rising fuel and distribution costs, and other operational challenges such as power interruptions which impacted the entire island. Nevertheless, our teams worked proactively to ensure continuous availability of products for the consumer while supply chain teams were committed to support our partners, including farmers and suppliers. The Management took all necessary steps to secure employment and well-being of team members across the Group.

As a leading buyer of agricultural produce and fresh milk, the Company continued to provide a steady market for our suppliers. During the reporting period, our purchases generated direct revenue of Rs. 11.2 Bn to the agriculture and dairy farming communities across Sri Lanka.

Way forward

The Group remains confident that Sri Lanka will overcome its current economic crisis. We are encouraged by steps taken to engage with the IMF and believe that the newly introduced tax rates are the need of the hour to stabilize the government's fiscal position. CT Holdings will continue to make investments on a selective basis, to support the upliftment of our partners and reduce costs for the consumer.

Developing local raw material suppliers and agricultural producers are a key element in ensuring long-term food security of the country and the Group will continue to make investments to achieve these objectives. Despite the uncertain economic environment, the Group's capital investments for the reporting period amounted to Rs 7.75 Bn, reaffirming our confidence in Sri Lanka's recovery as well the Group's commitment to uplifting communities across Sri Lanka and serving our customers.

Financial performance

Despite a very challenging operating environment, the Group's businesses delivered strong results during the reporting period. The Group posted a Revenue of Rs. 136.9 Bn (21% growth), a Gross Profit of Rs. 15.6 Bn (24% growth) and a Profit after tax of Rs. 4.2 Bn (26% growth). The Retail & Wholesale distribution segment and FMCG segment combined contributed to 95% of Group Revenue. Earnings per share (EPS) recorded a 38% increase from Rs. 10.24 to Rs. 14.09. Net Financing Costs increased 30% from the previous year, mainly on account of an exchange loss of Rs. 516 Mn on trade payables. Group performance was driven by the Retail, FMCG, and Restaurant sectors while the Entertainment and Real Estate sectors faced another difficult year. The Financial Services sector recorded improved performance across all key indicators.

Dividends

The Group declared an Interim Dividend of Rs. 1.55 per share for the reporting period, which is higher than the Rs. 1.45

declared during the previous financial year. The Directors are pleased to propose a Final Dividend of Rs. 3.0 per share for the reporting period, which is also higher compared to the Rs. 2.9 Final Dividend during the previous financial year.

Directorate

Mr. Sunil Mendis, who has been associated with the Group since the year 2006, retired at the 2021 AGM after indicating that he would not be seeking reelection. Mr. Mendis devoted his efforts exclusively towards developing businesses of the Group and we wish to extend our sincere appreciation of all his contributions to the company and its subsidiaries. Mr. R Selvaskandan, who was Independent Non-Executive Director, resigned from the Board with effect from 31 December 2021. His advice and contribution to decision making, drawing from his wealth of experience, was always welcomed and appreciated. All other retiring directors will be seeking reelection at the company's upcoming Annual General Meeting.

Acknowledgement

We are most grateful for the efforts of our Groups Management and team for their hard work and dedication in the face of many challenges during the year. The enormous contribution of our team gives me the confidence to state that the Group is in a good place at present and can withstand any grave adversities and prevail for the betterment of all its stakeholders. I wish to extend my sincere thanks to my fellow Directors for all support and advice given during this year. We as the Board wish to place on record our sincere appreciation to

our customers, bankers, suppliers and principals. We appreciate very much your support during the year. I also wish to thank the shareholders of CT Holdings for the confidence placed in the Company and Group.

(Signed)
Louis Page
06 July 2022

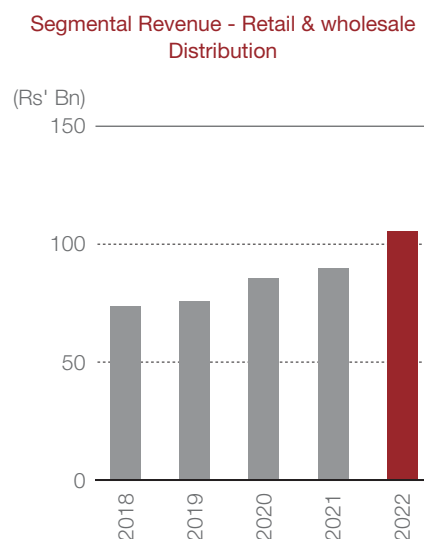
MANAGEMENT DISCUSSION AND ANALYSIS

Sri Lanka's economy grew by 3.6% during the year 2021, aided by growth in all three sectors –Agriculture recorded a 2.0% expansion, Industry grew 5.3%, and Services grew 3.0%. The 1st and 2nd Quarters of the financial year were impacted by lockdowns as the delta variant spread rapidly across the country. The 2nd Quarter was the most challenging, coinciding with extended periods of lockdown in August and September. Consumers resumed daily activities with confidence towards the 3rd Quarter as the vaccination drive implemented by the Government got into full force. Consumer spending rebounded after September and continued to be strong till the end of the financial year, despite increasing inflationary pressure and an uncertain economic environment.

Retail and Wholesale Distribution

The Retail sector which is the largest component of the Group by turnover delivered strong results in growth and profitability as consumer spending and footfall recovered despite periodic slowdowns during the lockdowns. During the year under review, 30 new stores were added along with a new dark-store to facilitate the growing popularity of the e-commerce operation. Considering the current environment, the Group will carefully evaluate its outlet expansion plan for the coming year but will continue ahead with the rollout of outlets already in the pipeline. The sharp depreciation of the Sri Lankan Rupee and import restrictions had some impact on the operations of the Wholesale distribution business. However, the business has carefully navigated the current operating climate and has

increased its focus on distributing local brands.



FMCG

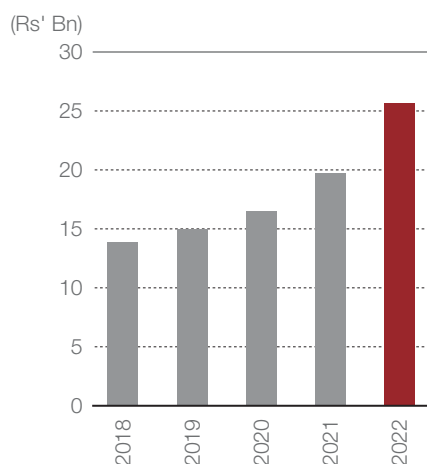
The Dairy sector, which is the largest within FMCG, recorded another strong year despite multiple challenges. The Group's focus on value addition, product innovation, and quality have established our brands as leading national brands across the island. Farmgate prices of fresh milk have trended upwards during the year as demand for fresh milk has increased and an increasing number of collectors compete for a limited supply of milk in the country. Nonetheless, strong relationships built over the last two decades have ensured a loyal farmer base who continue to work with us despite short-term volatilities in the market.

Convenience foods, confectionery, beverages, and the culinary range also recorded a strong year, with double-digit volume growth in all categories. Both modern and general trade channels performed well, with sales to

institutions such as Hotels, Restaurants and catering establishments also seeing a recovery. Within the beverage category, we saw a strong uptick in both take-home and on-the-go products. It is noteworthy to mention that the KIST RIDE energy drink launched in the previous year becoming one of the top performing SKUs with strong acceptance from consumers – especially the youth. The confectionery range recorded consistent growth during the year, with the Group's focus on value added confectionery proving to be successful. Within the convenience food category, we saw the breaded range launched under the Sam's brand during the previous financial year, grow in popularity among consumers. As availability of raw materials has become a challenge from time to time, the Group is looking to strengthen its partnerships with local breeders and livestock companies to secure continuous supplies.

Raw material availability has been a continuous challenge for all manufacturing businesses due to low agricultural production because of the fertilizer crisis, import restrictions, and the foreign exchange shortages in the market. Though rising raw material and packaging costs have added margin pressure, the Group has been able to mitigate the impact through selective price revisions, forward buying of raw materials, and operational efficiencies.

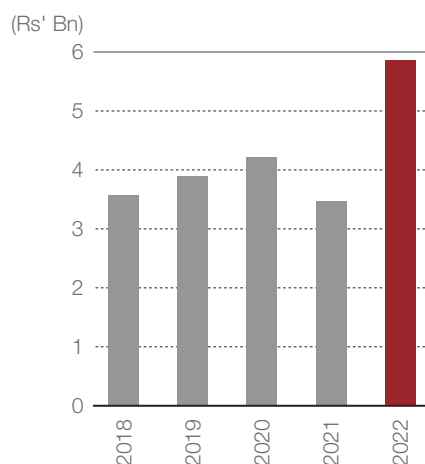
Segmental Revenue - FMCG



Restaurants

The restaurant business which consists of the KFC operation and TGI Fridays recorded a strong recovery in volumes, after pandemic-related lockdowns led to a decline in revenue in the previous year. The number of restaurants increased, with 14 new outlets added during the year taking the total number to 57 (56 KFC and TGI Friday) as of 31 March 2022. The dine-in channel recorded an impressive recovery as pandemic related concerns subsided, with customers returning to the restaurants. Selective price revisions to the menu were undertaken during the year to mitigate the impact of rising raw material costs. Consumption continued to remain strong despite price increases, with the performance of new outlets exceeding expectations. The TGI Fridays restaurant located at the One Galle Face Mall also recorded a recovery with consumer confidence to dine in picking up during the year.

Segmental Revenue - Restaurants



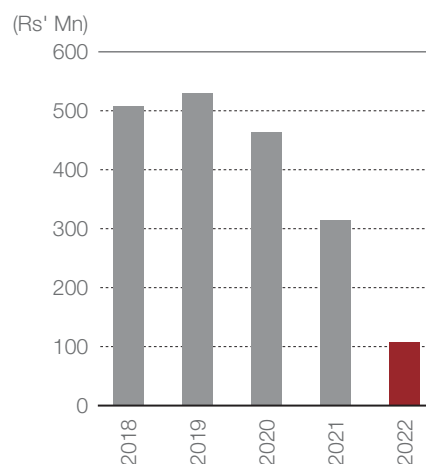
Real Estate

The Group owns several properties in strategic locations of the island and has continued to look at ways to unlock the value of such properties by developing. The real estate sector was restructured during the year to facilitate further expansion with a focused management team to oversee operations. Accordingly, certain investment properties and properties designated for development were brought under The Empire Investments Company (Pvt) Ltd, which would be the apex company for the Group's property development initiatives going forward. The Group recently constructed three Cargills Square Mini Malls and two further Mini Malls are under construction. Plans are also underway to develop the Group's Regal Cinema Properties in Kandy and Negombo on the same concept.

Refurbishment of the Majestic City shopping and entertainment mall, one of the largest and most popular Malls in Colombo operated under CT

Land Development will continue, with a view to position it as the leading entertainment hub of the Colombo South.

Segmental Revenue - Real Estate



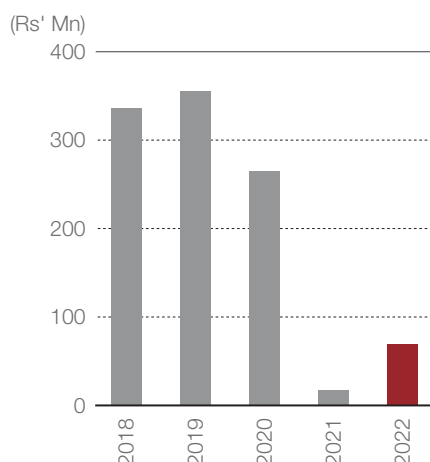
Entertainment

This sector is operated under Ceylon Theaters (Private) Limited, a wholly owned subsidiary engaged in movie exhibition. This sector was the worst affected during the year due to state-imposed closures and restricted attendances. The unavailability of good quality content for exhibition also adversely impacted this sector. Despite the setbacks, Ceylon Theatres continues to be committed to the movie and cinema industry and looks forward to improved performances in the upcoming year. One location, with two screens, was closed during the year due to poor performance. At the reporting date, Ceylon Theatres operated 13 screens across six locations. Further, in keeping with the Group ethos of not limiting its presence to the Colombo district, the Group is drawing plans to add further cinemas in outstation

Management Discussion and Analysis

locations. Revenues of the sector were up to Rs. 71 Mn from Rs. 18 Mn in the previous year. Under the present circumstances, the Entertainment sector is working towards curtailing operating costs as a means of sustaining operations.

Segmental Revenue - Entertainment



Banking & Financial Services

The Banking and Financial Services Sector is accounted as an Equity Accounted Investee (Associate). The Bank was able to achieve growth across all key indicators despite the challenging operating environment and emerged stronger than in the previous year. Significant loan growth and the reduction of NPLs have brought us closer to breakeven despite the low interest rate environment exerting pressure on net interest margins. On account of the recent challenges facing the domestic economy, the time frames for the listing and the long-term capital requirements have been extended by the Central Bank. This sector also includes C T CLSA Holdings Limited which is a leading capital market service

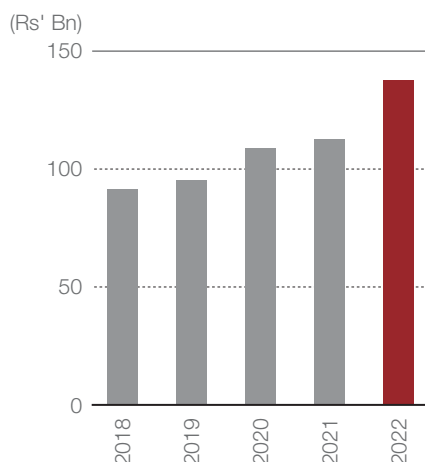
provider in Sri Lanka covering Stock Broking, Investment banking, Capital market solutions and asset management services.

Group Financial Review

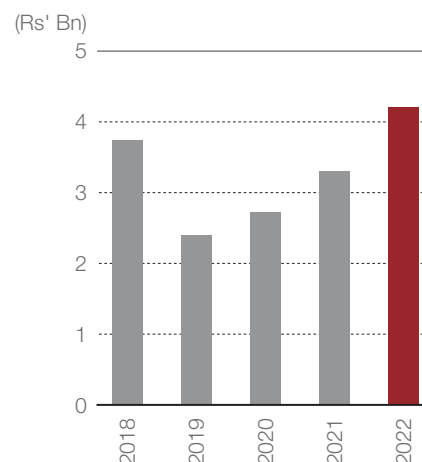
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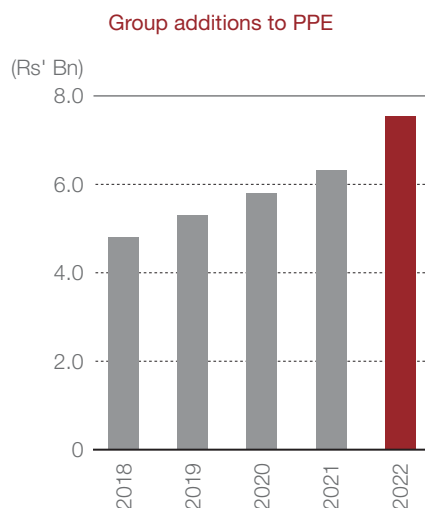
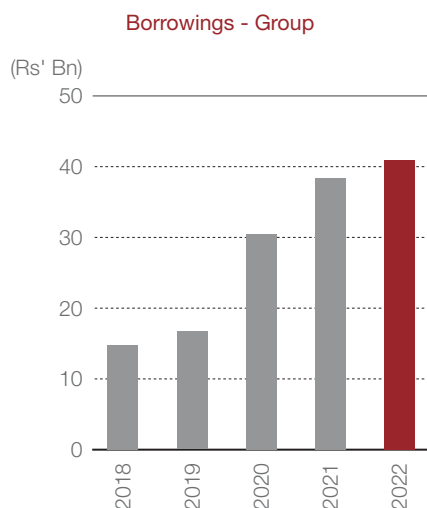
The Group increased its long-term borrowings during the year and secured credit facilities to benefit from the low interest rates that prevailed during most parts of the financial year. Long-term borrowings increased to Rs. 27.1 Bn while short-term borrowings declined to Rs 13.8 Bn. Collectively, the Group's total borrowings stood at Rs. 40.9 Bn at the end of the reporting period compared to Rs. 37.8 Bn in the previous year. The Group's investments during the year amounted to Rs. 7.75 Bn compared to Rs. 6.46 Bn in the previous financial year. The investments have been funded through internally generated funds and borrowings. At the company level there were no investments in PPE during the reporting period.

Revenue - Group



Profit for the Year





business which operates the Regal cinemas and the Majestic cinema.

Sustainability & Governance

Our responsibility to the planet and our surroundings is factored in every business decision of the Group. As a leading player in the agriculture and food processing sectors, we have taken pioneering initiatives to move towards sustainable agriculture, cleaner energy consumption, and eco-friendly packaging and waste management. We have introduced measures to recycle waste (plastic, solid waste, and wastewater), and substitute non-renewable energy sources with solar power. The Group currently has over 5Mwh of solar power generating capacity installed across its retail outlets and processing facilities. The introduction of modern agricultural practices such as precision farming and encouraging more farmers to shift towards GAP certified processes have had a positive impact on the environment, with improved soil health, minimized agricultural residue in crops and waterways, reduced water consumption, while ensuring quality produce. Our restaurants business has eliminated 90% of its plastic consumption over the years. The retail chain continues to encourage consumers to shift away from polythene bags and towards eco-friendly bags while back-end systems are increasingly digitized to reduce paper use.

The Group places the highest value on ethical business practices and conduct with a zero-tolerance policy towards corruption and bribery in all its transactions, and strives to nurture a culture of transparency, honesty and accountability.

Human Capital

The health and safety of our team was of paramount importance and the Management set up special quarantine and COVID care centers for team members during the reporting period. In January 2022, the Group's subsidiary Cargills (Ceylon) PLC launched its digital learning & development platform, to enable greater access to training courses which were previously provided through classroom-based sessions. Given the Group's diverse geographic distribution, the online learning platform will enable team members to connect with each other virtually, learn from each other, and access training material via the phone or computer. The total number of team members in the Group as at the end of the reporting period amounted to 9,542. We are an equal opportunity employer and tolerates no discrimination on the basis of gender, disability, race, religion, marital status, etc. and ensures every team member is valued and respected. The gender composition of the team was 51:49 (male: female) and almost 60% of the team belongs to the 18-30 age group.

Social and Relationship Capital

The Group continued to develop and strengthen its relationships with local fruit, vegetable and dairy farmers and other small and medium primary producers across the country. The agriculture modernization project which promotes higher yielding, socially and ecologically responsible farming methods was expanded to include more farmers. The 'Sarubima' fund established by Cargills in 2008 has evolved to support farmers with credit insurance against crop failures, in addition to funding educational scholarships for farmer children and investing in rural community development projects. With focused efforts to source locally and build food production in Sri Lanka, the Group has been able to support the economy by bridging nutritional gaps which would otherwise be met with imported products. The Group has also made investments towards bringing affordable entertainment to customers across Sri Lanka through the entertainment

PROFILE OF DIRECTORS

Anthony Page

Chairman Emeritus

Mr. Anthony A. Page counts over 45 years of management experience in a diverse array of businesses. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Institute of Certified Management Accountants of Sri Lanka.

He served on the Board of the Colombo Stock Exchange and several public listed and non-listed Companies. Mr. Page also served as a Council Member of the Employers Federation of Ceylon.

Board of Directors

Louis Page

Chairman, Non-Executive Director

Mr. Louis R Page is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants (UK). He is also the Chairman of subsidiary company Cargills (Ceylon) PLC. He has held a number of Board and Senior Management positions at the highest level in overseas public companies and public institutions.

Ranjit Page

Deputy Chairman/Managing Director, Executive Director

Mr. V. Ranjit Page possesses over 39 years of management experience with expertise in food retailing, food service, and manufacturing, having introduced the concept of super marketing to the Sri Lankan masses. He is the Deputy Chairman / CEO of Cargills (Ceylon) PLC and the Chairman of Cargills Bank Ltd. He also serves on the boards of several other C T Holdings Group companies.

J B L De Silva

Independent Non-Executive Director

Mr. J. B. L. De Silva, a lawyer by profession, has substantial experience in the rubber trade. He is a past Chairman of the Colombo Rubber Traders' Association and is a director of other listed and non-listed companies.

Board of Directors

Priya Edirisinghe

Independent Non-Executive Director

Mr. A. T. Priya Edirisinghe is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Fellow Member of the Chartered Institute of Management Accountants (UK) and holds a Diploma in Commercial Arbitration. He was the Senior Partner of Bakertilly Edirisinghe & Co., Chartered Accountants and currently serves as Consultant/Advisor. He is the Managing Director of PE Management Consultants (Pvt) Ltd. He counts over 50 years' experience in both public practice and in the private sector. He serves on the boards of a number of other listed and non-listed companies where in some companies he also serves as Chairman/Member of the Audit Committee, Related Party Transactions Review Committee, and Member of the Remuneration Committee.

Mr. Edirisinghe is the Chairman of the Company's Audit Committee and Related Party Transactions Review Committee and a member of the company's Remuneration Committee.

Cecilia Page Muttukumaru

Non-Executive Director

Ms. Cecilia Page Muttukumaru is a Director of CT CLSA Holdings Limited, and the Chairman of CT CLSA Securities (Private) Limited, CT CLSA Capital (Private) Limited and Comtrust Asset Management (Private) Limited. She is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants (U.K.).

Aravinda Page

Non-Executive Director

Dr. A. Aravinda Page, MA (Cantab), M.B.B. Chir, MRCS (UK), is a specialty registrar in cardiothoracic surgery and is currently attached to Papworth Hospital NHS Foundation Trust, Cambridge, UK.

Joseph Page

Non-Executive Director

Mr. Joseph C. Page is the Deputy Chairman/Managing Director of C T Land Development PLC. He is also a Director of Cargills (Ceylon) PLC, Ceylon Theatres (Pvt.) Ltd. and C T Properties Limited.

Prior to joining C T Land Development PLC, he was the Executive Director of Millers Limited. He has over 35 years of management experience in the private sector.

Asite Talwatte

Independent Non-Executive Director

Mr. A. D. B. Talwatte is a fellow member of the Institute of Chartered Accountants of Sri Lanka (ICASL) and the Chartered Institute of Management Accountants of the U.K. He also holds a Post-Graduate Diploma in Business and Financial Administration awarded by the ICASL and the University of Wageningen, Holland and has a MBA from the University of Sri Jayawardenapura, Sri Lanka. Mr. Talwatte has also participated in a Kellogg Executive Programme at the Kellogg Graduate School of Management, Northwestern University, Evanston, Illinois.

Mr. Talwatte worked at Ernst & Young in Assurance, Business Risk and Advisory Services for 37 years, including 10 years as Country Managing Partner. He has worked with Ernst & Young in Cleveland, Ohio and also served on Ernst & Young's Far-East Area Executive Committee, the Area Advisory Council and the ASEAN Leadership Committee.

Mr. Talwatte was President of the CA Sri Lanka for a two-year period in 2002/2003 and the CIMA in 1995/96. He also served as the Chairman of the Statutory Accounting Standards Committee and the Auditing Standards Committee, the Urgent Issues Task Force and the Examinations Committee of the ICASL.

Mr. Talwatte has been closely associated with the development of Corporate Governance in Sri Lanka being actively involved with the Code of Audit Committees in 2002 and the Code of Corporate Governance in 2003. He co-

Profile of Directors

chaired the Committees to structure the revised Codes of Corporate Governance of 2008, 2012 and 2017 and the Listing Rules of 2008. He chaired the International Integrated Reporting Council of Sri Lanka (IIRSL) on behalf of CA Sri Lanka from 2018 to 2021. He currently chairs the Corporate Governance Committee of CA Sri Lanka.

Mr. Talwatte serves as an Independent Non-Executive Director on the boards of several listed companies.

Imtiaz Abdul Wahid

Non-Executive Director

Mr. M. Imtiaz Abdul Wahid is an Associate Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants (UK). He has been involved in the operations of the subsidiary company Cargills (Ceylon) PLC in an executive capacity at different intervals progressively at higher levels (appointed Director 1997 and Deputy Managing Director in 2001) spanning a period of over 30 years, leaving the services of the company for employment abroad on two occasions in between whereby he also gained valuable exposure holding a number of senior management positions in overseas companies. He was appointed Managing Director/ Deputy CEO of Cargills (Ceylon) PLC in May 2010.

Sanjay Niles

Executive Director

Mr. Sanjay C. Niles is an Associate Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants, UK. He is also a Director of CT Land Development PLC, Executive Director of Ceylon Theatres (Pvt) Ltd., and a Director of other companies within the CT Holdings Group.

CORPORATE GOVERNANCE

Section 7.10 of the Listing Rules of the Colombo Stock Exchange – “Corporate Governance” sets out the Corporate Governance requirements of listed companies. The Directors hereby confirm that the Company is in compliance with the said section of the Listing Rules as at 31st March 2022.

Corporate Governance within the Group is handled at two levels

- (a) Subsidiary Company level – each of the listed subsidiaries has Corporate Governance Procedures that are compliant with the requirements of Listing Rules. Subsidiaries that are private companies follow the Corporate Governance procedures adopted for the listed company immediately above in the group structure.
- (b) At the Parent Company level – the details of the Parent Company’s compliance with the Listing Rules are set out in the table below.

The overall Policy Framework for the Group is formulated by the Group’s Executive Committee, which is then presented to the Board of Directors of the Parent Company and subsidiaries for approval and adoption. The Policy Framework is periodically reviewed and updated as required.

Principle	Compliance Status	Remarks
1. Non-Executive Directors		
The Board shall include at least two Non-Executive Directors; or one third of the total number of Directors whichever is higher.	Complied	The Board of Directors consists of Ten Directors of whom Eight are Non-Executive Directors.
2. Independent Directors		
Two or 1/3rd of Non-Executive Directors appointed to the Board of Directors, whichever is higher shall be ‘independent’.	Complied	Three Directors out of the Eight Non-Executive Directors are Independent (See 3 below).
The Board shall require each Non-Executive Director to submit a declaration annually of his/her independence or non-independence in the prescribed format.	Complied	All Non- Executive Directors submit signed declarations of Independence / Non-Independence annually.
3. Disclosures relating to Directors		
The Board shall make a determination annually as to the independence or non-independence of each Non-Executive Director and set out in the annual report the names of Directors determined to be ‘independent’.	Complied	Messrs. J B L De Silva, Priya Edirisinghe, and A D B Talwatte are deemed to be independent Directors as stated below.

Corporate Governance

Principle	Compliance Status	Remarks
In the event a Director does not qualify as 'independent' but if the Board, taking account of all the circumstances, is of the opinion that the Director is nevertheless 'independent', the Board shall specify the criteria not met and the basis for its determination in the annual report.	Complied	Messrs. J B L De Silva and Priya Edirisinghe have served in the Company's Board for a continuous period exceeding nine (09) years. Further Messrs. Priya Edirisinghe and A D B Talwatte also serve as Directors of other Group Companies of C T Holdings PLC. Nevertheless, the Board of Directors of the Company, having considered their credentials and integrity have resolved that Messrs. J B L De Silva, Priya Edirisinghe, and A D B Talwatte be deemed Independent Directors of the Company.
The Board shall publish in its annual report a brief résumé of each Director on its Board.	Complied	Disclosed in the Annual Report.
Upon appointment of a new Director to its Board, the Company shall forthwith provide to the Exchange a brief résumé of such Director for dissemination to the public.	N / A	No new Directors were appointed to the Board of the Company during the year.
5. Remuneration Committee		
A listed company shall have a remuneration committee comprising a minimum of two independent Non-Executive Directors or exclusively by Non-Executive Directors a majority of whom shall be independent, whichever shall be higher. One Non-Executive Director shall be appointed as Chairman of the Committee by the Board	Complied	The Remuneration Committee consisted of two Independent Directors and one Non-Executive Director. The Chairman of the Remuneration Committee is a Non-Executive Director.
The Remuneration Committee shall recommend to the Board of Directors, the remuneration payable to the Executive Directors and Chief Executive Officer.	Complied	The functions of the Remuneration Committee are disclosed in the Report of the Remuneration Committee.
The annual report should set out the names of Directors comprising the Remuneration Committee, contain a statement of the remuneration policy and set out the aggregate remuneration paid to Executive and Non- Executive Directors.	Complied	The names of the members of the remuneration Committee are disclosed in the Annual Report under Corporate Information. Details of the Directors' emoluments are disclosed in Notes to the financial statements. The Remuneration Policy is stated in the Report of the Remuneration Committee.

Principle	Compliance Status	Remarks
6. Audit Committee		
A listed company shall have an Audit Committee comprising a minimum of two Independent Non-Executive Directors or exclusively by Non-Executive Directors a majority of whom shall be independent whichever shall be higher. One Non-Executive Director shall be appointed Chairman of the committee by the Board	Complied	The Audit Committee consists of three Independent Directors. The Chairman of the Audit Committee is an Independent Non-Executive Director.
Unless otherwise determined by the Audit Committee the Chief Executive Officer and the Chief Financial Officer of the listed company shall attend audit committee meetings.	Complied	The Deputy Chairman/Managing Director and Executive Director are invited to attend the Audit Committee meetings as required.
The Chairman or one member of the committee should be a Member of a recognised professional accounting body.	Complied	The Chairman and a member are Fellow Members of the Institute of Chartered Accountants of Sri Lanka and Chartered Institute of Management Accountants, UK.
Functions of the Audit Committee	Complied	Disclosed in the Report of the Audit Committee.
The annual report should set out the names of Directors comprising the Audit Committee.	Complied	The names of the members of the Audit Committee are disclosed in the Annual Report under Corporate Information.
The committee shall make a determination of the independence of the auditors and shall disclose the basis for such determination in the annual report.	Complied	Disclosed in the Report of the Audit Committee.
The annual report shall contain a report by the Audit Committee, setting out the manner of compliance, during the period to which the annual report relates.	Complied	Disclosed in the Report of the Audit Committee

RISK ASSESSMENT

Risks are internal or external events that can negatively impact the realization of short-term objectives or the implementation of long-term strategies. They can also emerge from missed or poorly exploited opportunities. The risk management process encompasses anticipating, identifying, managing, and mitigating internal and external risks and opportunities to ensure both short and long-term economic, environmental and social sustainability of the C T Holdings (CTH) Group.

CTH risk portfolio is distributed among subsidiary companies and varies with the nature of each business, geographical dispersion and operation of each sector and company. The Board of Directors of CTH is entrusted with the task of assessing and regulating the risk profile of each operating sector along the lines of the strategic objectives of the Parent Company. For certain key areas, the Group has set up separate monitoring and reporting structures dedicated to monitoring and reporting on internal and external risks. Such structures, where appropriate, have direct reporting responsibilities to independent committees as well.

Consistent risk monitoring

The management teams of the respective sectors are responsible for overseeing the implementation and effectiveness of risk management in their particular sector. They ensure that the risk management system as a whole is operational and that the standards and processes remain current. The significant internal and external risks faced by CTH along with the mitigating factors are described below.

1. Business risk

The business risks constantly change in nature and complexity in the operating environment of the Group. The Group's businesses are subject to a variety of risks, including laws and regulations, market conditions and competitive landscape, which require constant monitoring and evaluation by the management. CTH as the Holding Company carefully evaluates all risks pertaining to high value investments of the Group both in existing operating sectors and new areas (if any).

2. Reputational risk

Failure to protect the Group's reputation could lead to a loss of trust and confidence among stakeholders. We recognise the commercial imperative to safeguard the interests of all our stakeholders. We therefore endeavor to engage with them to take into account their views in developing long term strategies.

3. Funding & liquidity

The Group's subsidiaries and associates finance their operations through a combination of retained earnings, and long term and short term banking facilities. Effective management of cash flow is a key component of maintaining strong funding and liquidity positions. Adequate funding arrangements are available to meet investments and contingencies that may occur in the ordinary course of business. Further, the strong relationships maintained with Banks enable companies within the Group to raise funds at competitive rates as and when required.

4. Credit risk

Credit risk is the risk due to uncertainty in the counterparty's ability to meet its financial obligations. The Group's Credit risk primarily arises from deposits with banks as well as credit exposure to customers including outstanding receivables. Strict credit control procedures are adopted in order to assess the credit quality of present and potential customers with further mitigating measures undertaken to reduce risk. The utilisation of credit limits is regularly monitored.

5. Interest rate risk

Except in the case of investment of surplus funds, the Group's income and operating cash inflows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long and short term borrowings at variable rates linked to market conditions. Such arrangements, while being advantageous at present exposes the Group to interest rate fluctuations. The Group monitors its interest rate exposure on a dynamic basis.

6. Exchange rate risk

Exposure to Exchange Rate risk is minimal. Revenue streams are also largely independent of Exchange Rate fluctuations except in the case of commodity imports.

7. Product safety

The safety and quality of our products is of paramount importance to the Group as well as being essential for maintaining customer trust and confidence. A breach in confidence could adversely affect the size of our customer base and financial results. We have

detailed and established procedures for ensuring product integrity and quality at all times. There are strict product safety processes in place. We work in partnership with suppliers to ensure mutual understanding of the standards required. We also monitor developments in areas such as health, safety and nutrition in order to respond appropriately to changing customer trends and new legislation.

8. Health and safety risks

Provision of adequate safety to our staff and customers is of the utmost importance to us. Injury or loss of life cannot be measured in financial terms. We operate stringent health and safety processes in line with best practice in our outlets, manufacturing facilities and offices, which also ensure that safety practices are inculcated in all employees. Such procedures are monitored regularly.

9. Regulatory and political environment

As a Group predominantly operating within Sri Lanka our business is affected by the regulatory and political framework within the country. The effect of such an environment outside Sri Lanka could affect the Company to the extent that it affects the entire local economy. We consider these uncertainties in the local and overseas economies when developing strategies and reviewing performance. We remain vigilant to future changes. As part of our day to day operations we engage with governmental and non-governmental organisations to ensure the views of our customers and employees are represented and try to anticipate and contribute to important changes in public policy whenever possible.

10. Legal issues

Full provision is made for all legal liabilities that are expected to result in any material loss to the Company. All contingent liabilities have been disclosed in the financial statements.

11. Retirement benefit obligations

The retirement benefit obligations are computed based on actuarial assumptions. The management takes all required steps to ensure that such assumptions are accurate and corresponds to past results and current trends. However, any significant discrepancies between actuarial assumptions and actual conditions may have some impact on future results. The management considers the possibility of such impact as very low.

12. Risk of natural disasters

Natural disasters such as earthquakes, storms, and floods, as well as accidents, acts of terror, infection and other factors beyond the control of the Group could adversely affect the Group's business operation. Insurance covers are obtained against all identified risks and natural disasters affecting the assets of the Group and operational matters.

13. Competition

Most sectors of the Group face very competitive business environments. The management regularly reviews the competitor environment in order to develop appropriate counter strategies. Due to the widespread nature of operations, Group's sales are not dependent on a single or small group of customers.

14. Information systems and cyber security

The Group is heavily reliant on computerised operational and financial systems to ensure efficiency of operations and financial reporting. These systems and the associated controls are regularly monitored and reviewed. Measures have been put in place to protect the Group against factors such as natural disasters, accidents, data losses, computer viruses and unauthorised access. An IT disaster recovery plan is also in place.

15. Commodity price risk

The Group's FMCG sector is more exposed to the volatility in the commodity prices. Prices may also be adversely affected by environmental factors such as drought & floods. Long term relationships built with suppliers and forward contracts help in minimising the effects of this risk factor to some extent.

16. Supply chain

Raw material, semi processed food and finished goods for re-sale are sourced from third-party suppliers, contract manufacturers and primary producers exposes the group to market volatility and availability.

17. Covid 19

The Company and subsidiaries developed effective strategies to minimize, as far as possible, the adverse effects arising from the Covid 19 pandemic. Details of the effect of the pandemic on the Group and steps taken to counter the same are disclosed in Notes to the Financial Statements.

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee of C T Holdings PLC is appointed by the Board of Directors of the Company and reports directly to the Board.

Remuneration Policy

As is well known, Human Resources in Companies are a vital cog in the wheel to successfully carry out its business activities in a fair and equitable manner in the interest of its shareholders, employees, and other stakeholders and in all instances, within the laws of the country to enhance / add shareholder value for the benefit of its respective stakeholders. Executive Directors and Senior Management are pivotal drivers and there is a need to ensure that such employees are adequately and fairly compensated in line with market conditions applicable to the respective sectors.

Framework

The policy framework for the functioning of the Remuneration Committee of the Company and its subsidiaries is set out in the Group Policies adopted across the Group. In addition to the Remuneration Committee of the Holding Company, some listed subsidiaries have their own Remuneration Committees. The Chairman and one other member (or two members as appropriate) of the Remuneration Committee of the Parent Company shall be members of each of such separate remuneration committees. In the event a subsidiary company does not have a separate remuneration committee, the remuneration committee of the immediate holding company will function as the remuneration committee for that subsidiary company as well.

Composition

The Composition of the Remuneration Committees is in accordance with the rules on Corporate Governance of the Securities & Exchange Commission of Sri Lanka, the Colombo Stock Exchange and the respective company's Articles.

The composition of the Remuneration Committee of CT Holdings PLC is as follows:

Name	Non-Executive Directors
Louis Page, Chairman	Non-Executive
Priya Edirisinghe	Independent
J B L De Silva	Independent

The Executive Director of CT Holdings PLC functions as the Secretary to the Committee.

Scope

- The Remuneration Committee shall recommend the remuneration payable to
 - Chief Executive Officer and / or equivalent position
 - Executive Directors, and,
 - Senior Management/Executives,to the board of the company which will make the final determination upon consideration of such recommendations.
- Detailed procedures are set out in the Group Policies in respect of all revisions in remuneration payable.
- The Remuneration Committee shall also recommend the variable incentives/or bonuses within the parameters set out in the Group policies.

- The Board of the respective Company may decide that the Remuneration Committee should include the review of emoluments of other levels of employees as well. The procedure for such revision of emoluments are also specified in the Group policies.
- Once in three years, the company shall commission an independent party to study & report on the emoluments of the CEO, Executive Directors, and senior management / executives, and may include other levels also in the review as applicable to the relevant sectors. The said Report will be discussed by the Committee for guidance in making the required assessments.

Meetings

The Remuneration Committee shall meet on a needs basis and meets at least once a year.

(Signed)

Louis Page

Chairman - Remuneration Committee

06 July 2022

REPORT OF THE NOMINATIONS COMMITTEE

The Nominations Committee of C T Holdings PLC is appointed by the Board of Directors of the Company and reports directly to the Board.

Policy Framework

The policy framework for the functioning of the Nominations Committee of the Company and its subsidiaries is set out in the Group Policies adopted across the Group. C T Holdings PLC and subsidiaries are subject to the Nominations Committee of C T Holdings PLC. Nominations to the Boards of all Group Companies shall be reviewed and approved by this Committee prior to appointment.

Composition

The Nominations Committee of CT Holdings comprise the Chairman, the Deputy Chairman / Managing Director, and the Chairman of the Executive Committee of the company.

The composition of the Nominations Committee during the year continued to be as follows:

Name	Description of Directorship
Louis Page, Chairman	Non-Executive, Chairman of C T Holdings PLC
Priya Edirisinghe	Independent, Chairman Executive Committee
Ranjit Page	Executive, Deputy Chairman/MD of C T Holdings PLC

The Composition of the Nominations Committee satisfies the criteria as specified in the standards of Corporate Governance for listed Companies.

Scope

The scope of the Nominations Committee would be to review all appointments to the Board of Group companies and recommend to the respective Board of Directors of the relevant company for appointment.

No new appointments were made to the Board of Directors of CT Holdings PLC during the year. However, Directors' appointments were recommended to be made in subsidiary and sub-subsidiary companies, based on which such appointments were formally approved by the Boards of the respective companies.

Meetings

The Nominations Committee shall meet once each year or as required.

(Signed)

Louis Page

Chairman - Nominations Committee

06 July 2022

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review (RPTR) Committee of C T Holdings PLC is appointed by the Board of Directors of the Company. The RPTR Committee functions within the overall governance process established by the Board of Directors of the Company and assists the Board in effectively discharging its responsibilities. The Committee reports directly to the Board.

Framework

The policy framework for the functioning of the RPTR Committee of the Company and its subsidiaries is set out in the Group Policies adopted centrally for the entire Group. However, the holding company and all listed subsidiaries have separate RPTR Committees. The Chairman and one other member (or two members as appropriate) of the RPTR Committee of the parent company shall be members of each of such separate RPTR Committees. In the case of non-listed subsidiary companies, the RPTR committee of the immediate holding company functions as the RPTR committee for the subsidiary companies as well.

Composition

The Composition of the RPTR Committees must be in accordance with the code of best practices on related party transactions (RPT code) of the Securities & Exchange Commission of Sri Lanka (SEC), the listing rules of the Colombo Stock Exchange and the respective company's Articles, as appropriate.

The composition of the RPTR Committee of CT Holdings PLC is as follows:

Name	Non-Executive Directors
Priya Edirisinghe, FCA, FCMA (UK) - Chairman	Independent
A D B Talwatte, FCA, FCMA (UK), MBA	Independent
J B L De Silva	Independent

The Composition of the members of the RPTR Committee satisfies the criteria as specified in the RPT code of SEC and the listing rules of the Colombo Stock Exchange. The Deputy Chairman / Managing Director and Executive Director attend RPTR Committee meetings as and when requested by the Committee. The Company Secretary functions as the Secretary to the Committee.

Scope

The Functions of the RPTR Committee, as set out in the Group Policies, include the following –

- Developing and recommending for adoption by the Board of Directors of the Company and its listed subsidiaries, a related party transactions policy consistent with that proposed by the RPT Code of the SEC.

- Reviewing and updating the control procedures in place to ensure that all recurrent and non-recurrent related party transactions are identified, adequately captured and reported in a timely manner in accordance with the applicable rules.
- Establishing procedures to ensure that related party transactions that are captured within the system are reviewed in a systematic manner and certified by key management personnel with appropriate level of authority.
- Reviewing all related party transactions as reported by the management for compliance with the RPT code.
- Ensuring that appropriate disclosures are made as applicable to the CSE (where immediate market disclosures are required) and the Annual Report.

As per the applicable procedures of the Group the RPTR Committee has obtained:

- Quarterly declarations of related party transactions from Directors & Senior Management of all Group companies on recurrent & non-recurrent transactions undertaken by them or by their close family members.
- Quarterly declarations of Directors & Senior Management of all Group companies who have a Significant Shareholding/ownership in a Company or partnership or proprietorship which is outside the Group companies and/or of the Subsidiaries and Associate Companies of Group companies.

- Quarterly declarations of Group Financial Officer or equivalent Position in Group companies on Recurrent and/or Non-Recurrent transactions within the Group Companies.

Likewise, procedures are also in place for the assessment of the need to obtain shareholder approval for specified transactions and to inform the SEC/CSE on the applicable Non-Recurrent transactions.

Related Party Transactions

Companies within the Group regularly engage in transactions with other companies within the Group. The RPTR Committee receives and reviews details of all related party transactions from the Chief Financial Officers of individual companies and disposes of the same in accordance with the mandate set out above.

With regard to non-recurrent transactions, if any, the Committee is empowered to seek independent expert advice on valuation or any other related matter that the committee deems to be significant.

Meetings

In terms of the listing rules of the Colombo Stock Exchange, the RPTR Committees should meet at least four times a year. Unless otherwise determined by the RPTR Committee the Chief Executive Officer and the Chief Financial Officer of the listed company shall attend RPTR committee meetings.

The RPTR Committee of C T Holdings PLC met four times during the year, once per calendar quarter.

Details of the participation of the members of the RPTR committee at such meeting is set out below.

Name	Meetings Held	Meetings Attended
Priya Edirisinghe	4	4
A D B Talwatte	4	4
Sunil Mendis * (up to 1 July 2021)	4	1
J B L De Silva	4	4

* Mr. Sunil Mendis (Independent, Non-Executive Director) who had attained 76 years of age retired at the conclusion of the AGM 2021 held on 01 July 2021, as per Section 210 (2) (b) of the Companies Act No. 07 of 2007, as he did not wish to be re-elected.

Conclusion

Based on its work, the Related Party Transactions Review Committee confirms that there were no non-recurrent transactions with related parties during the year, except as set out below:

The Board of Directors of C T Holdings PLC and Cargills (Ceylon) PLC resolved to form a Real Estate subsidiary company by transferring all properties of the Group designated for development and other unlisted Real Estate / Property Development subsidiaries of the Group under the Real Estate subsidiary and participate in the equity of the said subsidiary in proportion to the value of the properties / equity holdings transferred plus stamp duty and direct taxes borne by C T Holdings PLC and Cargills (Ceylon) PLC and an equity injection of Rs.550Mn by C T Holdings PLC. An announcement to this effect was made to the Colombo Stock Exchange on 26 October 2021.

The Related Party Transactions Review Committee of C T Holdings PLC reviewed the transaction/s and is of the view that the transactions are on normal commercial terms and are not prejudicial to the interests of the Entity and its minority shareholders and the Related Party Transactions Review Committee obtained an opinion from an independent valuer prior to forming its view on the transaction/s.

Report of the Related Party Transactions Review Committee

It also noted that in respect of recurrent transactions, the transactions have been carried out in the ordinary course of business at “arm’s length” basis as required by the Para 23 of LAKAS 24, “Related Party Disclosures”. There were no changes to terms or practices followed over the previous year and general terms and conditions applicable to such transactions with Related Parties are similar to those entered into with non-related parties taking into account, if any, due consideration of factors such as volume, cost and any other special benefits which form part and parcel of such transactions. The observations of the Committee have been communicated to the Board of Directors, and the Board in turn has made a declaration to the effect that the Company has complied with the requirements of the Rules pertaining to Related Party Transactions as contained in Section 9 of the listing rules of the Colombo Stock Exchange.

The details of the recurrent transactions entered into with Related Parties are disclosed in notes to the Financial Statements.



Priya Edirisinghe
Chairman - RPTR Committee

06 July 2022

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ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY

The Directors are pleased to present the Annual Report of C T Holdings PLC for the Year ended 31st March 2022.

Activities

The Group's Principal activities and important events during the year are discussed in detail in the Chairman's Statement and Review of Operations set out on pages 08 to 09 and 10 to 13 respectively. There were no significant changes to the business activities of the Group during the year.

Risk management

The overall approach to risk management within the Company and Group is set out in pages 20 to 21.

Financial statements

The Audited Financial Statements of the Company & Group for the year ended 31st March 2022 set out on pages 40 to 133 form an integral part of this annual report.

Auditors' report

The Independent Auditors' Report is set out on pages 34 to 39.

Accounting policies

The accounting policies adopted in the preparation of the financial statements are given on notes 46 to 64.

Ratios and market price information

Key ratios and market price information pertaining to the equity of the Group are set out on page 134 along with the trend for the past four years. Company and subsidiaries have not raised any capital through listed debt instruments during the year.

Property, plant & equipment

The movement of property, plant and equipment during the year is given in note 13 to the financial statements. The Group's outlay on property, plant and equipment during the year amounted to Rs. 7.57Bn (2021 – Rs. 6.28Bn). The capital outlay on property, plant and equipment during the year at the Company level amounted to Rs. Nil (2021 – Rs. 147,000). The Directors are of the opinion that the carrying amount of properties stated in note 13 to the financial statements reasonably reflects their fair values.

Extents, locations, valuations of the Group's property holdings and investment properties are disclosed in note 13 and 16 to the financial statements.

Stated capital

The stated capital of the Company at the balance sheet date amounted to Rs. 6,489,758,332 (2021 – Rs. 6,489,758,332) comprising 201,406,978 ordinary (voting) shares (2021 – 201,406,978).

Details of the Employees' Share option Scheme of the subsidiary Cargills (Ceylon) PLC are given in note 27.4 to the Financial Statements. Except for this, neither the Company nor any other subsidiaries have any share ownership or stock option schemes at present.

Shareholders

There were 1,427 registered shareholders as at 31st March 2022 (2021 – 1,531 shareholders). An analysis

of shareholders according to size and holdings, public holdings and the names of the twenty largest shareholders of the Company at the reporting date are given on Pages 139 to 141.

Directorate

All Directors of the Company have been Directors throughout the year under review, except for Mr. Sunil Mendis who retired as of 1 July 2021, and Mr. Raj Selvaskandan who resigned at the end of December 2021. Details of Directors of group companies as at the reporting date are given on pages 135 to 138 of this report. Brief profiles of the Directors of the Company are given on pages 14 to 16, including their executive/non-executive status and determination of independence, as appropriate.

Details of attendance

The details of the Directors' attendance at meetings (some connecting electronically when unable to be physically present) are given below.

Name	Board Meetings		AGM	
	Held	Attended	Held	Attended
Louis Page	4	4	1	1
Ranjit Page	4	4	1	1
J B L De Silva	4	3	1	1
Priya Edirisinghe	4	4	1	1
Sunil Mendis	1	0	1	1
Cecilia Page Muttukumaru	4	4	1	1
S C Niles	4	4	1	1
Dr. A Aravinda Page	4	3	1	1
Joseph Page	4	4	1	1
R. Selvaskandan	3	2	1	1
A D B Talwatte	4	4	1	1
Imtiaz Abdul Wahid	4	4	1	1

Directors' remuneration

The remuneration of the Directors is given in Note 8.1 to the financial statements.

Directors' Interests Register and Directors' interest in contracts or proposed contracts

The Company maintains a Directors' Interests Register in terms of the Companies Act No. 07 of 2007. The Directors have made necessary declarations of their interests in contracts and proposed contracts in terms of Sections 192 (1) and 192 (2) of the Companies Act, as at date. These interests are entered in the Interests Register which is deemed to form part and parcel of this Annual Report and available for inspection upon request.

The particulars of the Directors' Interests in Contracts with the Company are given in Related Party disclosures to the Financial Statements on page 120 and form an integral part of this Annual Report.

Related Party Transactions

Related party transactions are disclosed in Note 31 to the financial statements. The Directors hereby confirm that to the best of their knowledge and information available to them, the Company has complied with the requirements of the rules relating to the related party transactions as contained in Section 9 of the listing Rules of the Colombo Stock Exchange.

Annual Report of the Board of Directors of the Company

Directors' shareholdings

The Directors' shareholdings in the Company as at the reporting date were as follows:

Name	As at 31-Mar-2022	As at 31-Mar-2021
Louis Page	11,000	11,000
Ranjit Page	17,235,454	16,788,809
J B L De Silva	234	234
Priya Edirisinghe	-	-
Sunil Mendis	-	-
Cecilia Page Muttukumaru	1,646,731	1,460,266
S C Niles	56,485	56,485
Dr. A Aravinda Page	636,114	636,114
Joseph Page	7,069,172	7,069,172
R. Selvaskandan	-	-
A D B Talwatte	-	-
Imtiaz Abdul Wahid	-	-
	26,655,190	26,022,080

M/s. KPMG, Chartered Accountants are deemed re-appointed in terms of Section 158 of the Companies Act No.7 of 2007, as Auditors of the Company. A resolution authorising the Directors to determine their remuneration will be submitted at the Annual General Meeting.

By Order of the Board



Ranjit Page
Deputy Chairman / Managing Director



Priya Edirisinghe
Director

Events after the reporting period

Events occurring after the reporting date of the Company are given in Note 35 to the financial statements.

Corporate governance

The corporate governance practices within the Group are set out in pages 17 to 19 and the report of the Audit Committee is set out on page 31 and 32.



S L W Dissanayake
Company Secretary

06 July 2022

Dividends

The Company paid an interim dividend of Rs. 1.55 per share in December 2021 for the year ended 31st March 2022 (2021 – Rs 1.45).

The Directors propose a final dividend of Rs. 3.00 (2021 – Rs.2.90) per share payable on or before 19 August 2022, subject to approval of the shareholders at the Annual General Meeting.

Auditors

The remuneration paid to the Auditors is given in Note 8.3 to the financial statements. As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor) with the Company.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of C T Holdings PLC is appointed by the Board of Directors of the Company. The Audit Committee functions within the overall governance process established by the Board of Directors of the Company and assists the Board in effectively discharging its responsibilities. The Committee reports directly to the Board.

Policy Framework

The policy framework for the functioning of the Audit Committee of the Company and its subsidiaries is set out in the Group Policies adopted across the Group. In addition to the Audit Committee of the holding company, all listed subsidiaries and significant non-listed subsidiaries have separate Audit Committees. The Chairman and one other member (or two members as appropriate) of the Audit Committee of the parent company are members of each of such separate Audit Committees. In the event a non-listed subsidiary company does not have a separate audit committee, the audit committee of the immediate holding company will function as the audit committee for that subsidiary company as well.

Composition

The Composition of the Audit Committees is in accordance with the rules on Corporate Governance of the Securities & Exchange Commission of Sri Lanka, the Colombo Stock Exchange, and the respective company's Articles.

The composition of the Audit Committee of CT Holdings PLC is as follows:

Name	Non-Executive Directors
Priya Edirisinghe, FCA, FCMA (UK) Chairman	Independent
A D B Talwatte, FCA, FCMA (UK), MBA	Independent
J B L De Silva	Independent

The Chairman of the Audit Committee is a Fellow member of the Institute of Chartered Accountants of Sri Lanka. The Deputy Chairman / Managing Director and Executive Director of the Company attend Audit Committee meetings as and when requested by the Committee. The Company Secretary functions as the Secretary to the Committee.

Scope

The Functions of the Audit Committee, as set out in the Group Policies, include the following –

- Oversight of the preparation, presentation, and adequacy of disclosures in the financial statements of the listed company, in accordance with Sri Lanka Accounting Standards.
- Oversight of the Company's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial

reporting related regulations and requirements.

- Oversight over the processes to ensure that the Company's internal controls and risk management, are adequate, to meet the requirements of the Sri Lanka Auditing Standards.
- Assessment of the independence and performance of the Company's external auditors.
- To make recommendations to the Board pertaining to appointment, re-appointment, and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.

The Audit Committee obtains written assurance from the Executive Director (who also functions as the Chief Financial Officer), and the Company Secretary, when considering the quarterly and annual financial statements for recommendation to the Board.

Meetings

In terms of the Group Policy, the Audit Committees should meet at least four times a year of which the Company Auditors will attend at least one of such meetings. Unless otherwise determined by the audit committee the chief executive officer and the chief financial officer of the listed company shall attend audit committee meetings.

The Audit Committee of CT Holdings PLC met four times during the year, once per calendar quarter, one of which was with the participation of the Company's auditors.

Report of the Audit Committee

Details of the participation of the members of the audit committee at such meetings is set out below.

Name	Meetings Held	Meetings Attended
Priya Edirisinghe	4	4
A D B Talwatte	4	4
Sunil Mendis * (up to 1 July 2021)	1	1
J B L De Silva	4	3

* Mr. Sunil Mendis (Independent, Non-Executive Director) who had attained 76 years of age retired at the conclusion of the AGM 2021 held on 01 July 2021, as per Section 210 (2) (b) of the Companies Act No. 07 of 2007, as he did not wish to be re-elected.

Financial Statements

Four quarterly financial statements as well as the annual financial statements were circulated, reviewed and recommended to the Board for approval during the year. Conformity of such financial statements with the applicable Accounting Standards, Company Law and other Statutes including Corporate Governance Rules and consistency of the presentation of such financial statements with the previous quarter / year as the case may be were also confirmed. Departures, if any, are appropriately disclosed.

Conclusion

Based on its work, the Audit Committee is of the opinion that the control procedures and environment within the Group provide reasonable assurance regarding the monitoring of the operations, accuracy of the financial statements, safeguarding of the assets of the Company, and risk profiling and initiatives taken towards mitigating same.

Audit and Auditors' Independence

The Audit Committee assessed the independence and performance of the Company's external auditors and made recommendations to the Board pertaining to their re-appointment. The Audit Committee also reviewed the audit fees for the Company and approved the remuneration and terms of engagement of the external auditors and made recommendations to the Board. When doing so, the Audit Committee reviewed the type and quantum of non-audit services (if any) provided by the external auditors to the Company to ensure that their independence as Auditors has not been impaired.

The Audit Committee obtains a statement from Messrs. KPMG confirming independence as required by Section 163 (3) of the Companies Act No. 07 of 2007 on the audit of the Statement of Financial Position and the related Statements of Income, Changes in Equity, and Cash Flows of the Company and the Group.

The Audit Committee has recommended to the Board of Directors that M/s. KPMG be reappointed as Auditors of the Company for the year ending 31st March 2023.



Priya Edirisinghe
Chairman - Audit Committee

06 July 2022

STATEMENT OF DIRECTORS' RESPONSIBILITY

Maintenance of Accounting Records

Under the provisions of the Companies Act No. 07 of 2007 ('the Act'), every company is required to maintain accounting records that correctly record and explain the Company's transactions, and will at any time enable the financial position of the Company to be determined with reasonable accuracy, enable the Directors to prepare financial statements in accordance with the Act and also enable the financial statements of the Company to be readily and properly audited.

Preparation of Financial Statements of the Company and Group

The Act places the responsibility on the Board of Directors to ensure that financial statements are prepared within the prescribed time period in conformity with the Act. Such financial statements of a Company shall give a true and fair view of the state of affairs of the Company as at the reporting date and the profit or loss or income and expenditure, as the case may be, of the Company for the accounting period ending on that reporting date.

Further, the Act also requires that a Company with one or more subsidiaries at the reporting date also prepare financial statements in relation to the Group including every subsidiary, which give a true and fair view of the state of affairs of the Company and its subsidiaries as at the reporting date and the profit or loss or income and expenditure, as the case may be, of the Company and its subsidiaries for the accounting period ending on that reporting date.

Dividends

In the event of any distribution of dividends the Board of Directors is required to satisfy themselves that the Company will, immediately after the relevant distribution is made, satisfy the solvency test, provided that such a certificate is obtained from the auditors.

Annual Report

The Board of Directors is required to prepare an Annual Report on the affairs of the Company during the accounting period ending on the reporting date in the prescribed format and circulate the same to every shareholder of the Company within the time frame prescribed in the Act.

Independent audit

The Act required the Company to appoint an Auditor to audit the financial statements of the Company / Group for the reporting period. Accordingly, M/s KPMG currently function as the Auditors of the Company. Their responsibility with regard to the financial statements as auditors of the Company are set out in the Independent Auditors' Report set out on pages 34 to 39.

Management

The Directors are responsible for the proper management of the resources of the Company. The internal control system has been designed and implemented to obtain reasonable but not absolute assurance that the Company is protected from undue risks, frauds, and other irregularities.

Compliance

Considering the present financial position of the Group and the forecasts

for the foreseeable future, the Directors have adopted the going concern basis for the preparation of these financial statements.

The Directors confirm that:

- (a) The Company is in compliance with the requirements of the Act as aforementioned.
- (b) These financial statements have been prepared in accordance with the requirements of the Companies Act No. 7 of 2007 and applicable Sri Lanka Accounting Standards, which have been consistently applied and supported by reasonable and prudent judgments and estimates.
- (c) The Company obtained the required certificate of solvency for the dividends declared during the year.
- (d) All statutory payments have been made up to date.
- (e) Other than as disclosed in the Financial Statements, no material issues have arisen pertaining to employees and industrial relations of the Company that requires disclosure or any adjustment to the Financial Statements.

The Directors are satisfied that the control procedures within the Company operated effectively during the year.

By order of the Board



S L W Dissanayake
Company Secretary

06 July 2022

INDEPENDENT AUDITORS' REPORT



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

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TO THE SHAREHOLDERS OF CT HOLDINGS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CT Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 40 to 133 of the Annual Report.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2022, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

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

Key Audit Matters

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

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

P. Y. S. Perera FCA
W. J. C. Perera FCA
W. K. D. C. Abeyrathne FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

C. P. Jayatilake FCA
Ms. S. Joseph FCA
S. T. D. L. Perera FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA

T. J. S. Rajakarier FCA
Ms. S.M.B. Jayasekara FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, W. A. A. Weerasekara CFA, ACMA, MRICS

01. Revenue Recognition – Group	
Refer note 6 to the financial statements	
Risk Description	Our Response
<p>The Group has recognised revenue in the amount of Rs.136,872 Mn.</p> <p>As at the reporting date 31 March 2022, revenue from the sale of goods from the Food Retailing, Food and Beverage Manufacturing & Distribution segments continued to be the main revenue stream for the Group amounting to Rs. 130,815 Mn which is 96% of Group revenue.</p> <p>Based on the Group's business model, there are many different types of revenues, arising from different types of transactions and events with customers.</p> <p>We identified revenue recognition as a key audit matter because of its significance to the consolidated financial statements.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> » Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition from sales transactions. » Testing the design, implementation, and operating effectiveness of relevant general IT controls, automated controls including testing the completeness and accuracy of key reports used in the operation of a control that addresses process risk points related to accounts with a risk of material misstatement. » Comparing revenue transactions recorded during the current year for the manufacturing segment, on a sample basis, with invoices, sales contracts, underlying goods delivery and acceptance notes, where appropriate, to assess whether the related revenue was recognised in accordance with the Group's revenue recognition accounting policies. » Performing a revenue mapping between the front-end system and general ledger for restaurants and retail segments and mapping total inventories issued to corresponding invoices for the manufacturing segment to assess whether the sales were completely and accurately accounted in the general ledger. » Comparing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with the underlying goods delivery notes and/or invoices to assess whether the related revenue had been recognised in the correct financial period.

Independent Auditors' Report



02.Valuation of Investment Property - Group and Company

Refer note 16 to financial statements

Risk Description	Our Response
<p>The Group and the Company have recognised investment property carries at fair value amounting to Rs. 9,579 Mn and Rs. 710 Mn respectively.</p> <p>Management's assessment of fair value of investment properties is based on valuations performed by a qualified independent property valuer in accordance with recognised industry standards.</p> <p>Estimating the fair value is a complex process which involves a significant degree of judgement and estimates in respect of price per perch of the land, capitalization rates, value per square feet, fair market rental and diversity of locations and nature of the land and buildings and investment properties.</p> <p>We identified this as a key audit matter because of the significance of the value of these properties to the Financial Statements and significant judgement/ estimation involves in the valuation.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> » Assessing the objectivity, independence, competence and qualifications of the external valuer. » Assessing the key assumptions applied and conclusions made in deriving the fair value of the properties and comparing the fair value of properties with evidence of current market values. In addition, assessing the valuation methodologies with reference to recognised industry standards. » Assessing the key inputs used in the valuation by the independent external valuer against our expectations based on our experience, externally published market comparable and our knowledge of property market, consultation with internal valuation specialist. » Assessing the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions in the estimates.



03. Carrying value of inventories – Group	
Refer Note 21 to the financial statements	
Risk Description	Our Response
<p>The Group has recognized Inventory in the amount of Rs. 14,809 Mn.</p> <p>The Group holds a significant level of inventory across a broad and diversified product range, over many locations. At 31 March 2022 14.2% of total assets of the Group consisted of inventory.</p> <p>Due to the change in consumer demands judgment is exercised with regard to categorisation of stock as obsolete and/or slow moving to be considered for provision/write offs; estimates are then involved in arriving at provisions against cost in respect of slow moving and obsolete inventories located in 14 locations of the subsidiaries and many outlets to arrive at valuation based on lower of cost and net realisable value.</p> <p>Given the level of judgments, estimates, number of items and locations involved this is considered to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> » Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to inventory counts across the Group's sites and purchasing and issuing of inventories. » Comparing, on a sample basis, the purchase prices and quantities of inventories recorded by the Group with supplier invoices, goods delivery notes and goods receipt notes. » Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable financial reporting standard. » Comparing, on a sample basis, the selling price of the finished goods subsequent to the reporting date to their carrying values of these inventories as at the financial year end. » Considering the principles of accounting for the inventory write offs and also carrying out a comparison of inventory levels, to sales data to corroborate whether slow moving and obsolete inventories had been appropriately identified and adequately provided for. » Attending stock counts as at the year end at sample locations of supermarkets, outlets and warehouses. In addition, assessing the effectiveness of the physical count controls in operation at each count location to identify damaged stocks, expired stocks and stock shortages that are written off in a timely manner and evaluating the results of the other cycle counts performed by the management and third parties throughout the period to assess the level of count variances that are also adjusted periodically.

Other Information

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

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

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

Independent Auditors' Report



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- » Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- » Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Group to cease to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- » Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

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

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2599.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka

06 July 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March	Note	Group		Company	
		2022 Rs. '000	2021 Rs. '000	2022 Rs. '000	2021 Rs. '000
Revenue	6	136,872,756	112,940,971	-	-
Cost of sales		(121,271,134)	(100,326,804)	-	-
Gross profit		15,601,622	12,614,167	-	-
Other income	7	2,196,883	2,098,333	1,137,007	991,208
Distribution expenses		(3,891,166)	(3,038,654)	-	-
Administrative expenses		(4,421,260)	(3,800,579)	(122,411)	(101,285)
Other expenses		(817,179)	(694,165)	(51,180)	(139,520)
Results from operating activities	8	8,668,900	7,179,102	963,416	750,403
Finance income		227,360	213,448	3,546	8,329
Finance costs		(3,600,171)	(2,811,882)	(44,220)	(760)
Net finance income / (costs)	9	(3,372,811)	(2,598,434)	(40,674)	7,569
Changes in fair value of investment property	16	263,160	98,478	2,600	(8,878)
Share of loss of equity accounted investees, net of tax	19.2	(90,874)	(367,529)	-	-
Profit before tax		5,468,375	4,311,617	925,342	749,094
Income tax expense	10.1	(1,298,070)	(990,348)	-	(8,846)
Profit for the year		4,170,305	3,321,269	925,342	740,248
Other comprehensive income (OCI)					
Items that will not be reclassified to profit or loss					
Revaluation of land and buildings	13.1	-	2,859,801	-	-
Actuarial gain/(loss) on employee benefit liability	27	167,470	(84,024)	(10)	1,123
Share of other comprehensive income in equity accounted investee, net of tax	19.2	(69,394)	22,709	-	-
Net change in fair value of FVOCI financial assets		(82)	18,037	(7,393)	12,344
Profit from sale of investments		4,709	330,198	4,709	330,198
Tax on other comprehensive income	10.2	(39,810)	(323,461)	-	-
Other comprehensive income for the year, net of tax		62,893	2,823,260	(2,694)	343,665
Total comprehensive income for the year		4,233,198	6,144,529	922,648	1,083,913
Profit attributable to:					
Equity holders of the parent		2,838,029	2,061,487	925,342	740,248
Non-controlling interest		1,332,276	1,259,782	-	-
		4,170,305	3,321,269	925,342	740,248
Total comprehensive income attributable to:					
Equity holders of the parent		2,856,615	4,383,251	922,648	1,083,913
Non-controlling interest		1,376,583	1,761,278	-	-
		4,233,198	6,144,529	922,648	1,083,913
Earnings per share (Rs.)	11	14.09	10.24	4.59	3.68

Figures in brackets indicates deductions.

The notes on pages 46 to 133 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March		Group		Company	
		2022	2021	2022	2021
	Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS					
Non-current assets					
Property, plant and equipment	13	41,767,767	37,827,979	2,033	2,126
Right of use of assets	14.1	16,889,657	14,423,813	117	137
Prepayment on leasehold land and building	15	200,912	200,912	-	-
Investment property	16	9,579,553	9,176,410	709,700	1,611,865
Intangible assets	17	1,641,799	1,594,962	688,467	688,467
Investments in subsidiaries	18	-	-	1,604,677	1,942,686
Investment in equity accounted investees	19	5,655,456	5,846,685	5,605,950	2,906,169
Other financial assets	20	1,692,801	527,685	65,163	482,425
Deferred tax assets	10.5	8,598	10,756	-	-
Total non-current assets		77,436,543	69,609,202	8,676,107	7,633,875
Current assets					
Inventories	21	14,809,637	11,779,617	-	-
Trade and other receivables	22	7,834,561	6,591,744	75,843	48,480
Other financial assets		1,016,556	1,018,661	-	63,865
Cash and cash equivalents	23	3,554,218	3,155,193	8,944	144,766
Total current assets		27,214,972	22,545,215	84,787	257,111
Total assets		104,651,515	92,154,417	8,760,894	7,890,986
EQUITY					
Stated capital	24	6,489,758	6,489,758	6,489,758	6,489,758
Reserves	25	3,136,528	3,191,265	45,747	53,140
Retained earnings		14,161,037	13,678,172	1,159,351	1,125,945
Total equity attributable to equity holders of the parent		23,787,323	23,359,195	7,694,856	7,668,843
Non-controlling interest		9,555,690	7,954,517	-	-
Total equity		33,343,013	31,313,712	7,694,856	7,668,843
LIABILITIES					
Non - current liabilities					
Interest bearing loans and borrowings	26	27,101,528	18,369,804	800,780	189
Deferred tax liabilities	10.5	911,084	1,068,399	-	-
Employee benefits	27	1,638,653	1,624,204	36,893	34,596
Capital grants	28	15,975	27,454	-	-
Trade and other payables	29	181,187	169,679	-	-
Total non-current liabilities		29,848,427	21,259,540	837,673	34,785
Current liabilities					
Trade and other payables	29	23,334,471	16,319,750	35,510	18,087
Current tax liabilities		4,198,294	3,723,439	-	-
Dividend payable		167,236	169,004	167,236	169,004
Interest bearing loans and borrowings	26	13,760,074	19,368,972	25,619	267
Total current liabilities		41,460,075	39,581,165	228,365	187,358
Total liabilities		71,308,502	60,840,705	1,066,038	222,143
Total equity and liabilities		104,651,515	92,154,417	8,760,894	7,890,986

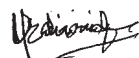
Figures in brackets indicates deductions.
The notes on pages 46 to 133 form an integral part of these Financial Statements.

I certify that these Financial Statements have been prepared in accordance with the requirements of the Companies Act No 7 of 2007.



S C Niles
Executive Director

The Board of Directors is responsible for the preparation and presentation of these Financial statements. The Financial Statements have been approved by the Board of Directors on 06 July 2022, in Colombo.



Priya Edirisinghe
Director



Ranjit Page
Deputy Chairman / Managing Director

STATEMENT OF CHANGES IN EQUITY

Group	<----- Attributable to the owners of the parent ----->						
	Stated capital	Revaluation reserve	Fair value reserve	Retained earnings	Total reserve	Non-controlling interest	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April 2020	6,489,758	1,767,962	32,667	12,899,459	21,189,846	5,317,420	26,507,266
Total comprehensive income for the year							
Profit for the year	-	-	-	2,061,487	2,061,487	1,259,782	3,321,269
Other comprehensive income							
Revaluation of property plant and equipment, net of tax	-	1,757,493	-	-	1,757,493	758,963	2,516,456
Net change in fair value of investments at FVOCI financial assets, net of tax	-	-	16,995	-	16,995	1,042	18,037
Re-measurements of defined benefit plan, net of tax	-	-	-	(44,795)	(44,795)	(19,345)	(64,140)
Share of other comprehensive income of associates	-	-	-	22,709	22,709	-	22,709
Profit from sale of investments	-	-	-	330,198	330,198	-	330,198
Total other comprehensive income for the year	-	1,757,493	16,995	308,112	2,082,600	740,660	2,823,260
Total comprehensive income for the year	-	1,757,493	16,995	2,369,599	4,144,087	2,000,442	6,144,529
Transactions directly recorded in equity							
Dividends paid	-	-	-	(855,980)	(855,980)	(415,238)	(1,271,218)
Exercise of share options	-	(281)	8	6,991	6,718	10,569	17,287
Equity settled share based payment	-	-	-	92,921	92,921	(62,271)	30,650
Put options written on non-controlling interest	-	-	-	(90,436)	(90,436)	(38,998)	(129,434)
Write back of unclaimed dividends	-	-	-	6,150	6,150	8,482	14,632
Exercise of put option	-	(383,579)	-	(750,532)	(1,134,111)	1,134,111	-
Total contributions by & distributions to owners	-	(383,860)	8	(1,590,886)	(1,974,738)	636,655	(1,338,083)
Balance as at 31st March 2021	6,489,758	3,141,595	49,670	13,678,172	23,359,195	7,954,517	31,313,712
Balance as at 1 April 2021	6,489,758	3,141,595	49,670	13,678,172	23,359,195	7,954,517	31,313,712
Total comprehensive income for the year							
Profit for the year	-	-	-	2,838,029	2,838,029	1,332,276	4,170,305
Other comprehensive income							
Net change in fair value of investments at FVOCI financial assets, net of tax	-	-	(2,189)	-	(2,189)	2,107	(82)
Re-measurements of defined benefit plan, net of tax	-	-	-	85,460	85,460	42,200	127,660
Share of other comprehensive income of associates	-	-	-	(69,394)	(69,394)	-	(69,394)
Profit from sale of investments	-	-	-	4,709	4,709	-	4,709
Total other comprehensive income for the year	-	-	(2,189)	20,775	18,586	44,307	62,893
Total comprehensive income for the year	-	-	(2,189)	2,858,804	2,856,615	1,376,583	4,233,198
Transactions directly recorded in equity							
Exercise of share options	-	(2,903)	15	27,150	24,262	42,928	67,190
Acquisition of non controlling interest in subsidiary (Note 18.3.2)	-	38,083	(202)	(895,885)	(858,004)	(63,997)	(922,001)
Change in ownership interest in relation to common control transactions	-	(82,756)	-	(700,128)	(782,884)	782,884	-
Write back of unclaimed dividends	-	-	-	5,425	5,425	-	5,425
Transfer from revaluation reserve due to disposal of revalued assets	-	(4,785)	-	3,389	(1,396)	1,396	-
Equity settled share based payment	-	-	-	80,371	80,371	(80,371)	-
Dividends paid	-	-	-	(896,261)	(896,261)	(458,250)	(1,354,511)
Total contributions by & distributions to owners	-	(52,361)	(187)	(2,375,939)	(2,428,487)	224,590	(2,203,897)
Balance as at 31st March 2022	6,489,758	3,089,234	47,294	14,161,037	23,787,323	9,555,690	33,343,013

Company	Stated capital Rs. '000	Fair value reserve Rs. '000	Retained earnings Rs. '000	Total Equity Rs. '000
Balance as at 1 April 2020	6,489,758	40,796	910,356	7,440,910
Total comprehensive income for the year				
Profit for the year	-	-	740,248	740,248
Other comprehensive income				
Net change in fair value of FVOCI financial assets	-	12,344	-	12,344
Defined benefit plan actuarial gain	-	-	1,123	1,123
Profit on disposal of investments	-	-	330,198	330,198
Total other comprehensive income for the year	-	12,344	331,321	343,665
Total comprehensive income for the year	-	12,344	1,071,569	1,083,913
Transactions directly recorded in equity,				
Dividends paid - 2019/20 (final) & 2020/21 (interim)	-	-	(855,980)	(855,980)
Total contributions by & distributions to owners	-	-	(855,980)	(855,980)
Balance as at 31 March 2021	6,489,758	53,140	1,125,945	7,668,843
Balance as at 1 April 2021	6,489,758	53,140	1,125,945	7,668,843
Total comprehensive income for the year				
Profit for the year	-	-	925,342	925,342
Other comprehensive income				
Net change in fair value of FVOCI financial assets	-	(7,393)	-	(7,393)
Defined benefit plan actuarial loss	-	-	(10)	(10)
Profit on disposal of investments	-	-	4,709	4,709
Change in ownership interest in relation to common control transactions	-	-	(374)	(374)
Total other comprehensive income for the year	-	(7,393)	4,325	(3,068)
Total comprehensive income for the year	-	(7,393)	929,667	922,274
Transactions directly recorded in equity,				
Dividends paid - 2020/21 (final) & 2021/22 (interim)	-	-	(896,261)	(896,261)
Total contributions by & distributions to owners	-	-	(896,261)	(896,261)
Balance as at 31 March 2022	6,489,758	45,747	1,159,351	7,694,856

STATEMENT OF CASH FLOWS

For the year ended 31 March	Note	Group		Company	
		2022 Rs. '000	2021 Rs. '000	2022 Rs. '000	2021 Rs. '000
Profit before tax		5,468,375	4,311,617	925,342	749,094
Adjustments for:					
Depreciation of property, plant & equipment	13	3,538,664	3,019,288	93	89
Amortisation of right of use assets	14.1	1,739,535	1,438,593	20	20
Negative lease payments	14.2	(164,538)	(123,565)	-	-
Amortisation of intangible assets	17	105,311	75,469	-	-
Interest income	9	(227,360)	(192,232)	(3,546)	(8,329)
Profit on sale of property, plant & equipment	7	(4,278)	(67,423)	-	-
Dividend income	7	(732)	(9,107)	(1,136,347)	(991,353)
Finance costs	9	3,600,171	2,811,882	44,220	760
Share of loss of equity accounted investees	19.2	90,874	367,529	-	-
Reversal / (charge) for impairment of trade and other receivables	22	25,686	33,898	-	-
Amortisation of deferred income	28	(11,479)	(11,483)	-	-
Provision for slow moving and obsolete inventories	21	16,924	29,482	-	-
Change in fair value of investment properties	16	(263,160)	(98,478)	(2,600)	8,878
Provision for obligation on defined benefit plan	27	248,896	281,624	2,287	4,591
Equity-settled share-based payment transactions		-	47,937	-	-
Gain on disposal of ROU asset and liability		492	-	-	-
Impairment losses on investments in subsidiaries	18	-	-	51,147	139,520
Impairment losses on property plant & equipment	13	2,350	2,778	-	-
Cash generated from/ (used in) operating activities before working capital change		14,165,731	11,917,809	(119,384)	(96,730)
Changes in:					
Inventories		(3,046,944)	(1,269,856)	-	-
Trade and other receivables		(1,268,503)	919,589	(27,363)	430
Trade and other payables		6,522,261	(1,392,643)	17,431	(6,345)
Cash generated from / (used in) operating activities		16,372,545	10,174,899	(129,316)	(102,645)
Interest paid		(1,322,666)	(1,282,316)	(44,206)	(716)
Income tax paid		(1,119,241)	(1,005,569)	-	(8,846)
Defined benefit plan payments	27	(67,682)	(58,214)	-	-
Net cash from / (used in) operating activities		13,862,956	7,828,800	(173,522)	(112,207)

For the year ended 31 March	Note	Group		Company	
		2022 Rs. '000	2021 Rs. '000	2022 Rs. '000	2021 Rs. '000
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		27,598	73,250	-	-
Interest received		227,360	188,161	3,546	8,329
Dividends received		732	9,107	1,136,347	991,353
Proceeds from sale of investment property		-	-	904,765	-
Acquisition of property, plant and equipment	13	(7,571,922)	(6,282,249)	-	(147)
Improvements to investment property	16	(25,495)	(92,666)	-	-
Acquisition of non controlling interest in subsidiaries	18.3.2	(922,001)	-	(922,001)	-
Acquisition of associates	19	-	-	(2,699,781)	-
Proceed from disposal of subsidiaries		-	-	1,208,488	-
Acquisition of intangible assets	17	(152,148)	(80,400)	-	-
Net change in other investments		(1,161,347)	6,820	478,437	94,454
Net cash from / (used in) investing activities		(9,577,223)	(6,177,977)	109,801	1,093,989
Cash flows from financing activities					
Net movement in Bank Loans	26	991,596	4,436,594	802,083	-
Lease payments	14.2	(2,573,937)	(2,243,078)	-	-
Finance lease obtained during the period	26	6,567	2,486	-	-
Share issued to non controlling interest		67,190	-	-	-
Dividends paid to owners		(898,029)	(855,980)	(898,029)	(857,484)
Payment of finance lease liabilities	26	(2,277)	(10,716)	-	-
Dividends paid to non controlling interest		(452,825)	(415,238)	-	-
Net cash from / (used in) financing activities		(2,861,715)	914,068	(95,946)	(857,484)
Net increase / (decrease) in cash and cash equivalents		1,424,018	2,564,891	(159,667)	124,298
Cash and cash equivalents at 1st April		360,486	(2,204,405)	144,499	20,201
Cash and cash equivalents at 31st March (Note 23)		1,784,504	360,486	(15,168)	144,499

Figures in brackets indicates deductions.

The notes on pages 46 to 133 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Presentation of the financial statements

1.1 Description of the reporting entity and business

C T Holdings PLC (the 'Company') is a company incorporated in Sri Lanka and listed on the Colombo Stock Exchange. The address of the Company's registered office is No. 8, Sir Chittampalam A Gardiner Mawatha, Colombo 2.

The consolidated financial statements of the Group as at and for the year ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in equity accounted investees. The financial statements of all companies within the Group are prepared for a common financial year which ends on 31 March 2022, except as mentioned in Note 19.5. The principle activities of the Group are described in Note 2.1 to the financial statements.

1.2 Statement of compliance

The financial statements which comprise the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes thereto have been prepared in accordance with Sri Lanka Accounting Standards (LKAS / SLFRSs), and the requirements of the Companies Act No. 07 of 2007. The Board of Directors of the Company is responsible for the preparation and presentation of these financial statements. The financial statements were authorised for issue by the Board of Directors on 06 July 2022.

1.3 Functional and presentation currency

These financial statements are presented in Sri Lankan Rupees, which is the Group's functional currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousands, except when otherwise indicated.

1.4 Key accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.4.1 Impact due to Covid-19 and economic uncertainties

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for a foreseeable future. The management has also assessed the existing and anticipated effects of COVID-19 and economic uncertainties on the Group and the appropriateness of the use of the going concern basis. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

Therefore, the Financial Statements continue to be prepared on the going concern basis.

1.4.2 Judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- » Note 3.5 - Revenue Recognition: whether revenue from made-to-order products is recognised over time or at a point in time;
- » Note 14 - Lease Term: whether the Group is reasonably certain to exercise extension options; and
- » Note 19 Equity-accounted investees: whether the Group has significant influence over an investee; and
- » Note 34.1 - Deferred Tax Liabilities: Determination of whether lands should be considered as a capital asset or an investment asset.

1.4.3 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 March 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 27	Measurement of defined benefit obligations: key actuarial assumptions
Note 13 and Note 16	Determination of fair value of investment property and property plant and equipment: key valuation assumptions
Note 17	Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts;
Note 34	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

1.5 Materiality and Aggregation

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

1.6 Comparative Information

Comparative information has been reclassified to conform to the current year's presentation, where necessary. Except when a standard permits or requires otherwise, comparative information is disclosed in respect of the previous period. Where the presentation or classification of items in the financial statements are amended, comparative amounts are reclassified unless it is impracticable.

1.7 Events after the reporting period

All material events after the reporting date have been considered and where appropriate, adjustments or disclosures have been made in respective notes to the financial statements.

1.8 Basis of measurement

The financial statements of the Group have been prepared on the historical cost basis except for the following material items in the statement of financial position:

Items	Measurement bases
Freehold land and building	Fair value
Financial instruments at fair value through profit or loss	Fair value
Equity securities at fair Value through other comprehensive income (FVOCI)	Fair value
Debt investments at FVTPL	Fair value
Investment property	Fair value
Defined benefit obligations	Present value
Share based payment arrangements	Fair value

1.9 Going Concern

The Management of the C T Holdings PLC has made an assessment of the Group's ability to continue as a going concern and is satisfied that the group has the resources to continue in business for a foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

1.10 Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Notes to the Financial Statements

The Group has an established control framework with respect to the measurement of fair values.

Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

'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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its nonperformance risk.

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs

from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Further information about the assumptions made in measuring fair values is included in the following notes:

Reference	Item
Note 16	Investment property
Note 30	Financial instruments
Note 18	Investment in subsidiaries
Note 13	Freehold land and building
Note 27.4	Share based payment arrangements

2. Operating segments

2.1 Basis for segmentation

The Group has the following six strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed

separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Reportable Segment	Operation
Retail and Wholesale Distribution	Operation of a chain of supermarkets and convenient stores. Local distributor for world renown brands of food and beverages.
FMCG	Manufacturer / distributor of dairy, agrifoods, convenience foods and confectionery.
Restaurants	Franchisee / Operator for 'Kentucky Fried Chicken' (KFC) and 'TGI Fridays' Restaurants in Sri Lanka.
Real Estate	Owner / operator of the 'Majestic City' and 'Cargills Square' shopping and entertainment malls. Development and sale / rental of residential condominiums and commercial development.
Entertainment	Import, distribution and exhibition of cinematic content.
Financial Services	Commercial Banking, stock brokering, capital market solutions and fund management (Associates).

The Group's chief executive officer reviews the internal management reports of each division at least quarterly. Segment results that are reported to the Group's chief operating officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and tax assets and liabilities. Inter segment transfers are based on fair market prices.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the

2.2 Changes in Significant Accounting Policies

There were no changes in accounting policies for the year ended 31st March 2022.

Further a number of other new standards were effective from 1 April 2021 but they do not have a material effect on the Group's Financial Statements.

The Group has consistently applied the accounting policies to all periods presented in these Financial Statements.

3. Significant accounting policies

The Group has consistently applied the accounting policies to all periods presented in these Financial Statements.

3.1 Basis of Consolidation

The Financial Statements comprise of Financial Statements of the Company, its subsidiaries and its equity accounted investees for the year ended 31 March 2022. Financial Statements of the Company's subsidiaries and associates are prepared for the same reporting year using consistent accounting policies.

3.1.1 Business Combination and Goodwill

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Notes to the Financial Statements

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net amount of the identifiable assets, liabilities and contingent liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination, from the acquisition date is, allocated to each of the Group's Cash - generating Units (CGUs) or group of CGUs, which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

3.2.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to

affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Total comprehensive income of subsidiary is attached to the owners of the Company and to the non-controlling interest, even this result in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

3.2.3 Loss of control

When the Group loses control over a subsidiary it de-recognises the assets and liabilities of the subsidiary, any related non-controlling interests and the other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Subsequently that retained interest is accounted for as equity accounted investee or as a FVOCI financial asset depending on the level of influence retained.

3.2.4 Non-controlling interests

Non-controlling-interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a

loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

3.2.5 Interest in equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

Investments in associates are accounted for under the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceed its interest in an equity accounted investee, the carrying amount of the investment, including any long term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

3.2.6 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment

3.2.7 Common Control Transactions

All common control transactions are accounted using book value accounting in both consolidated and separate financial statements. This is on the basis that the entities are part of a larger economic group, and that the figures from that larger group are the relevant ones. Accordingly,

- » The net assets of the combining entities are consolidated using the existing book values.
- » No amount is recognised as goodwill which arises as a result of difference between the consideration and net assets acquired.

- » In applying book value accounting, no entries are recognized in Profit or Loss; instead, the result of the transaction is recognized in equity as arising from a transaction with shareholders.

3.3 Foreign Currency Transactions and balances

All foreign currency transactions are translated into the functional currency of the Group which is Sri Lankan Rupees (Rs.) at the spot exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the spot exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year adjusted for effective interest and payments during the year and the amortised cost in foreign currency translated at the spot exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies are translated into functional currency at spot exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the spot exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the spot exchange rate at the date of

transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance cost.

If there is a long term lack of exchangeability due to the non-availability of foreign currencies in the market at an indicative exchange rate and foreign currency is not available for immediate delivery at the rate published by other legal exchange mechanisms, the entity shall use either the official rate or estimated rates, maximizing the use of observable data, considering the facts and circumstances prevalent at that point in time.

3.4 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised upon satisfaction of performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

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3.4.1 Performance obligations and revenue recognition policies

Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under SLFRS 15
Retail and Wholesale Distribution/ FMCG	The Group operates a chain of retail stores selling consumer goods and the Group manufactures and sells a range of food products. In the case of retail, payment of the transaction price is due immediately when the customer purchases the goods and takes delivery in store. In the case of Wholesale Distribution, when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract.	Revenue is recognised when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.
Customer loyalty programme	The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discount on future purchases. A contract liability for the award points is recognised at the time of the sale.	Revenue is recognised when the points are redeemed or when they expire after the initial sale. A liability is recognised until the points are redeemed or expire.
Restaurants	The Group operates chains of restaurants for KFC and TGIF brands operates through franchise arrangements.	Revenue from restaurant and shop sales (food and beverages) is recognized upon rendering of service. Sales are net of discounts.
Real Estate - Rental income from operating leases	The Group develops and operates commercial shopping malls to be rented out to third parties as well as to be used by own.	Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight- line basis, as a reduction of rental income.
Real Estate - Revenue from service and property management charges	The Group provides services to the tenants of the commercial shopping malls operated agreed upon the tenants agreements or otherwise.	Revenue from service and property management charges is recognised in the accounting period. In the case of fixed price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

3.4.2 Finance and Other income

a. *Financing components of Retail and Wholesale Distribution*

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

b. *Commissions*

When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

c. *Dividend income*

Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

d. *Interest income*

Interest income from financial assets at FVTPL is included in the net fair value gains / (losses) on these assets. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the statement of profit or loss as part of other income.

Other income also includes rental income from investment properties (Refer Note 7). Gains and losses on disposal of an item of property, plant & equipment and investments are accounted in profit or loss by comparing the net sales proceeds with the carrying amounts of property, plant & equipment and investments concerned and are recognised net within "other income" in profit or loss. When re-valued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings. Other income is recognized on an accrual basis.

3.5 Employee benefits

3.5.1 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.5.2 Share-based payment arrangement

The grant-date fair value of equity settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet

the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where a parent grants rights to its equity instruments to employees of its subsidiary, and the arrangement is accounted for as equity-settled in the consolidated financial statements, the subsidiary should in its own separate financial statements measure the services received from its employees in accordance with the requirements of SLFRS 2 applicable to equity-settled share-based payment transactions and corresponding increase recognised in equity as a capital contribution from the parent.

3.5.3 Defined contribution plans

Defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay any further amounts. Obligations for contributions to Employees Provident Fund and Employees Trust Fund covering all employees are recognised as an expense in profit or loss, as incurred.

Types of contribution plans which are being contributed for by the Group;

- (a) Employee Provident Fund (EPF)
 - The Group and employees contribute 12% and 8% respectively of the salary to EPF.

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- (b) Employees Trust Fund - All employees of the Group are members of the Employees' Trust Fund (ETF). The Group contributes 3% of the salary of each employee to ETF.

3.5.4 Defined benefit plans

Defined Benefit Plan is a post employment benefit plan other than Defined Contribution Plan. These plans create an obligation on the entity to provide agreed benefits to current and past employees and effectively places actuarial and investment risk on the entity. The liability recognised in the statement of financial position in respect of Defined Benefit Plan is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually by independent actuaries, using projected unit credit method, as recommended by LKAS 19-Employee Benefit. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The assumptions based on which the results of the actuarial valuation were determined are included in the 27.3 to the Financial Statements.

This liability is not externally funded and the item is grouped under non-current liabilities in the statement of financial position. However, under the Payment of Gratuity Act No. 12 of 1983 the liability to an employee arises only on

completion of five years of continued service. The Group recognizes all actuarial-gains and losses arising from defined benefit plans in other comprehensive Income and expenses related to defined benefit plans in staff expenses in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.5.5 Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

3.6 Grants

Grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

3.7 Finance income and Finance costs

The Group's finance income and finance costs would include:

- 3.7.1 interest income;
- 3.7.2 interest expense;
- 3.7.3 the net gain or loss on the disposal of investments in debt securities measured at FVOCI;
- 3.7.4 the net gain or loss on financial assets at fair value through profit or loss;
- 3.7.5 the foreign currency gain or loss on financial assets and financial liabilities;
- 3.7.6 impairment losses (and reversals) on investments in debt securities carried at amortised cost or FVOCI (other than trade receivables);
- 3.7.7 the gain on the re-measurement to fair value of any pre-existing interest in an acquiree in a business combination;
- 3.7.8 the reclassification of net gains previously recognised in other comprehensive income.

3.8 Income Tax Expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments,

do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.8.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax payable also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

3.8.2 IFRIC Interpretation 23 - Uncertainty over Income Tax Treatment

IFRIC - 23 interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination.

The Group applies significant judgement in identifying uncertainties over income tax treatments. The Group assessed

whether the Interpretation had an impact on its financial statements. The Group is of the view that it is probable that its tax treatments will be accepted by the taxation authorities hence the Interpretation did not have an impact on the financial statements of the Group.

The Group reviewed its income tax treatments and concluded that no additional provisions are required as disclosed in Note 34.

3.8.3 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- » temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- » temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- » taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future

taxable profits are determined based on business plans for individual subsidiaries in the Group and the reversal of temporary differences. Deferred tax is not recognized for the undistributed profits of subsidiaries as the parent company has control over the dividend policy of its subsidiaries and distribution of those profits. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Un-recognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Temporary differences in relation to a right-of-use asset and lease liability are regarded as a net package (ROU asset and lease liability) for the purpose of recognizing deferred tax.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property that is measured at

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fair value is presumed to be recovered through sale.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3.9 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are proposed by directors or approved by the Company's shareholders, as the case may be.

3.10 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first- out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

The cost of each category of inventory of the Group is determined on the

following basis:

- » Raw & packing materials - Actual cost on a First In First Out - (FIFO) basis
- » Finished goods and work-in-progress - Directly attributable manufacturing cost
- » Merchandising goods - Actual cost on a First In First Out - (FIFO) basis
- » Other inventories - Actual cost

Property inventory

The Group's property inventories arise where there is a change in use of investment properties evidenced by the commencement of development with a view to sale, and the properties are reclassified as inventories at their deemed cost, which is the fair value at the date of re-classification. They are subsequently carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete redevelopment and selling expenses.

3.11 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is stated at its fair value. The Group revalues its Land every 3 years. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- » the cost of materials and direct labour;
- » any other costs directly attributable to bringing the assets to a working condition for their intended use; and

- » capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. On-going repairs and maintenance are expensed as incurred.

iii. Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of selfconstructed assets, from the date that the asset is completed and ready for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Description	No. of years
Freehold buildings	50
Improvements to leasehold buildings	4 to 10 years or period of lease whichever is lower
Plant & machinery	5 to 10
Motor vehicles	4 to 5
Furniture & fittings	5

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Fully depreciated property, plant and equipment are retained in the financial statements until such time when they are no longer in use.

iv. *Constructions in progress*

All direct and indirect costs that are related to the construction of fixed assets and incurred before the assets are ready for their intended use are capitalised as construction in progress. Construction in progress is stated in the statement of financial position at cost less impairment losses. Construction in progress is transferred to fixed assets when it is ready for its intended use. No depreciation is provided against construction in progress.

v. *Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and re-classified as investment property. Any gain arising on this re-measurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognized immediately in profit or loss.

3.12 Intangible assets and goodwill

i. *Recognition and measurement*

Asset	Measurement basis
Goodwill	Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. In respect of acquisitions prior to 1 April 2011, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP (SLAS). In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity accounted investee as a whole.
Other intangible assets	Other intangible assets, including computer software, patents, trademarks and licenses, which are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. *Amortisation*

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

Description	No. of years
Trademarks and licenses	10 years
Computer software	4 years

3.13 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business or use in the production or supply of goods or services or for administrative purposes.

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other

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costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings. When the use of a property changes such that it is re-classified as property, plant and equipment, its fair value at the date of re-classification becomes its cost for subsequent accounting.

3.14 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale or held-for-distribution if it is highly probable that they will be recovered primarily through sale or distribution rather than through continuing use. Immediately before classification as held-for-sale or held-for-distribution, the assets, or components of a disposal group, are re-measured in accordance with the Group's other accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee

benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss. Once classified as held-for-sale or held-for-distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

3.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value.

3.16 Financial instruments

3.16.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.16.2 Classification and subsequent measurement

i. Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Financial assets at fair value through other comprehensive income (FVOCI) – debt investment; Financial assets at fair value through other comprehensive income (FVOCI) – equity investment; or Financial assets at fair value through profit or loss (FVTPL).

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- » it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- » its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets classified under amortised cost includes trade and other receivable, amounts due from related companies and cash and cash equivalents.

A debt investment is measured at FVOCI if it meets both of the following

conditions and is not designated as at FVTPL:

- » it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- » its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

ii. Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

The information considered includes:

- » the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- » how the performance of the portfolio is evaluated and reported to the Group's management;
- » the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- » how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- » the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

iii. Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- » contingent events that would change the amount or timing of cash flows;
- » terms that may adjust the contractual coupon rate, including variable-rate features;
- » prepayment and extension features; and
- » terms that limit the Group's claim to cash flows from specified assets (e.g. nonrecourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment

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amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

iv. Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

v. Financial Liabilities - Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities measured at amortised cost include interest bearing loans and borrowings, trade and other payables and amounts due to related companies.

3.16.3 Derivative financial instruments

Derivatives are initially recognised at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

i. Financial liability on put options written over non-controlling interest

The financial liability is recognised at the present value of the redemption amount and accreted through finance charges in the profit or loss over the contract period

up to the final redemption amount. Any adjustments to the redemption amount are recognised in equity in accordance with SLFRS 9 - Financial Instruments.

The initial redemption liability is a reduction of parent's equity if the risks and rewards of ownership remain with the non-controlling interest or a reduction of non-controlling interest equity if the risks and rewards of ownership transfer to the parent. If the present value of the redemption amount exceeds the carrying value of the non-controlling interest, any excess is recorded against parent's equity. If the contract is exercised, any noncontrolling interest equity is allocated to parent equity. No adjustments are made to goodwill upon settlement of the contract. The redemption liability is offset by the cash payment. If the contract lapses un-exercised where the risks and rewards of ownership have transferred to the parent, a non-controlling interest equity is reinstated. In substance, the parent has sold

those shares back to the noncontrolling interest and it is a transaction with a non-controlling interest. The non-controlling interest equity amount is reinstated at an amount equal to its share of the carrying values of the subsidiary's net assets at the date of lapse plus the goodwill from the subsidiary's initial acquisition. Any difference between the redemption liability and the non-controlling interest equity adjustment is recognised against the parent's equity. No adjustments are made to goodwill. If the contract lapses unexercised where the risks and rewards of ownership remain with the non-controlling interest, then no adjustment is made to the carrying value of the non-controlling interest and the redemption

liability is de-recognised against the parent's equity.

3.16.4 De-recognition

i. Financial assets

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred

assets. In these cases, the transferred assets are not de-recognised.

ii. Financial liabilities

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also de-recognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iii. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.17 Impairment

3.17.1 Non-derivative financial assets

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

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

At each reporting date the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in a provision account.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the

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probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. Impaired debts are derecognised when they are assessed as uncollectible.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

3.17.2 Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted

to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.17.3 Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- » significant financial difficulty of the borrower or issuer;
- » a breach of contract such as a default or being more than 90 days past due;

- » the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- » it is probable that the borrower will enter bankruptcy or other financial reorganisation.

3.18 Stated capital - Ordinary shares

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

3.19 Capital Grant

Government Grants

Government grants, including non-monetary grants at fair value, are recognised when there is reasonable assurance that the conditions attached to them will be complied by the Group and the grants will be received. Grants related to assets, including nonmonetary grants at fair value, are presented in the Statement of Financial Position as deferred income and recognised in the profit or loss on a systematic and rational basis over the useful life of the asset. Grants related to income are presented as a credit in the profit or loss, under the heading 'other income' against the incurrence of related expenditure.

3.20 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined

by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.21 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16. This policy is applied to contracts entered into, on or after 1 April 2019.

3.21.2 As a Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site

on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Group entities uses its incremental borrowing rate as the discount rate.

The Group entities determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- » fixed payments, including in-substance fixed payments;

- » variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- » amounts expected to be payable under a residual value guarantee; and
- » the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in "Right-of-use" assets and lease liabilities in interest bearing loans and borrowings in the statement of Financial Position.

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Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.21.2 As a Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risk and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic useful life of the asset.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease

classification of sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'other income'.

3.22 Contingent Liabilities

Contingent Liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard - LKAS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'. Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless its occurrence is remote.

3.23 Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

4. Standards issued but not effective as at the reporting date

A number of new standards are effective for annual periods beginning after 1 April 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these Financial Statements.

- » Onerous contracts - Cost of fulfilling a contract (Amendments to LKAS 37)
- » Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- » Reference to Conceptual Framework (Amendments to SLFRS 3)
- » Property, plant and equipment: Proceeds before Intended Use (Amendments to LKAS 16)
- » Classification of liabilities as current or non-current (Amendments to LKAS 1)
- » Annual Improvements to SLFRS standards 2018-2020.
- » Definition of Accounting Estimates (Amendments to LKAS 8)
- » Disclosure of Accounting Policies (Amendments to LKAS 1)

6. Revenue

In thousands of rupees	Group		Company	
For the year ended 31st March	2022	2021	2022	2021
The following is an analysis of the Group's revenue				
Sales of goods	136,690,708	112,607,061	-	-
Rendering of services	71,321	18,092	-	-
Investment property rentals	110,727	315,818	-	-
	136,872,756	112,940,971	-	-

7. Other income

In thousands of rupees	Group		Company	
For the year ended 31st March	2022	2021	2022	2021
Dividend income	732	9,107	1,136,347	991,353
Rental income	207,121	208,436	660	(145)
Gain on disposal of property, plant and equipment	4,278	67,423	-	-
Income from services	9,607	-	-	-
Merchandising income	1,678,761	1,638,795	-	-
Amortisation of deferred income	11,481	11,483	-	-
Sundry income	281,776	160,910	-	-
Change in fair value of short term investments	3,127	2,179	-	-
	2,196,883	2,098,333	1,137,007	991,208

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8. Results from operating activities

8.1 Expenses by nature

In thousands of rupees	Group		Company	
For the year ended 31st March	2022	2021	2022	2021

The following items have been included in results from operating activities:

Employee costs (Note 8.2)	9,074,293	7,656,524	62,511	52,273
Depreciation of property, plant and equipment (Note 13)	3,538,664	3,019,288	93	89
Amortisation of intangible assets (Note 17.1)	105,311	75,469	-	-
Directors' emoluments	524,911	539,308	27,947	30,027
Auditor's remuneration (Note 8.3)	17,393	15,800	1,076	964
Impairment loss on investments in subsidiaries (Note 18.1)	-	-	51,147	139,520
Impairment of trade and other receivables (Note 22.3)	25,686	33,898	-	-
Impairment of inventories	16,924	29,482	-	-
Depreciation of right of use assets (Note 14.1)	1,739,535	1,438,593	20	20
Foreign exchange gain/(loss) (Note 09)	(515,901)	21,216	-	-

8.2 Employee costs

Salaries, wages and other related expenses	8,106,365	6,707,874	53,915	41,957
Equity-settled share-based payments	-	30,059	-	-
Defined benefit plan cost - retirement benefit obligation (Note 27.1 a)	248,896	281,624	2,287	4,591
Defined contribution plan costs - EPF & ETF	719,032	636,967	6,309	5,725
	9,074,293	7,656,524	62,511	52,273

8.3 Auditor's remuneration

Audit and audit related expenses	14,545	13,589	770	700
Non-audit services	2,848	2,211	306	264
	17,393	15,800	1,076	964

9. Net finance income / costs

In thousands of rupees For the year ended 31st March	Group		Company	
	2022	2021	2022	2021
Finance income				
Interest income	227,360	192,232	3,546	8,329
Foreign exchange gain	-	21,216	-	-
	227,360	213,448	3,546	8,329
Finance costs				
Interest on bank and other loans and security deposits	(1,290,134)	(1,164,416)	(41,033)	(224)
Interest on overdraft facilities	(84,172)	(117,900)	(3,172)	(520)
Interest on lease Liabilities (Note 14.3)	(1,709,964)	(1,529,566)	(15)	(16)
Foreign exchange loss	(515,901)	-	-	-
	(3,600,171)	(2,811,882)	(44,220)	(760)
Net finance income / (costs) recognised in profit or loss	(3,372,811)	(2,598,434)	(40,674)	7,569

10. Income tax expense

10.1 Amounts recognised in profit or loss

In thousands of rupees For the year ended 31st March	Note	Group		Company	
		2022	2021	2022	2021
Current tax expenses					
Current tax on profits for the year	10.4.1	1,553,764	1,320,179	-	-
Irrecoverable ESC/WHT		401	11,529	-	-
Dividend tax		261,872	226,613	-	8,846
Current tax on profits in respect of prior years		(323,000)	(4,702)	-	-
		1,493,037	1,553,619	-	8,846
Deferred tax expenses					
Deferred tax on profits for the year	10.5	(194,967)	(563,271)	-	-
		(194,967)	(563,271)	-	-
Total income tax expense recognised in profit or loss		1,298,070	990,348	-	8,846

10.2 Amounts recognised in other comprehensive income

Re-measurement of obligation on defined benefit plan	(39,810)	19,884	-	-
Fair value gain	-	(343,345)	-	-
Total income tax expense recognised in other comprehensive income	(39,810)	(323,461)	-	-

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10.3 Tax rates applicable for group companies

The tax liability of companies are computed at the standard rate of 14%, 18%, 24% (2021 - 14%, 18%, 24%)

10.4 Reconciliation of effective tax

Reconciliation between current tax expense and profit before taxation is given below:

In thousands of rupees For the year ended 31st March	Group		Company	
	2022	2021	2022	2021
Profit before taxation	5,468,375	4,311,617	925,342	749,094
Aggregate disallowed expenses	8,571,539	7,866,723	53,740	243,503
Aggregate allowable expenses	(6,404,623)	(5,168,009)	(2,651)	(51)
Aggregate other income	(421,721)	(478,373)	(981,584)	(1,000,231)
Exempt profit	(33,971)	(67,572)	-	-
Adjusted business profit	7,179,599	6,464,386	(5,153)	(7,685)
Tax losses incurred	319,755	20,597	5,153	7,685
Taxable income from other sources	166,421	87,073	-	-
Adjusted profit (a)	7,665,775	6,572,056	-	-
Tax losses				
Tax losses brought forward	2,562,671	2,564,740	373,762	366,077
Tax losses added	319,755	20,526	5,153	7,685
Tax losses utilised (b)	(159,402)	(14,982)	-	-
Adjustments related to prior years	-	-	-	-
Adjustment on finalisation of liability	(197,784)	(7,613)	(62,136)	-
Tax losses carried forward	2,525,240	2,562,671	316,779	373,762
Taxable income (a+b)	7,506,373	6,557,074	-	-
Income tax @ 24% (2021- @ 24%)	810,378	559,150	-	-
Income tax @ 18% (2021 @ 18%)	743,362	761,029	-	-
Income tax @ 14% (2021 @ 14%)	24	-	-	-
Current tax charge	1,553,764	1,320,179	-	-

10.5 Deferred tax (assets) / liabilities

	Group		Company	
	2022	2021	2022	2021
As at 1 April	1,057,643	1,297,453	-	-
Charge / (reversal) and impact of change in tax rate recognised in profit or loss	(194,967)	(563,271)	-	-
Charge / (reversal) and impact of change in tax rate recognised in other comprehensive income	39,810	323,461	-	-
As at 31 March	902,486	1,057,643	-	-

The Group's deferred tax charge recognised in P&L and OCI for the year ended 31 March 2021 includes benefit from change in tax rate as mentioned in Note 10.3 which amounts to Rs. 296 Mn.

10.5.1 Movement in deferred tax (assets) / liabilities

In thousands of rupees	As at 1st Apr-20	Movement in net balance Recognised in			Classified as	
		Profit or loss	other Comprehensive Income	As at 31st Mar-21	Deferred tax liabilities	Deferred tax assets
For the year ended 31st March 2021						
Accelerated tax depreciation [refer note 10.5.1(i)]	2,492,891	(487,665)	343,345	2,348,571	2,348,571	-
Fair value gains	188,807	(42,585)	-	146,222	146,222	-
Retirement benefit obligations	(369,979)	4,878	(19,884)	(384,985)	(19,884)	(365,101)
Tax losses [refer note 10.5.2(ii)]	(227,899)	(1,390)	-	(229,289)	-	(229,289)
Provisions & other	(287,500)	8,786	-	(278,714)	-	(278,714)
ROU assets and lease liabilities	(498,867)	(45,295)	-	(544,162)	-	(544,162)
Tax assets / (liabilities) before set-off	1,297,453	(563,271)	323,461	1,057,643	2,474,909	(1,417,266)
Set-off of tax	-	-	-	-	(1,406,510)	1,406,510
Net tax assets / (liabilities)	1,297,453	(563,271)	323,461	1,057,643	1,068,399	(10,756)

In thousands of rupees	As at 1st Apr-21	Movement in net balance Recognised in			Classified as	
		Profit or loss	other Comprehensive Income	As at 31st Mar-22	Deferred tax liabilities	Deferred tax assets
For the year ended 31st March 2022						
Accelerated tax depreciation [refer note 10.5.1(i)]	2,348,571	(68,448)	-	2,280,123	2,280,123	-
Fair value gains	146,222	49,796	-	196,018	196,018	-
Retirement benefit obligations	(384,985)	(42,615)	39,810	(387,790)	-	(387,790)
Tax losses [refer note 10.5.2(ii)]	(229,289)	(25,609)	-	(254,898)	-	(254,898)
Provisions & other	(278,714)	66,736	-	(211,978)	-	(211,978)
ROU assets and lease liabilities	(544,162)	(174,827)	-	(718,989)	-	(718,989)
Tax assets / (liabilities) before set-off	1,057,643	(194,967)	39,810	902,486	2,476,141	(1,573,655)
Set-off of tax	-	-	-	-	(1,565,057)	1,565,057
Net tax assets / (liabilities)	1,057,643	(194,967)	39,810	902,486	911,084	(8,598)

- (i) Accelerated tax depreciation on property, plant and equipment.
(ii) Tax losses are available for deduction against future taxable income.

10.5.2 Deferred income tax assets and liabilities during the year were calculated after setting off balances within the same tax jurisdiction.

10.5.3 Deferred tax has been computed taking into consideration the tax rates effective from 1 January 2020 which is 14%, 18% and 24% for all standard rate companies. Deferred taxation is provided for all Group companies except those companies with tax losses available for carry forward exceeding taxable temporary differences and companies which are exempt from income tax.

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10.5.4 Un-accounted deferred tax assets

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available in the foreseeable future, against which such deductible temporary timing differences could be utilised. The deferred tax effect on undistributed reserves of subsidiaries has not been recognised where the parent can control the timing of the reversal of these temporary differences.

The break down of the tax effect of un-accounted deferred tax assets is given below;

In thousands of rupees	Group		Company	
For the year ended 31st March	2022	2021	2022	2021
Deductible temporary differences				
Tax losses	323,521	642,429	76,027	211,673
	323,521	642,429	76,027	211,673

11. Earnings per share

11.1 Basic earnings per share

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by weighted average number of ordinary shares outstanding during the year.

In rupees	Group		Company	
For the year ended 31st March	2022	2021	2022	2021
Basic earning per share	14.09	10.24	4.59	3.68
<i>In thousands of rupees</i>				
Profit for the year attributable to owners of the Company	2,838,029	2,061,487	925,342	740,248
<i>In thousands of numbers</i>				
Weighted-average number of ordinary shares				
Issued ordinary shares as at 31st March	201,407	201,407	201,407	201,407

11.2 Diluted earnings per share

Diluted earnings per share computation is the same as in the Note 11.1.

12. Dividend per share

	For the year ended 31st March 2022			For the year ended 31st March 2021		
	Date of payment	Dividend per share Rs.	Dividend (in thousands of rupees)	Date of payment	Dividend per share Rs.	Dividend (in thousands of rupees)
Interim	20-Dec-21	1.55	312,181	7-Jan-21	1.45	292,040
Final (proposed)	19-Aug-22	3.00	604,221	22-Jul-21	2.90	584,080
	-	4.55	916,402	-	4.35	876,120

13. Property, plant and equipment

13.1 Reconciliation of carrying amount

Group In thousands of rupees	Freehold land	Freehold buildings	Improvements to leasehold buildings	Plant & machinery	Motor vehicles	Furniture & fittings	Capital work in progress	Total
Cost / Valuation								
As at 1st April 2020	11,908,467	2,531,243	11,343,042	22,250,648	1,706,647	84,459	3,512,156	53,336,662
Additions	858	773,341	1,332,545	2,558,634	400,393	11,049	7,704,100	12,780,920
Revaluations	2,106,121	753,680	-	-	-	-	-	2,859,801
Transfers	-	-	-	-	-	-	(6,498,671)	(6,498,671)
Disposals	-	-	(8,826)	(15,897)	(133,918)	-	-	(158,641)
Impairment	-	-	(2,778)	-	-	-	-	(2,778)
Transfer to investment property	(232,806)	-	-	-	-	-	(566,551)	(799,357)
Transfer- Acc. Dep- Revaluation	-	(1,064,654)	-	-	-	-	-	(1,064,654)
As at 31st March 2021	13,782,640	2,993,610	12,663,983	24,793,385	1,973,122	95,508	4,151,034	60,453,282
As at 1st April 2021	13,782,640	2,993,610	12,663,983	24,793,385	1,973,122	95,508	4,151,034	60,453,282
Additions	83,624	265,338	1,745,845	2,188,926	424,177	539	6,566,644	11,275,093
Transfers	-	-	-	-	-	-	(3,656,483)	(3,656,483)
Transfer to investment property	-	-	-	-	-	-	(114,488)	(114,488)
Disposals	(5,478)	-	(47,720)	(15,283)	(32,542)	-	-	(101,023)
Impairment	-	-	(2,024)	(5)	-	(321)	-	(2,350)
As at 31st March 2022	13,860,786	3,258,948	14,360,084	26,967,023	2,364,757	95,726	6,946,707	67,854,031
Accumulated depreciation and impairment losses								
As at 1st April 2020	-	1,021,226	5,186,554	13,341,943	1,225,733	48,027	-	20,823,483
Charge for the year	-	142,941	726,149	1,916,559	224,581	9,058	-	3,019,288
Disposals	-	-	(5,187)	(13,709)	(133,918)	-	-	(152,814)
Transfer to AHS	-	(1,064,654)	-	-	-	-	-	(1,064,654)
As at 31st March 2021	-	99,513	5,907,516	15,244,793	1,316,396	57,085	-	22,625,303
As at 1st April 2021	-	99,513	5,907,516	15,244,793	1,316,396	57,085	-	22,625,303
Charge for the year	-	200,204	872,988	2,169,363	285,770	10,339	-	3,538,664
Disposals	-	-	(31,127)	(14,099)	(32,477)	-	-	(77,703)
As at 31st March 2022	-	299,717	6,749,377	17,400,057	1,569,689	67,424	-	26,086,264
Carrying Value								
As at 31st March 2021	13,782,640	2,894,097	6,756,467	9,548,592	656,726	38,423	4,151,034	37,827,979
As at 31st March 2022	13,860,786	2,959,231	7,610,707	9,566,966	795,068	28,302	6,946,707	41,767,767

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Company	Improvements to leasehold buildings	Plant & machinery	Motor vehicles	Furniture & fittings	Total
In thousands of rupees					
Cost / revaluation					
As at 1 April 2020	4,854	2,417	41,024	108	48,403
Additions	-	148	-	-	148
As at 31 March 2021	4,854	2,565	41,024	108	48,551
As at 1 April 2021	4,854	2,565	41,024	108	48,551
Additions	-	-	-	-	-
As at 31 March 2022	4,854	2,565	41,024	108	48,551
Accumulated depreciation and impairment losses					
As at 1 April 2020	2,880	2,414	41,024	18	46,336
Charge for the year	72	2	-	15	89
As at 31 March 2021	2,952	2,416	41,024	33	46,425
As at 1 April 2021	2,952	2,416	41,024	33	46,425
Charge for the year	74	2	-	17	93
As at 31 March 2022	3,026	2,418	41,024	50	46,518
Carrying value					
As at 31 st March 2021	1,902	149	-	75	2,126
As at 31 st March 2022	1,828	147	-	58	2,033

13.2 Details of land and building as at 31st March 2021

Location	Valuation technique	Land extent	Building area (Sq. ft.)	No. of buildings	In thousands of rupees Value
Company:- C T Holdings PLC					
Kandy	Technique (1)	170 Perches	9,650	4	609,615
Negombo	Technique (1)	91 Perches	17,500	1	295,150
Bandarawela	Technique (2)	2.8 Acres	30,600	4	552,000
Nuwara Eliya	Technique (1)	60 Perches	6,500	3	155,100
Company:- Cargills (Ceylon) PLC					
Colombo 01	Technique (2)	141 Perches	124,215	1	3,095,500
Colombo 02	Technique (1)	81.5 Perches	20,970	2	923,375
Canal Row, Colombo 01	Technique (2)	15 Perches	12,300	1	400,291
Dematagoda	Technique (2)	84 Perches	71,956	1	350,989
Company:- Cargills Foods Company (Private) Limited					
Kandy	Technique (2)	88 Perches	25,174	1	1,426,400
Maharagama	Technique (2)	145 Perches	15,827	1	683,700
Nuwara Eliya	Technique (2)	57 Perches	9,617	1	307,100
Mattakuliya (111)	Technique (2)	330 Perches	80,967	2	848,000
Kohuwala	Technique (2)	29 Perches	6,225	1	173,000
Mattakuliya (141)	Technique (2)	288 Perches	44,469	4	589,800
Gampaha	Technique (2)	82.6 Perches	39,565	1	423,776
Moratuwa	Technique (2)	78.6 Perches	7,475	1	385,765
Ingiriya (A,C,D,B1)	Technique (1)	26 Acres	1,300	1	248,858
Park Road	Technique (2)	-	4,610	1	64,800
Negombo	Technique (1)	28.8 Acres	-	-	760,750
Company:- Cargills Quality Foods Limited					
Mattakuliya	Technique (1)	1.3 Acres	17,881	1	474,078
Ja - Ela	Technique (1)	5.1 Acres	41,833	1	486,515
Ja - Ela	Technique (1)	4 Acres	7,600	1	169,700
Company:- Cargills Agrifoods Limited					
Katana	Technique (1)	11.3 Acres	76,059	1	594,240
Company:- Millers Limited					
Kelaniya	Technique (2)	1.5 Acres	55,770	2	495,000
Company:- C P C (Lanka) Limited					
Katoolaya Estate, Thawalantenne	Technique (1)	4 Acres	19,961	1	67,000

Notes to the Financial Statements

Location	Valuation technique	Land extent	Building area (Sq. ft.)	No. of buildings	In thousands of rupees Value
Company:- Kotmale Dairy Products (Private) Limited					
Mulleriyawa	Technique (1)	1.7 Acres	35,528	3	328,717
Bogahawatta	Technique (1)	1 Acres	33,221	6	485,750
Kuduoya Estate, Ruwanpura, Hatton	Technique (1)	17.4 Acres	14,569	4	104,422
Company:- Cargills Quality Dairies (Private) Limited					
Mirigama, Baduragoda	Technique (1)	100.2 Perches	-	-	20,040
Mirigama, Baduragoda	Technique (1)	38.51 Perches	-	-	13,100
Company:- The Empire Investments Company (Private) Limited					
Bandarawela	Technique (1)	85 Perches	6,345	1	603,461
Katubedda	Technique (1)	1.15 Acres	3,500	1	540,745
Total					16,676,737

13.3 Measurement of fair values of freehold land - Group

(a) Valuation process

The Group's freehold lands are stated at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated impairment losses. The Group has revalued all of its freehold land in the reporting period ending 31st March 2021. The value measurements were carried out in conformity with the requirements of the Sri Lanka Accounting Standards by Mr. Tissa Weeratne, Chartered Valuation Surveyor, UK & Fellow, Institute of Valuers of Sri Lanka, with appropriate qualifications and recent experience in the valuation of properties in the relevant locations. Mr. T Weeratne is not related to the Group. The surplus arising on such valuations have been transferred to revaluation reserves.

(b) Valuation techniques used

Valuation technique (1) : - Market Comparable Approach

The bare lands are valued using the market comparable approach. Under the market comparable approach, a property's fair value is estimated based on comparable transactions. The valuer used the comparable method of valuation involving analysing data obtained from local selling prices for the entire portfolio, by property type. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by the Group is the price per perch.

Valuation techniques (2) : - Income Capitalisation Method

The commercial property (shopping malls & theatres) are valued using the income capitalisation method where a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation (discount) rate. The difference between gross and net rental income includes expense at rates estimated by the valuer.

(c) Fair value hierarchy

The fair value measurement for all the lands are categorised as a Level 3 fair value based on the inputs to the valuation technique used. A significant increase in the market value per perch, capitalisation rate and market rent used in arriving at fair value would

result in a significant increase in fair value, and vice versa. There has been no change to the valuation technique during the year.

Level 1 - Quoted prices in active markets

Level 2 - Significant observable inputs

Level 3 - Significant unobservable inputs

(d) Information about fair value measurements using significant unobservable inputs (Level 3)

Property valuations are inherently subjective as they are made on the basis of assumptions made by the valuer which may not prove to be accurate. For these reasons we have classified the land valuations as Level 3 as defined by SLFRS 13.

(e) The following table shows the valuation techniques used by Group in measuring level 3 fair values and the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Market comparable method - This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Market price per perch. The valuer has used a range of prices for respective lands based on adjusted fair value taking into account other valuation considerations. Market price per perch ranges between Rs. 5,000 - Rs. 16,100,000 per perch.	The estimated fair value would increase / (decrease) if: » Cost per square foot was higher / (lower); or » Market value per perch was higher / (lower)
Income method :- The net income generated by the property is used in conjunction with certain factors is used to calculate its fair value.	Contractual rentals agreed Occupancy rates 100% Capitalization rates 5%-7% Repairs and insurance 22%-25% Valuer has used market price per perch for excess land in existing location using a range of prices for similar lands based on adjusted fair value taking into account other valuation consideration ranges between Rs. 2,000,000 - Rs. 18,000,000 per perch	Estimated fair value will increase / (decrease) if market interest rate increase / (decrease)

13.4 If land were stated at the historical cost basis, the carrying amounts would have been as follows:

In thousands of rupees	Group	
As at 31st March	2022	2021
Freehold land	6,896,770	6,813,146

Notes to the Financial Statements

13.5 Leased assets capitalised in property, plant and equipment

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
Improvements to leasehold buildings				
Capitalised	14,360,084	12,663,983	4,854	4,854
Accumulated Amortisation	(6,749,377)	(5,907,516)	(3,026)	(2,952)
Carrying value	7,610,707	6,756,467	1,828	1,902

13.6 Security

The details of assets mortgaged for banking facilities obtained have been given in the Note 26.3 to the financial statements, if any.

13.7 Details on classes of assets

- Land & buildings consist of freehold land, road ways & buildings.
- Improvements to leasehold buildings include the cost of civil work incurred in setting up new outlets on leasehold premises.
- Furniture & fittings consist of tools, implements, furniture & fittings, office & other equipment.
- Capital work in progress consists of expenditure incurred on projects where operations had not commenced as at the reporting date.

13.8 Other information

Property, plant and equipment of the Group and the Company included:

In millions of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
Fully depreciated assets	7,467	6,459	41	41

Depreciation amounting to Rs. 2,794 Mn (2021 - Rs. 2,405 Mn) and Rs. 745 Mn (2021 - Rs. 614 Mn) has been charged respectively to the cost of sales and, administration and other expenses of the Group.

13.9 Impairment

The Management has assessed the potential impairment loss of property, plant and equipment as at 31 March 2022. Based on the assessment, the Group does not foresee any indications of impairment as at the reporting date due to the COVID-19 pandemic and economic uncertainties, and functions under the business continuity plan as per the Group's risk management strategy, allowing operations to function through alternate working arrangements, whilst strictly adhering to and supporting government directives.

14. Leases

Information about leases for which a Group is lessee is presented below :

14.1 Right of use assets

In thousands of rupees	Group		Company	
As at 31 March	2022	2021	2022	2021
Balance as at 1 April	14,423,813	10,157,100	137	157
Additions	4,392,228	5,740,661	-	-
Recognition of ROU asset on modification of payment	482	-	-	-
Termination of Lease	(187,331)	(35,355)	-	-
Depreciation	(1,739,535)	(1,438,593)	(20)	(20)
Balance as at 31 March	16,889,657	14,423,813	117	137

14.2 Lease liabilities

In thousands of rupees	Group		Company	
As at 31 March	2022	2021	2022	2021
Balance as at 1 April	16,607,619	11,773,068	189	173
Recognition of lease liability on initial application of SLFRS 16	-	180,357	-	-
Adjusted balance as at 1 st April	16,607,619	11,953,425	189	173
Additions	4,366,801	5,529,839	-	-
Recognition of lease liability on modification of payment	482	-	-	-
Interest expense	1,709,964	1,529,566	15	16
Payments	(2,573,937)	(2,243,078)	-	-
Termination of Lease	(186,839)	(38,568)	-	-
Negative lease payments due to rent concessions	(164,538)	(123,565)	-	-
Balance as at 31 March	19,759,552	16,607,619	204	189

Lease Liabilities included in the statement of financial position as at 31 March

Current (Note 26)	1,139,857	1,123,546	18	-
Non-current (Note 26)	18,619,695	15,484,073	186	189
	19,759,552	16,607,619	204	189

Maturity analysis - contractual undiscounted cash flows

Less than one year	3,012,742	2,668,417	30	30
one to five years	11,659,203	10,326,266	122	152
More than five years	24,864,576	20,789,346	-	-
Total undiscounted liabilities as at 31 March	39,536,521	33,784,029	152	182

* Lease liabilities is presented under Note 26.

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14.3 Amounts Recognised in Profit or Loss

In thousands of rupees	Group		Company	
As at 31 March	2022	2021	2022	2021
Depreciation of right-of-use assets	1,739,535	1,438,593	20	20
Interest expense on lease liabilities	1,709,964	1,529,566	15	16
Negative lease payments due to rent concessions	(164,538)	(123,565)	-	-
Income from sub - leasing right of use assets presented in 'other income'	(23,270)	(24,324)	-	-
	3,261,691	2,820,270	35	36

14.4 Amounts Recognised in Statement of Cash Flows

Total cash outflow for leases, net of concessions	(2,573,937)	(2,243,078)	-	-
	(2,573,937)	(2,243,078)	-	-

Impairment: The Group does not foresee any indications of impairment of right of use assets due to the COVID-19 pandemic since as Group is operating under the business continuity plan as per the Group risk management strategy, to the extent possible, whilst strictly adhering to and supporting government directives.

15. Prepayment on leasehold land and building

15.1 Reconciliation of carrying amount

In thousands of rupees	Group		Company	
As at 31 March	2022	2021	2022	2021
Cost				
As at 1 April	200,912	200,912	-	-
Additions	-	-	-	-
As at 31 March	200,912	200,912	-	-
Accumulated amortisation				
As at 1 April	-	-	-	-
charge for the year	-	-	-	-
As at 31 March	-	-	-	-
	200,912	200,912	-	-
Carrying value				
Current portion	-	-	-	-
Non - current portion	200,912	200,912	-	-
	200,912	200,912	-	-

15.1 Reconciliation of carrying amount (Contd.)

Property	Lease period	Amount Rs.'000
Cargills Foods Company (Pvt) Limited Kolonnawa land	99 years	200,912

The prepayment relates to amounts paid in advance for lease contracts that are not finalized as of 31 March 2022.

16. Investment Property

16.1 Reconciliation of carrying amount

In thousands of rupees	Group		Company	
As at 31 March	2022	2021	2022	2021
As at 1 April	9,176,410	8,185,909	1,611,865	1,620,743
Improvements during the year	25,495	92,666	-	-
Transfer from Property, plant & equipment	114,488	799,357	-	-
Disposals	-	-	(904,765)	-
Change in fair value	263,160	98,478	2,600	(8,878)
As at 31 March	9,579,553	9,176,410	709,700	1,611,865

Investment property comprises both commercial properties leased to third parties as well as land held for capital appreciation. Changes in fair values are recognised as gains in profit or gains/ losses. All gains /losses are unrealised.

16.2 Measurement of fair values

(a) Valuation process

The valuations of investment property for the reporting period were performed by Mr. Tissa Weeratne, Chartered Valuation Surveyor, UK & Fellow, Institute of Valuers of Sri Lanka, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the locations and categories of the investment property being valued. The valuation models applied are in accordance with those recommended by the International Valuation Standards Committee and are consistent with the principles in SLFRS 13. For all investment properties, their current use equates to the highest and best use and changes in Level 2 and 3 fair values are reviewed annually at each reporting date.

(b) Valuation techniques used

Valuation technique (1): - Market comparable approach

The bare lands are valued using the market comparable approach. Under the market comparable approach, a property's fair value is estimated based on comparable transactions. The valuer used the comparable method of valuation involving analysing data obtained from local selling prices for the entire portfolio, by property type. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by the Group is the price per perch.

Valuation techniques (2): - Income capitalisation method

The commercial property (shopping malls & theatres) are valued using the income capitalisation method where a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the

Notes to the Financial Statements

capitalisation (discount) rate. The difference between gross and net rental income includes expense at rates estimated by the valuer.

(c) Fair value hierarchy

The fair value measurement for all the investment properties are categorised as a Level 3 fair value based on the inputs to the valuation technique used. A significant increase in the market value per perch, capitalisation rate and market rent used in arriving at fair value would result in a significant increase in fair value, and vice versa. There has been no change to the valuation technique during the year.

Level 1 - Quoted prices in active markets

Level 2 - Significant observable inputs

Level 3 - Significant unobservable inputs

(d) Information about fair value measurements using significant unobservable inputs (Level 3)

Property valuations are inherently subjective as they are made on the basis of assumptions made by the valuer which may not prove to be accurate. For these reasons we have classified the investment property valuations as Level 3 as defined by SLFRS 13.

Group

Description of the property	Valuation technique	Land extent	Building area (Sq. ft.)	No. of buildings	In thousands of rupees			
					Fair value		Change in fair value	
					2022	2021	2022	2021
Company:- Cargills (Ceylon) PLC								
Land - Colombo 02	Technique (1)	78.17 Perches	5,146	1	744,230	724,687	19,543	19,350
Commercial property - Jaffna	Technique (2)	Leasehold	99,164	1	200,703	195,400	4,849	(2,184)
Company:- Millers Limited								
Bare land - Nittambuwa	Technique (1)	112 Perches	-	-	151,750	143,800	7,950	8,850
Company:- The Empire Investment Company (Private) Limited								
Dematagoda	Technique (2)	84.32 Perches	71,956	1	826,280	768,802	32,437	(38,727)
Company:- C T Land Development PLC								
Commercial property - Colombo 04	Technique (1)	257.25 Perches	277,514	1	4,246,658	3,967,626	164,544	39,804
Company:- C T Real Estate (Private) Limited								
Bare land Piliyandala	Technique (1)	114 Perches	-	-	102,600	102,600	-	-
Commercial property - Piliyandala	Technique (2)	154.9 Perches	21,278	2	131,832	128,995	2,837	8,561
Company:- C T Properties Lakeside (Private) Limited								
Bare land - Boralessgamuwa	Technique (1)	43 Acres	11,400	1	1,200,000	1,200,000	-	-
Company:- C T Properties G S (Private) Limited								
Bare land - Kotahena	Technique (1)	199.8 Perches	-	-	1,528,500	1,518,500	10,000	20,000
Company:- Frederick North Hotel Company (Private) Limited								
Bare land - Boralasgamuwa	Technique (2)	2.5 Acres	23,168	4	447,000	426,000	21,000	42,824
Total					9,579,553	9,176,410	263,160	98,478

Company

Description of the property	Valuation technique	Land extent	Building area (Sq. ft.)	No. of buildings	In thousands of rupees			
					Fair value		Change in fair value	
					2022	2021	2022	2021
Land - Kandy	Technique (1)	170 Perches	9,650	4	-	609,615	-	17,865
Land - Negombo	Technique (1)	91.0 Perches	17,500	1	-	295,150	-	17,850
Commercial property - Bandarawela	Technique (2)	2.8 Acres	30,600	4	552,000	552,000	-	(47,240)
Land - Nuwara Eliya	Technique (1)	60 Perches	6,500	3	157,700	155,100	2,600	2,647
Total					709,700	1,611,865	2,600	(8,878)

(e) The following table shows the valuation techniques used by Group in measuring level 3 fair values and the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Market comparable method - This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property	Construction cost per square foot Rs. 4,400 - Rs. 12,700 Market price per perch. The valuer has used a range of prices for respective lands based on adjusted fair value taking into account other valuation considerations Rs. 250,000 - Rs.18,000,000 per perch.	The estimated fair value would increase/(decrease) if: » cost per square foot was higher / (lower); or » market value per perch was higher / (lower)
Income method - The net income generated by the property is used in conjunction with certain factors is used to calculate its fair value.	Contractual rates 70%-95% Capitalization rates 5.4%-7.5% Repairs and insurance 25%-30% Contractual rental Rs. 15,000 - Rs. 9,000,000 per month.	The estimated fair value would increase / (decrease) if: » contractual rentals were higher / (lower); » occupancy rates were higher/(lower); » capitalization rate was (higher)/lower; » repair and insurance was(higher) / lower; or » market value per perch was higher / (lower)

(f) Income and expense

During the year ended 31st March 2022 Rs. 258.6 Mn (2021: 318.0 Mn) rental and ancillary income from investment properties was recognised in the Group profit or loss. Direct operating expenses, including repairs and maintenance, arising from investment property that generated rental income amounted to Rs. 200.03 Mn (2021: Rs. 143.04 Mn). The Group did not incur any direct operating expenses arising from investment properties that did not generate rental income (2021: Nil).

Notes to the Financial Statements

(g) Restrictions and obligations

As at 31st March 2022, there were no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal (2021: Rs. nil) except for the restriction mentioned as note (i) below. There are no obligations to construct or develop the Group's residential or development land investment property or has no obligation to complete any construction of any property as at the reporting date.

(i.) Restrictions on realisability of bare land located at Boralessgamuwa

Sri Lanka Land Reclamation and Development Corporation (SLRDC) has issued an acquisition notice for this land under the Weras Reservoir Project on 29th March 2013. Due to impracticability of estimating the compensation to be received from SLRDC or fair value of the land as at 31st March 2022, the said land is stated at its previous revalued amount in the Financial Statements.

17. Intangible assets

17.1 Reconciliation of carrying amount

In thousands of rupees	Group				Company	
	Goodwill	Trademarks	Computer Software	Total	Goodwill	Total
Cost						
As at 1 April 2020	1,323,227	297,226	551,472	2,171,925	688,467	688,467
Additions	-	-	80,400	80,400	-	-
As at 31 March 2021	1,323,227	297,226	631,872	2,252,325	688,467	688,467
As at 1 April 2021	1,323,227	297,226	631,872	2,252,325	688,467	688,467
Additions	-	5,505	146,643	152,148	-	-
As at 31 March 2022	1,323,227	302,731	778,515	2,404,473	688,467	688,467
Accumulated amortisation/ impairment losses						
As at 1 April 2020	71,746	169,604	340,544	581,894	-	-
Charged during the year	-	23,142	52,327	75,469	-	-
As at 31 March 2021	71,746	192,746	392,871	657,363	-	-
As at 1 April 2021	71,746	192,746	392,871	657,363	-	-
Charged during the year	-	23,142	82,169	105,311	-	-
As at 31 March 2022	71,746	215,888	475,040	762,674	-	-
Net carrying value						
As at 31 March 2021	1,251,481	104,480	239,001	1,594,962	688,467	688,467
As at 31 March 2022	1,251,481	86,843	303,475	1,641,799	688,467	688,467

17.2 Impairment loss and subsequent reversal of goodwill

(a) Consolidation goodwill

Goodwill on acquisition as at the reporting date has been tested for impairment. For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows.

In thousands of rupees As at 31 March	Group		Company	
	2022	2021	2022	2021
FMCG	634,760	634,760	-	-
Corporate	688,467	688,467	688,467	688,467
	1,323,227	1,323,227	688,467	688,467

There has been no permanent impairment of intangible assets that require a provision during the year. Recoverable value of goodwill has been estimated based on the expected future cash flows. When testing for impairment for goodwill, the recoverable amount is determined on the basis of value-in-use calculations. These calculations use cash flow projections based on financial budgets which are approved by management and are discounted at an appropriate pre-tax discount rate equivalent to the average treasury bond rate.

The key assumptions used are given below;

- » Business Growth - long term average growth for each division. The weighted average growth rate used is consistent with the forecast included in industry reports.
- » Margin - past performance and budgeted expectations.
- » Discount rate - risk free adjusted for the specific risk relating to the industry.

Five years of cash flows were included in the discounted cash flow model. A long-term nominal growth rate range into perpetuity has been determined as 2%-3%- based on management's internal assessment.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years.

The discount rate was based on the weighted average cost of capital (WACC) for the Sector, determined by considering the cost of equity and cost of debt proportionately weighted which ranges between 10%-17.5%.

A reasonably possible change in any of the key assumptions on which the management has based its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

(b) Company - Merger goodwill

The Company goodwill relates to the property assets and investments acquired through the merger of Millers PLC with C T Holdings PLC (previously Ceylon Theatres PLC) in the financial year 2007/08. At the reporting date, the market value of the said quoted investments and property assets exceed the book value and the recognized goodwill. Therefore, no impairment was deemed to be necessary to the carrying value of goodwill stated in the Financial Statements.

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18. Investments in subsidiaries

18.1 Reconciliation of carrying amount

In thousands of rupees	Group		Company	
As at 31 March	2022	2021	2022	2021
Cost				
As at 1 April	-	-	2,789,958	2,789,958
Additions	-	-	922,001	-
Disposals	-	-	(1,831,850)	-
As at 31 March	-	-	1,880,109	2,789,958
Less : Provision for impairment				
As at 1 April	-	-	(847,272)	(707,752)
Impairment recognised	-	-	(51,147)	(139,520)
Disposals	-	-	622,987	-
As at 31 March	-	-	(275,432)	(847,272)
Net carrying amount	-	-	1,604,677	1,942,686

Impairment of Investments

Ceylon Theatres (Pvt) Limited

The Investment in Ceylon Theatres (Pvt) Limited was fully impaired as at 31st March 2022 due to continuous losses made by the entity led by adverse economic conditions in the Entertainment Industry. The impairment loss recognized for the year 2021/22 was 51.15 Mn.

18.2 Breakdown of the cost by investment

Name of the investee	Principal activity	Group				Company			
		Ownership interest and voting power %		Total cost of investment (In thousands of rupees)		Ownership interest and voting power %		Total cost of investment (In thousands of rupees)	
As at 31st March		2022	2021	2022	2021	2022	2021	2022	2021
Quoted									
Cargills (Ceylon) PLC	R & WD	71.18%	69.84%	1,090,764	168,763	71.18%	69.84%	1,090,764	168,763
C T Land Development PLC	Real estate	67.86%	67.86%	513,913	513,913	67.86%	67.86%	513,913	513,913
Kotmale Holdings PLC	FMCG	70.83%	69.50%	1,964,833	1,964,833	-	-	-	-
				3,569,510	2,647,509			1,604,677	682,676
Un-quoted									
C T Properties Limited	Real estate	84.60%	91.95%	2,488,925	2,488,925	73.61%	73.61%	-	1,831,850
Ceylon Theatres (Private) Limited	Entertainment	85.54%	85.54%	300,432	300,432	55.00%	55.00%	275,432	275,432
Cargills Quality Foods Limited	FMCG	71.18%	69.84%	1,193,453	1,193,453	-	-	-	-
Cargills Agrifoods Limited	FMCG	71.18%	69.84%	45,630	45,630	-	-	-	-
C P C Lanka Limited	FMCG	71.18%	69.84%	14,200	14,200	-	-	-	-

Name of the investee	Principal activity	Group				Company			
		Ownership interest and voting power %		Total cost of investment (In thousands of rupees)		Ownership interest and voting power %		Total cost of investment (In thousands of rupees)	
As at 31st March		2022	2021	2022	2021	2022	2021	2022	2021
Cargills Quality Diaries (Private) Limited	FMCG	71.18%	69.84%	75,000	75,000	-	-	-	-
Cargills Distributors (Private) Limited	FMCG	71.18%	69.84%	50,261	50,261	-	-	-	-
Cargills Food Processors (Private) Limited	Restaurants	71.18%	69.84%	221,500	221,500	-	-	-	-
Cargills Food Services (Private) Limited	Restaurants	71.18%	69.84%	213,500	213,500	-	-	-	-
Millers Limited	R & WD	71.18%	69.84%	300,000	300,000	-	-	-	-
Cargills Foods Company (Private) Limited	R & WD	71.18%	69.84%	1,167,947	1,167,947	-	-	-	-
Cargills Quality Confectioneries (Private) Limited	FMCG	71.18%	69.84%	1,535,547	1,535,547	-	-	-	-
Dawson Office Complex (Private) Limited	Real estate	71.18%	69.84%	101	101	-	-	-	-
Cargills Frozen Products (Pvt) Limited	FMCG	71.18%	69.84%	50,250	50,250	-	-	-	-
Cargills Agro Development Company (Pvt) Ltd	FMCG	71.18%	69.84%	160,019	160,019	-	-	-	-
C T Property Management Company (Private) Limited	Real estate	84.60%	91.95%	-	-	-	-	-	-
C T Real Estate (Private) Limited	Real estate	84.60%	91.95%	-	-	-	-	-	-
C T Properties Lakeside (Private) Limited	Real estate	84.60%	91.95%	-	-	-	-	-	-
C T Properties GS (Pvt) Ltd	Real estate	84.60%	91.95%	615,446	615,446	-	-	-	-
Kotmale Products Limited	FMCG	70.83%	69.50%	185,400	185,400	-	-	-	-
Kotmale Milk Foods Limited	FMCG	70.83%	69.50%	-	-	-	-	-	-
Kotmale Dairy Products (Private) Limited	FMCG	70.83%	69.50%	13,030	13,030	-	-	-	-
Kotmale Milk Products Limited	FMCG	70.83%	69.50%	-	-	-	-	-	-
Frederick North Hotel Company Limited	Real estate	84.60%	69.84%	311,000	311,000	-	-	-	-
The Empire Investments Company (Private) Limited	Real estate	84.60%	69.84%	5,680,594	776,000	-	-	-	-
Cargills Enterprise Solutions (Private) Limited (Stated Capital Rs.10)	FMCG	71.18%	69.84%	-	-	-	-	-	-
				14,622,235	9,717,641			275,432	2,107,282
				18,191,745	12,365,150			1,880,109	2,789,958

Notes to the Financial Statements

18.2.1 Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

In thousands of rupees	Number of wholly-owned subsidiaries		Number of non wholly owned subsidiaries	
	2022	2021	2022	2021
Retail & wholesale distribution	-	-	2	2
Real estate	-	-	9	9
FMCG	-	-	14	14
Restaurants	-	-	2	2
Entertainment	-	-	1	1
Intermediary Investment Company	-	-	1	1
	-	-	29	29

18.3 Non-controlling interest

18.3.1 Details of non-wholly owned subsidiaries that have material non-controlling interests

(a) Summarised financial information

The summarised financial information below represents amounts before intra-group eliminations.

In thousands of rupees	Cargills (Ceylon) PLC		C T Land Development PLC	
	2022	2021	2022	2021
As at 31st March				
Assets				
Current assets	27,178,089	23,123,652	193,081	206,396
Non-current assets	71,265,687	59,468,926	4,819,600	4,755,874
Total assets	98,443,776	82,592,578	5,012,681	4,962,270
Liabilities				
Current liabilities	41,001,806	38,945,230	109,295	262,642
Non-current liabilities	28,320,455	20,686,625	909,608	695,535
Equity	29,121,515	22,960,723	3,993,778	4,004,093
Total equity and liabilities	98,443,776	82,592,578	5,012,681	4,962,270
Equity attributable to:				
Owners of the Company	25,495,243	22,953,849	2,710,178	2,128,841
Non-controlling interests	3,626,272	6,874	1,283,600	1,875,252
	29,121,515	22,960,723	3,993,778	4,004,093

In thousands of rupees	Cargills (Ceylon) PLC		C T Land Development PLC	
For the year ended 31 March	2022	2021	2022	2021
Revenue (Including other income)	138,858,982	114,649,861	330,550	392,861
Expenses	(134,320,262)	(111,166,222)	(347,514)	(265,123)
Profit for the year	4,538,720	3,483,639	(16,964)	127,738
Other comprehensive income / (loss)	75,587	2,477,636	6,649	(4,395)
Total comprehensive income	4,614,307	5,961,275	(10,315)	123,343
Profit for the year attributable to:				
Owners of the Company	3,230,661	2,434,019	(11,512)	86,734
Non-controlling interests	1,308,059	1,049,620	(5,452)	41,004
Profit for the year	4,538,720	3,483,639	(16,964)	127,738
Other comprehensive income attributable to :				
Owners of the Company	53,803	1,731,124	4,512	(2,984)
Non-controlling interests	21,784	746,512	2,137	(1,411)
Other comprehensive income / (loss)	75,587	2,477,636	6,649	(4,395)
Total comprehensive income attributable to:				
Owners of the Company	3,284,464	4,165,143	(7,000)	83,750
Non-controlling interests	1,329,843	1,796,132	(3,315)	39,593
Total comprehensive income for the year	4,614,307	5,961,275	(10,315)	123,343
Dividends paid to non-controlling interests	466,741	395,304	-	19,561
Details of net cash inflows / (outflows)				
Net cash inflow from operating activities	14,166,421	11,630,537	39,865	64,322
Net cash outflow from investing activities	(11,437,225)	(10,010,054)	7,680	124,464
Net cash inflow / (outflow) from financing activities	(1,212,727)	752,879	(3,600)	(65,113)
Net cash inflow / (outflow)	1,516,469	2,373,362	43,945	123,673
Proportion of ownership interest and voting power held by non-controlling-interest	28.82%	30.16%	32.14%	32.14%

18.3.2 Acquisition of Non-controlling interest

During the Year the Group acquired an additional 1.4% interest in Cargills (Ceylon) PLC, increasing its ownership from 69.8% to 71.2%. The carrying amount of Cargills (Ceylon) PLC's net assets in the Group's consolidated financial statements on the date of the acquisition was 23 Bn.

Carrying Amount of NCI Aquired	63,997
Consideration paid to NCI	922,001
A decrease in equity attributable to owners of the Company	(858,004)

Notes to the Financial Statements

The decrease in equity attributable to owners of the Company comprised:

- an decrease in the retained earnings of 895.8 million ; and
- an increase in the revaluation reserve of 38 million ; and
- an decrease in the fair Value reserve of 202 thousand ; and

18.4 Common control transactions

C T Holdings PLC (hereinafter referred to as CTH) and subsidiaries presently have operations primarily in the following sectors

- » Retail & Wholesale Distribution
- » FMCG
- » Restaurants
- » Real Estate
- » Entertainment

Significant growth and expansion in these sectors has necessitated a reorganisation of the sectors and their sub-sectors into separate growth driven units employing focused management and prudent resource allocation. Accordingly the following common control transactions have taken place during the year 31st March 2022 based on the board approval dated 25th October 2021;

- 18.4.1** Cargills Ceylon PLC purchased C T Land Development PLC investment in C T Properties Limited for Rs. 75 Mn and thereafter disposed its total investment in Associate (C T Properties Limited) to The Empire Investments Company (Private) Limited under a common control transaction amounting to Rs. 434 Mn (Group - Rs. 429 Mn) resulting in a gain of Rs. 12mn (Group Rs. 5 Mn)
- 18.4.2** The Empire Investments Company (Private) Limited acquired C T Properties Limited shares from Cargills Ceylon PLC and C T Holdings PLC.
- 18.4.3** The Empire Investments Company (Private) Limited issued new additional shares amounting to Rs. 4,905 Mn which was invested by Cargills Ceylon PLC and C T Holdings PLC amounting to Rs. 2,205 Mn and Rs. 2,700 Mn resulting in Cargills Ceylon PLC shareholding in The Empire Investments Company (Private) Limited falling to 53.43% from 100% which did not result in a loss of control.
- 18.4.4** Cargills Ceylon PLC disposed its investment in Subsidiary (Frederick North Hotel Company Limited) to The Empire Investments Company (Private) Limited for Rs. 428 Mn resulting in a gain of Rs. 117 Mn.
- 18.4.5** As a result of Common control transactions, Total investment in subsidiaries and associates amounted to Rs. 1,491.29 Mn at the Company level.

19. Investments in equity accounted investees

19.1 Breakdown of investments in equity accounted investees

Name of the investee As at 31st March In thousands of rupees	Principal activity	Group				Company			
		Ownership interest and voting power %		Total cost of investment (in thousands of rupees)		Ownership interest and voting power %		Total cost of investment (in thousands of rupees)	
		2022	2021	2022	2021	2022	2021	2022	2021
C T CLSA Holdings Limited	Financial Services	25.81%	25.81%	184,424	159,314	25.81%	25.81%	33,342	33,342
Cinema Entertainments (Private) Limited	Entertainment	30.92%	30.92%	7,521	7,823	16.67%	16.67%	1,375	1,375
Cargills Bank Limited	Banking	53.17%	53.17%	5,463,511	5,679,548	25.29%	25.29%	2,871,452	2,871,452
The Empire Investments Company (Private) Limited	Real estate	-	-	-	-	46.57%	-	2,699,781	-
				5,655,456	5,846,685			5,605,950	2,906,169

19.2 Summarised financial information as included in their own financial statements of equity accounted investees.

For the year ended 31st March In thousands of rupees.	C T CLSA Holdings Limited		Cinema Entertainments (Private) Limited		Cargills Bank Limited		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Profit / (loss) and other comprehensive income								
Revenue	710,541	408,318	2,153	1,070	2,312,198	1,939,758	3,024,892	2,349,146
Other income	36,980	40,045	81	1,060	146,309	73,180	183,370	114,285
Total expenses	(527,608)	(327,432)	(3,210)	(12,512)	(2,735,634)	(2,756,885)	(3,266,452)	(3,096,829)
Profit / (loss) for the year	219,913	120,931	(976)	(10,382)	(277,127)	(743,947)	(58,190)	(633,398)
Other comprehensive income / (loss) for the year	(2,699)	(6,328)	-	-	(129,211)	45,784	(131,910)	39,456
Total comprehensive income / (loss) for the year	217,214	114,603	(976)	(10,382)	(406,338)	(698,163)	(190,100)	(593,942)
Transactions with owners								
Dividend paid	(119,780)	(96,154)	-	-	-	-	(119,780)	(96,154)
Balance sheet								
Total assets	1,986,712	1,699,326	44,867	37,051	55,767,061	46,532,534	57,798,640	48,268,911
Total liabilities	(1,272,255)	(1,082,067)	(20,541)	(11,750)	(46,442,200)	(36,798,232)	(47,734,996)	(37,892,049)
Net assets	714,457	617,259	24,326	25,301	9,324,861	9,734,302	10,063,644	10,376,862
Percentage of ownership interest as at 31st March	25.81%	25.81%	30.92%	30.92%	53.17%	53.17%		

Notes to the Financial Statements

For the year ended 31st March In thousands of rupees.	C T CLSA Holdings Limited		Cinema Entertainments (Private) Limited		Cargills Bank Limited		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Reconciliation of carrying amount of interests in associates								
Group's of share of net assets of associates	184,424	159,314	7,521	7,823	4,957,713	5,173,750	5,149,658	5,340,887
Goodwill	-	-	-	-	505,798	505,798	505,798	505,798
Carrying amount of investment in associates	184,424	159,314	7,521	7,823	5,463,511	5,679,548	5,655,456	5,846,685
Share of profit / (loss)	56,767	31,212	(302)	(3,210)	(147,339)	(395,531)	(90,874)	(367,529)
Share of other comprehensive income								
Items that will not be re-classified subsequently to profit or loss:		-	-	-	-	-	-	-
Items that may be re-classified subsequently to profit or loss:	(697)	(1,633)	-	-	(68,697)	24,342	(69,394)	22,709
Share of other comprehensive income	(697)	(1,633)	-	-	(68,697)	24,342	(69,394)	22,709

19.3 The summarised financial information presented above represents amounts shown in the associate's Financial Statements prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS). All of the above associates are accounted for using the equity method in these consolidated Financial Statements.

19.4 None of the Group equity accounted investees are publicly listed entities and consequentially do not have published price quotations.

19.5 The financial year end date of Cargills Bank Limited is 31st December due to the industry requirement and Financial Statements for the year ended 31st December 2021 have been used for the purposes of applying the equity method. Further, there are no significant transactions between the dates of the financial statements of the said companies and 31st March 2022 which require any adjustments.

19.6 Restriction on voting power

Cargills Bank Limited

The Group's voting rights in Cargills Bank Ltd is below 50% as per the investment conditions imposed by the regulator. As such the Group does not have controlling power over the investee and accordingly the investment in Cargills Bank Limited is equity accounted.

20. Other financial assets

In thousands of rupees	Group		Company	
As at 31 March	2022	2021	2022	2021
Non Current				
Equity Investments (Note 20.1)	192,801	527,685	65,163	482,425
Debt investments at Fair Value Through Profit or Loss (Note 20.2)	1,500,000	-	-	-
	1,692,801	527,685	65,163	482,425
Current				
Other non-equity investments (Note 20.3)	1,016,556	1,018,661	-	63,865
	1,016,556	1,018,661	-	63,865

20.1 Equity Investments - "Non-current"

	Group				Company			
	Shares / Units (Numbers)		Carrying Value (In thousands of Rs.)		Shares / Units (Numbers)		Carrying Value (In thousands of Rs.)	
	2022	2021	2022	2021	2022	2021	2022	2021
Investments in quoted companies								
Ceylon Printers PLC	118,830	118,830	6,179	6,179	118,830	118,830	6,179	6,179
Office Equipment PLC	163,700	163,700	8,905	8,905	163,700	163,700	8,905	8,905
Paragon (Ceylon) PLC	213,060	213,060	8,949	8,948	213,060	213,060	8,949	8,948
Overseas Realty (Ceylon) PLC	4,500	4,500	70	69	4,500	4,500	70	69
Lanka IOC PLC	525,000	525,000	16,170	11,978	325,000	325,000	10,010	6,175
The HDFC Bank of Sri Lanka	70,000	70,000	2,184	2,338	70,000	70,000	2,184	2,338
Lanka Walltiles PLC	-	25,776	-	24,294	-	25,776	-	24,294
Sierra Cables PLC	49,600	49,600	337	1,049	-	-	-	-
Aitken Spence PLC	267,500	267,500	19,714	12,049	-	-	-	-
			62,508	75,809			36,297	56,908
Investments in un-quoted companies								
Lanka Film Distributors								
Company (Private) Limited	100	100	100	100	100	100	100	100
Other investments								
Comtrust Gilt Edged Fund (Unit trust)	10,580,268	42,721,486	130,193	451,776	2,621,116	40,519,339	28,766	425,417
			192,801	527,685			65,163	482,425

20.1.1 The Group's shareholdings in the ordinary share capital of Office Equipment PLC, Ceylon Printers PLC and Paragon(Ceylon) PLC range between 19.64% to 21.30%. However, these companies have not been treated as equity accounted investees since the Group exercises no significant influence in the operations of the companies concerned.

Notes to the Financial Statements

20.1.2 The Share Price of the Company's Investment in Comtrust Gilt Edged Fund (Unit Trust) as at 31st March 2022 is Rs. 10.97 (2021-Rs.10.50)

The Share of the Group's Investment in Comtrust Gilt Edged Fund (Unit Trust) is as Follows;

CT Holdings PLC – Rs.10.97 (2021-Rs.10.50)

CT Land Development PLC - Rs.12.74 (2021-Rs. 11.97)

20.1.3 The Group designated the above equity investments as equity investments at FVOCI because these equity investments represent investments that the Group intends to hold for the long term.

The market value of quoted equity investments of Group as at 31 March 2022, as quoted by the Colombo Stock Exchange amounted to Rs. 62.5 Mn. (2021 - Rs. 75.8 Mn.)

During the year the investment in Lanka Walltiles PLC was disposed with a gain on disposal amounting to 4.7 Mn being recognised in Other Comprehensive Income.

Dividend Income recognised on quoted equity investments is as follows:

In thousands of rupees as at 31st March	Group		Company	
	2022	2021	2022	2021
Quoted equity investments				
Lanka IOC PLC	446	394	276	244
The HDFC Bank of Sri Lanka	18	-	18	-
Lanka Walltiles PLC	-	8,375	-	8,375
Sierra Cables PLC	-	4	-	-
Aitken Spence PLC	268	334	-	-
	732	9,107	294	8,619

20.2 Debt investments measured at Fair Value Through Profit or Loss (FVTPL) - "Non current"

In thousands of rupees As at 31 March	Group		Company	
	2022	2021	2022	2021
Debt investments measured at Fair Value Through Profit or Loss (FVTPL)	1,500,000	-	-	-
	1,500,000	-	-	-

The Subsidiary Cargills (Ceylon) PLC Invested in Fifteen Million (15,000,000) Basel III Additional Tier 1 Compliant Rated Unlisted Unsecured Subordinated Perpetual Convertible Debentures issued by Cargills Bank Limited, with a conversion at the option of the debenture holder and Non-Viability Conversion upon the occurrence of a trigger event at the par value of Sri Lankan Rupees One Hundred (LKR 100/-). The interest rate is based on the Weighted Average Twelve-Month Net Treasury Bill Rate + 2% p.a. The debenture holder has the right to convert the debenture to ordinary shares of the Bank during the conversion period.

The interest is cumulative and will be paid only if the Bank has distributable profits. The Bank has discretion at all times to cancel the interest payments. However the agreement does not stipulate interest, on interest deferred/cancelled and therefore as the investment does not meet the SPPI criteria, it has been classified as FVTPL.

20.3 Other Non Equity Investments - Current

In thousands of rupees	Group		Company	
As at 31 March	2022	2021	2022	2021
Call deposits / fixed deposit	1,016,556	1,018,661	-	63,865
	1,016,556	1,018,661	-	63,865

21. Inventories

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
Raw material and consumables	2,908,081	1,798,132	-	-
Work-in-progress	42,756	46,304	-	-
Finished goods	11,585,999	9,919,211	-	-
Goods in transit	276,692	53,381	-	-
Food and beverages - restaurant operations	127,236	76,792	-	-
	14,940,764	11,893,820	-	-
Provision for obsolete and slow moving items	(131,127)	(114,203)	-	-
	14,809,637	11,779,617	-	-

21.1 Movement in the provision for obsolete and slow moving items

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
As at 1st April	114,203	84,721	-	-
Provisions recognised	16,924	29,482	-	-
As at 31st March	131,127	114,203	-	-

22. Trade and other receivables

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
Trade receivables (other than from related companies)	3,997,784	3,287,580	3	2
Amounts due from related companies (Note 31.3)	277,213	303,831	28,257	21,722
Current tax assets	451,015	572,811	3,366	(657)
Advances and other receivables	919,756	642,081	44,217	27,413
Loans given to employees (Note 22.1)	139,600	114,974	-	-
Prepayments and accrued income	2,341,468	1,937,056	-	-
	8,126,836	6,858,333	75,843	48,480
Provision for impaired / doubtful debts (Note 22.3)	(292,275)	(266,589)	-	-
	7,834,561	6,591,744	75,843	48,480

Notes to the Financial Statements

22.1 Loans given to employees

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
As at 1st April	114,974	103,758	-	-
Loans granted during the year	44,956	26,846	-	-
Recoveries	(20,330)	(15,630)	-	-
As at 31st March	139,600	114,974	-	-

22.2 Credit and market risks, and impairment losses

Information about the Group's exposure to credit, and impairment losses for trade and other receivables, excluding construction contracts in progress, is included in Note 30.5.

22.3 Movement in the provision for impaired / doubtful debts

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
As at 1st April	266,589	232,691	-	-
Impairment losses recognised	25,686	33,898	-	-
As at 31st March	292,275	266,589	-	-

23. Cash and cash equivalents

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
Cash and bank balances	3,197,700	2,701,810	269	23,590
Short term deposits with banks (Note 23.1)	356,518	453,383	8,675	121,176
Cash and cash equivalents	3,554,218	3,155,193	8,944	144,766
Bank overdraft (Note 26)	(1,769,714)	(2,794,707)	(24,112)	(267)
Cash and cash equivalents in the statement of cash flows	1,784,504	360,486	(15,168)	144,499

23.1 Short term deposits with bank

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
As at 31st March				
Fixed & other deposits	356,518	453,383	8,675	121,176
	356,518	453,383	8,675	121,176

24. Stated capital

As at 31st March	Group		Company	
	2022	2021	2022	2021
Issued and fully paid shares (In thousand rupees)				
Issued ordinary shares as at 1st April	6,489,758	6,489,758	6,489,758	6,489,758
Issued for the year	-	-	-	-
Issued ordinary shares as at 31st March	6,489,758	6,489,758	6,489,758	6,489,758
No. of shares in issue (In thousands)				
Issued ordinary shares as at 1st April	201,407	201,407	201,407	201,407
Issued during the year	-	-	-	-
Issued ordinary shares as at 31st March	201,407	201,407	201,407	201,407

Fully paid ordinary shares carry one vote per share and carry a right to dividends. All ordinary shares rank equally with regard to the Company's residual assets.

25. Reserves

In thousands of rupees As at 31st March	Group		Company	
	2022	2021	2022	2021
Revaluation reserve (Note 25.1)	3,089,234	3,141,595	-	-
Fair value reserve (Note 25.2)	47,294	49,670	45,747	53,140
	3,136,528	3,191,265	45,747	53,140

25.1 Revaluation reserve

The revaluation reserve arises on the revaluation of land as described in Note 13.2 and is reflected net of the amounts capitalised through a share issue. Distributions from the properties revaluation reserve can be made where they are in accordance with the requirements of the Company's articles and any other statutes.

25.2 Fair value reserve

The fair value reserve represents the cumulative net change in the fair value of equity securities designated at Fair Value through Other Comprehensive Income (FVOCI); and the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is reduced by the amount of loss allowance.

Notes to the Financial Statements

26. Interest bearing loans and borrowings

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
Non-current liabilities				
Loans from banks	8,477,543	2,885,731	800,594	-
Finance lease liabilities (Note 26.1)	4,290	-	-	-
Lease liabilities (Note 14.2)	18,619,695	15,484,073	186	189
	27,101,528	18,369,804	800,780	189
Current liabilities				
Loans from banks	10,846,897	15,447,113	1,489	-
Finance lease liabilities (Note 26.1)	3,606	3,606	-	-
Bank overdraft	1,769,714	2,794,707	24,112	267
Lease liabilities (Note 14.2)	1,139,857	1,123,546	18	-
	13,760,074	19,368,972	25,619	267

26.1 Finance lease liabilities

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
As at 1st April	3,606	11,836	-	-
Obtained during the year	6,567	2,486	-	-
Repayments during the year	(2,277)	(10,716)	-	-
As at 31st March	7,896	3,606	-	-
Finance charges allocated to future periods	-	-	-	-
Net liability	7,896	3,606	-	-
Current portion of finance lease liabilities	3,606	3,606	-	-
Non-current portion of finance lease liabilities	4,290	-	-	-
Net liability	7,896	3,606	-	-

26.2 Information about the Group's exposure to risks is covered in Note 30.4.

26.3 Terms and repayment schedule Terms and conditions of outstanding loans are as follows :-

Institution and facility	Principal amount	Amount Outstanding	Repayment terms & interest rate	Security offered
	Rs. '000	Rs. '000		
Cargills (Ceylon) PLC				
Bank overdrafts				
Commercial Bank of Ceylon PLC	200,000	53,071	On demand, based on monthly AWPLR+1.0%	Corporate guarantee from C T Holdings PLC
Deutsche Bank	45,000	42,593	On demand, based on the prevailing market rates	Clean basis
MCB Bank Limited	500,000	-	On demand, based on monthly AWPLR	Clean basis
Nations Trust Bank PLC	200,000	-	On demand, based on weekly AWPLR+1.0%	Clean basis
Sampath Bank PLC	100,000	-	On demand, based on monthly AWPLR+1.0%	Clean basis
		95,664		
Short term loans				
Bank of Ceylon	1,500,000	-	1-12 months, based on the prevailing market rates	Clean basis
Commercial Bank of Ceylon PLC	1,500,000	-	1-12 months, based on the prevailing market rates	Corporate guarantee for Rs.50 Mn. from C T Holdings PLC
Hatton National Bank PLC	250,000	-	1-4 months, based on Money Market Rates (AWPLR weekly review)	Clean basis
Nations Trust Bank PLC	2,800,000	1,205,000	1-3 months, based on the prevailing market rates	Clean basis
Sampath Bank PLC	1,800,000	-	1-6 months, based on the prevailing market rates	Clean basis
		1,205,000		
Long term loans				
Commercial Bank of Ceylon PLC	800,000	519,451	Interest to be serviced monthly and capital to be repaid in 3 bi-annual installments	Clean basis

Notes to the Financial Statements

26.3 Terms and repayment schedule Terms and conditions of outstanding loans are as follows :- (Contd.)

Institution and facility	Principal amount	Amount Outstanding	Repayment terms & interest rate	Security offered
	Rs. '000	Rs. '000		
Cargills (Ceylon) PLC (Contd.)				
Hatton National Bank PLC	7,000,000	5,822,697	Interest to be serviced monthly and capital to be repaid in 20 quarterly installments of 400.0 Mn. No grace period for Capital repayment	Clean basis
		6,342,148		
		7,642,812		
Cargills Foods Company (Private) Limited				
Bank overdrafts				
Bank of Ceylon	115,000	-	On demand, based on monthly AWPLR+0.5%	Clean basis
Cargills Bank Limited	-	432,695	On demand, based on the prevailing market rates	Fully secured against cash
Commercial Bank of Ceylon PLC	200,000	165,474	On demand, based on monthly AWPLR+1.0%	Corporate guarantee from Cargills (Ceylon) PLC
Deutsche Bank	500,000	397,425	On demand, based on the prevailing market rates	Clean basis
Standard Chartered Bank	10,000	16	On demand, based on the prevailing market rates	Clean basis
		995,610		
Short term loans				
Bank of Ceylon	500,000	-	1-12 months, based on the prevailing market rates	Clean basis
Commercial Bank of Ceylon PLC	2,800,000	2,505,000	1-12 months, based on the prevailing market rates	Corporate guarantee of Rs.250.0 Mn. from Cargills (Ceylon) PLC
Deutsche Bank	700,000	700,000	1-3 months, based on the prevailing market rates	Clean basis
Hatton National Bank PLC	3,000,000	-	1-4 months, based on Money Market Rates (AWPLR weekly review)	Clean basis
Standard Chartered Bank	2,590,000	500,000	1-4 months, based on the prevailing market rates	Clean basis
Union Bank PLC	300,000	-	1-4 months, based on monthly AWPLR+1.00%	Clean basis
		3,705,000		

26.3 Terms and repayment schedule Terms and conditions of outstanding loans are as follows :- (Contd.)

Institution and facility	Principal amount	Amount Outstanding	Repayment terms & interest rate	Security offered
	Rs. '000	Rs. '000		
Cargills Foods Company (Private) Limited (Contd.)				
Long term loans				
Commercial Bank of Ceylon PLC	3,000,000	2,336,131	Interest to be serviced monthly and capital to be repaid in 3 bi-annual installments	Clean basis
Hatton National Bank PLC	1,000,000	852,701	Interest to be serviced monthly and capital to be repaid in 20 quarterly installments of 50.0 Mn. No grace period for capital repayment	Clean basis
Standard Chartered Bank	1,250,000	1,041,865	Interest to be serviced quarterly and capital to be repaid in 12 quarterly installments	Clean basis
		4,230,697		
		8,931,307		
Cargills Agrifoods Limited				
Bank overdraft				
Commercial Bank of Ceylon PLC	150,000	4,724	On demand, based on monthly AWPLR+1.0%	Corporate guarantee for Rs.155 Mn. from Cargills (Ceylon) PLC
		4,724		
Cargills Food Processors (Private) Limited				
Bank overdrafts				
Cargills Bank Limited	-	65,173	On demand, based on the prevailing market rates	Fully secured against cash
Commercial Bank of Ceylon PLC	100,000	1,187	On demand, based on monthly AWPLR +1.0%	Corporate guarantee for Rs.50 Mn. from Cargills (Ceylon) PLC
Deutsche Bank	100,000	29,752	On demand, based on the prevailing market rates	Clean basis
		96,112		
Short term loan				
Commercial Bank of Ceylon PLC	250,000	-	1-12 months, based on the prevailing market rates	Corporate guarantee from Cargills (Ceylon) PLC
		-		
		96,112		

Notes to the Financial Statements

26.3 Terms and repayment schedule Terms and conditions of outstanding loans are as follows :- (Contd.)

Institution and facility	Principal amount	Amount Outstanding	Repayment terms & interest rate	Security offered
	Rs. '000	Rs. '000		
Cargills Food Services (Private) Limited				
Bank overdrafts				
Commercial Bank of Ceylon PLC	-	6,446	On demand, based on the prevailing market rates	Clean basis
Deutsche Bank	5,000	-	On demand, based on the prevailing market rates	Clean basis
		6,446		
Long term loan				
Hatton National Bank PLC	11,700	2,925	To be repaid over a period of 02 years in 24 equal monthly installments	Clean basis
		2,925		
		9,371		
Cargills Quality Confectionaries (Private) Limited				
Bank Overdrafts				
Cargills Bank Limited	-	9,985	On demand, based on the prevailing market rates	Fully secured against cash
Commercial Bank of Ceylon PLC	50,000	21,464	On demand, based on monthly AWPLR +1.0%	Corporate guarantee for Rs.150 Mn. from Cargills (Ceylon) PLC
		31,449		
Cargills Quality Confectionaries (Private) Limited (Contd.)				
Short term loans				
Commercial Bank of Ceylon PLC	50,000	50,000	1-12 months, based on the prevailing market rates	Clean basis
Hatton National Bank PLC	200,000	-	1-4 months, based on Money Market Rates (AWPLR weekly review)	Corporate guarantee for Rs. 200 Mn. from Cargills (Ceylon) PLC
		50,000		
		81,449		

26.3 Terms and repayment schedule Terms and conditions of outstanding loans are as follows :- (Contd.)

Institution and facility	Principal amount	Amount Outstanding	Repayment terms & interest rate	Security offered
	Rs. '000	Rs. '000		
Cargills Quality Dairies (Private) Limited				
Bank overdrafts				
Commercial Bank of Ceylon PLC	50,000	-	On demand, based on monthly AWPLR +1.0%	Corporate guarantee for Rs.70 Mn. from Cargills (Ceylon) PLC
Deutsche Bank	100,000	98,292	On demand, based on the prevailing market rates	Clean basis
		98,292		
Short term loans				
Commercial Bank of Ceylon PLC	1,450,000	380,000	1-12 months, based on the prevailing market rates	Clean basis
Hatton National Bank PLC	2,500,000	-	1-4 months, based on Money Market Rates (AWPLR weekly review)	Clean basis
Standard Chartered Bank	1,150,000	630,000	1-12 months, based on the prevailing market rates	Clean basis
		1,010,000		
Long term loan				
Hatton National Bank PLC	1,000,000	853,252	Interest to be serviced monthly and capital to be repaid in 20 quarterly installments of 50.0 Mn. No grace period for Capital repayment	Clean basis
		853,252		
		1,961,544		
Cargills Quality Foods Limited				
Bank overdrafts				
Commercial Bank of Ceylon PLC	50,000	-	On demand, based on monthly AWPLR +1.0%	Corporate guarantee for Rs. 125 Mn. from Cargills (Ceylon) PLC
Deutsche Bank	350,000	347,928	On demand, based on the prevailing market rates	Clean basis
		347,928		

Notes to the Financial Statements

26.3 Terms and repayment schedule Terms and conditions of outstanding loans are as follows :- (Contd.)

Institution and facility	Principal amount	Amount Outstanding	Repayment terms & interest rate	Security offered
	Rs. '000	Rs. '000		
Cargills Quality Foods Limited (Contd.)				
Short term loans				
Commercial Bank of Ceylon PLC	100,000	70,000	1-12 months, based on the prevailing market rates	Corporate guarantee from Cargills (Ceylon) PLC
Hatton National Bank PLC	1,000,000	-	1-4 months, based on Money Market Rates (AWPLR weekly review)	Clean basis
Standard Chartered Bank	750,000	70,000	1-12 months, based on the prevailing market rates	Clean basis
		140,000		
		487,928		
Millers Limited				
Bank overdrafts				
Commercial Bank of Ceylon PLC	50,000	-	On demand, based on monthly AWPLR +1.0%	Corporate Guarantee from Cargills (Ceylon) PLC
Cargills Bank Limited	-	2,430	On demand, based on the prevailing market rates	Fully secured against cash
Deutsche Bank	200,000	23,395	On demand, based on the prevailing market rates	Clean basis
		25,825		
Millers Limited (Contd.)				
Short term loans				
Commercial Bank of Ceylon PLC	150,000	-	1-12 months, based on the prevailing market rates	Corporate Guarantee for Rs. 215 Mn. from Cargills (Ceylon) PLC
Hatton National Bank PLC	200,000	-	1-4 months, based on Money Market Rates (AWPLR weekly review)	Corporate Guarantee for Rs. 335 Mn. from Cargills (Ceylon) PLC
Standard Chartered Bank	250,000	-	1-3 months, based on the prevailing market rates	Corporate Guarantee for Rs. 250 Mn. from Cargills (Ceylon) PLC
		-		
		25,825		

26.3 Terms and repayment schedule Terms and conditions of outstanding loans are as follows :- (Contd.)

Institution and facility	Principal amount	Amount Outstanding	Repayment terms & interest rate	Security offered
	Rs. '000	Rs. '000		
Cargills Agro Development Company (Private) Limited				
Short term loan				
Hatton National Bank PLC	100,000	76,000	1-6 months, based on weekly AWPLR+0.5%	Clean basis
		76,000		
Long term loan				
Hatton National Bank PLC	9,529	3,561	To be repaid over a period of 02 years in 23 equal monthly installments	Clean basis
		3,561		
		79,561		
Kotmale Dairy Products (Private) Limited				
Bank overdraft				
Bank of Ceylon	10,000	-	On demand, based on the prevailing market rates	Corporate guarantee from Kotmale Holdings PLC. Mortgage over stocks and book debtors
		-		
Import Loan facility / Series of Loan on Import				
Bank of Ceylon	40,000	-	Based on the prevailing market rates	Corporate guarantee from Kotmale Holdings PLC. Mortgage over stocks and book debtors
Kotmale Dairy Products (Private) Limited (Contd.)				
Short term loans				
Hatton National Bank PLC	1,000,000	-	1-4 months, based on Money Market Rates (AWPLR weekly review)	Clean basis
Commercial Bank of Ceylon PLC	685,000	685,000	1-12 months, based on the prevailing market rates	Letter of Comfort obtained from Cargills Quality Dairies (Private) Limited
		685,000		
		685,000		

Notes to the Financial Statements

26.3 Terms and repayment schedule Terms and conditions of outstanding loans are as follows :- (Contd.)

Institution and facility	Principal amount	Amount Outstanding	Repayment terms & interest rate	Security offered
	Rs. '000	Rs. '000		
Kotmale Milk Products Limited				
Bank overdraft				
Pan Asia Bank Corporation Limited	5,000	-	On demand, based on the prevailing market rates	Corporate guarantee from Kotmale Holdings PLC
		-		
Import Loan facility				
Pan Asia Bank Corporation Limited	20,000	-	Based on the prevailing market rates	Corporate guarantee from Kotmale Holdings PLC
		-		
Ceylon Theatres (Pvt) Ltd				
Bank overdraft				
Commercial Bank of Ceylon PLC	62,000	32,559	Payable on demand (AWPLR + 1.0%)	Coporate Guarantees of Rs 25 Mn each from CT Holdings PLC and CT Land Development PLC
		32,559		
Short term loans				
Commercial Bank of Ceylon PLC	52,000	19,331	59 equal monthly Installments of Rs 833,400.00 and final installment of Rs 829,400.00 (AWPLR + 2%)	Coporate Guarantee for Rs.50Mn. from CT Holdings PLC
Commercial Bank of Ceylon PLC	10,000	1,333	Covid 19 refinance- 4%. Capital repayments from March 21 (03 mnt grace period from Dec 21)	Coporate Guarantee for Rs.25Mn. from CT Land Development PLC
		20,664		
		53,223		
CT Land Development PLC				
Bank overdraft				
Commercial Bank of Ceylon PLC	-	10,993	Payable on demand (AWPLR + 1.0%)	Negative pledge over the property at Majestic City , No.10, Station Road, Colombo 4.
		10,993		

Institution and facility	Principal amount	Amount Outstanding	Repayment terms & interest rate	Security offered
	Rs. '000	Rs. '000		
CT Land Development PLC (Contd.)				
Long term loans				
Commercial Bank of Ceylon PLC	14,500	1,812	23 equal Monthly Instalments of Rs 604,200/- each and a final installement of Rs 603,400/- (4.0% Interest Per Annum)	General Terms and conditions of Term Loans
Commercial Bank of Ceylon PLC	160,000	157,038	53 equal Monthly installements of Rs. 2,962,000/- each and a final installement of Rs. 3,014,000/- (8.25% Interest Per Annum)	General Terms and conditions of Term Loans
Commercial Bank of Ceylon PLC	40,000	39,260	53 equal Monthly installements of Rs. 740,000/- each and a final installement of Rs. 780,000/- (8% Interest Per Annum)	General Terms and conditions of Term Loans
		198,110		
		209,103		
C T Holdings PLC				
Bank overdraft				
Cargills Bank Limited	-	24,112	Payable on demand. Based on the prevailing market rates	No Security Provided
		24,112		
Long term loan				
Hatton National Bank PLC	1,000,000	802,083	To be repaid 20 equal quarterly installment of Rs 50 Mn each. Interest to be serviced monthly.	Clean basis
		802,083		
		826,195		
Total				
Bank overdraft		1,769,714		
Short term and long term loans		19,324,440		
		21,094,154		

Notes to the Financial Statements

27. Employee benefits

27.1 Reconciliation of carrying amount

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
Balance as at 1st April	1,624,204	1,316,770	34,596	31,128
Transfer	705	-	-	-
Current service cost	131,632	143,539	1,501	1,477
Interest cost	129,320	138,085	2,352	3,114
Past service cost	(12,056)	-	(1,566)	-
Benefits paid	(67,682)	(58,214)	-	-
Actuarial (gain)/ loss	(167,470)	84,024	10	(1,123)
Balance as at 31st March	1,638,653	1,624,204	36,893	34,596

(a) Amounts recognised in profit or loss

Current service cost	131,632	143,539	1,501	1,477
Interest cost	129,320	138,085	2,352	3,114
Past service cost	(12,056)	-	(1,566)	-
	248,896	281,624	2,287	4,591

During 2021/22, the pension arrangements were adjusted to reflect new legal requirements in that country regarding the retirement age. As a result of the plan amendment, the Group & Company's defined benefit obligation decreased by Rs. 12.056 Mn and Rs. 1.566 Mn respectively. A corresponding past service credit was recognized in profit or loss during 2021/22.

27.2 Actuaries

The Group engaged the actuaries, Messrs. Actuarial and Management Consultants (Private) Limited to carry out the actuarial valuation of different companies within the Group.

27.3 Actuarial assumptions & sensitivity analysis

(a) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
Discount rate	15%	8%	15%	6.8%
Future salary growth rate	12.5% - 14%	5% -10%	14%	7.5%
Staff turnover rate	1%-20%	1%-15%	20%	11%

In addition to the above, demographic assumptions such as mortality, withdrawal and disability, and retirement age were considered for the actuarial valuation. "A 67/07 mortality table" issued by the Institute of Actuaries, London was used to estimate the gratuity liability of all Group companies.

(b) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

In thousands of rupees As at 31st March	Group		Company	
	2022	2021	2022	2021
Increase				
Discount rate (1% movement)	(51,207)	(71,803)	(1,537)	(428)
Future salary growth (1% movement)	61,276	83,265	1,511	323
Decrease				
Discount rate (1% movement)	55,356	79,442	1,623	438
Future salary growth (1% movement)	(57,598)	(76,659)	(1,459)	(323)

As at 31st March 2022, the weighted average duration of the defined benefit obligation for the Company was 4.85 years.

27.4 Share-based payment arrangements of subsidiaries

(a) Description of share based payment arrangements

An Employee Share Option Scheme (ESOS) proposed by the Directors of the subsidiary Cargills (Ceylon) PLC (CCP) for the benefit of its employees and those of its subsidiaries ("Group") was approved by the shareholders of CCP at an Extra Ordinary General Meeting held on 29th June 2017.

Under the terms of the ESOS, which are in compliance with the Listing Rules of the Colombo Stock Exchange, a maximum number of Seven million six hundred seventy nine thousand nine hundred and ninety seven (7,679,997) ordinary voting shares could be issued which is equivalent to 3.0% of the issued capital of CCP. The share options would be granted in three tranches which would constitute :

- First tranche – 3,839,999 options constituting 1.50% of the issued shares of the Company at an exercise price of Rs. 184.98
- Second tranche – 1,919,999 options constituting 0.75% of the issued shares of the Company at an exercise price of Rs. 172.33; and
- Third tranche – 1,919,999 options constituting 0.75% of the issued shares of the Company at an exercise price of Rs. 211.40;

Each of the aforesaid tranches are subdivided in to sub tranches with different vesting periods and exercise periods. Share options would be issued to employees who are eligible for the award of the share options for a consideration that is equivalent to the volume weighted average price during the period of thirty (30) market days immediately prior to the respective grant dates for each tranche.

Notes to the Financial Statements

The key terms and conditions related to the grants under these tranches are as follows; all options are to be settled by the physical delivery of shares.

Type of Tranche	Number of options	Vesting Condition	Vesting Period	Vesting Date	Exercise Period	Exercise Duration
Tranche 1						
Sub Tranche 1	1,280,000	Remaining in employment up until the vesting date.	3 Months	September 30,2017	October 1,2017 to March 31, 2019	1 Year & 6 Months
Sub Tranche 2	1,280,000		9 Months	March 31, 2018	April 1,2018 to March 31, 2020	2 Years
Sub Tranche 3	1,279,999		1 Year & 9 Months	March 31, 2019	April 1,2019 to March 31, 2021	2 Years
Tranche 2						
Sub Tranche 1	640,000	Remaining in employment up until the vesting date. And meeting the performance related conditions relating to FY 2018/19.	1 Year & 4 Months	July 31, 2019	August 1,2019 to March 31, 2020	8 Months
Sub Tranche 2	640,000		2 Years	March 31, 2020	April 1,2020 to March 31, 2021	1 Year
Sub Tranche 3	639,999		3 Years	March 31, 2021	April 1,2021 to March 31, 2022	1 Year
Tranche 3						
Sub Tranche 1	640,000	Remaining in employment up until the vesting date. And meeting the performance related conditions relating to FY 2019/20.	1 Year & 4 Months	July 31, 2020	August 1,2020 to March 31, 2021	8 Months
Sub Tranche 2	640,000		2 Years	March 31, 2021	April 1,2021 to March 31, 2022	1 Year
Sub Tranche 3	639,999		3 Years	March 31, 2022	April 1,2022 to March 31, 2023	1 Year
Total Share Options	7,679,997					

The cost of Share Based Payments accounted in the Group's Financial Statements for the year amounted to Rs. Nil. (2021 - Rs. 30.65 Mn)

Grant Date

As per "SLFRS 2 - Share-based Payments" the entity should recognise the value/cost of the share options granted to employees through the ESOS scheme based on the Grant Date of the share options. The date of obtaining the shareholder approval for ESOS is recognised as the Grant date for all 3 tranches of the ESOS scheme which is 29th June 2017.

27.4.1 Measurement of Fair Values

As required by SLFRS 2 on “Share-based Payment”, the fair value of the ESOS was estimated at the grant date using the Binomial Valuation Model taking into consideration various terms and conditions upon which the share options are granted.

The inputs used in measurement of fair value at the grant date of ESOS were as follows:

Description of the valuation input	Tranches		
	Tranche 1	Tranche 2	Tranche 3
Expected dividend yield rate (%)	1.5	1.5	1.5
Risk free rate (%)	10.73	10.73	10.73
Probability of share price increase (%)	80	80	80
Probability of share price decrease (%)	20	20	20
Size of annual increase of share price (%)	18	18	18
Size of annual reduction in share price (%)	10	10	10
Exercise price (Rs.)	184.98	172.33	211.4

The probability of price movements of the Company share price has been arrived at by taking into consideration share price movements of Company during the last five year period.

27.4.2 Reconciliation of Outstanding Share Options

The number and weighted-average exercise prices of share options under the ESOS scheme was as follows :

In thousands of options	Number of options 2022	*WAEP 2022 (Rs.)	Number of options 2021	*WAEP 2021 (Rs.)
Outstanding as at 1 April	1,920	198.38	4,480	192.69
Forfeited during the year	(1,280)	191.87	(2,103)	189.17
Exercised during the year	-	-	(457)	184.98
Granted during the year	-	-	-	-
Outstanding as at 31 March	640	211.40	1,920	198.38
Exercisable as at 31 March	-	-	-	-

*WAEP - Weighted Average Exercise Price

Pursuant to the Employee Share Option Scheme of the Company approved by the Shareholders on 29th June 2017, 456,688 options were exercised by employees during the period 1st April 2020 to 31st March 2021 and in respect of which 363,231 shares have been issued during the period.

Exercise period of the first tranche of the ESOS concluded on 31st March 2021 and no further options were issued in respect to Tranches 2 and 3 due to the qualification criteria not being met. Accordingly, there are no exercisable options at the reporting date.

Notes to the Financial Statements

28. Capital Grants

28.1 Reconciliation of carrying amount - Government grants

In thousands of rupees	Group	
	2022	2021
As at 31st March		
Gross		
As at 1st April	116,907	116,907
Received during the year	-	-
As at 31st March	116,907	116,907
Accumulated amortisation		
As at 1st April	89,453	77,970
Amortised during the year	11,479	11,483
As at 31st March	100,932	89,453
Net carrying value		
As at 31st March	15,975	27,454

28.2 Grants received

Granted By	Purpose of the grant	Basis of amortisation	Short term and long term loans			
			Amount received	Balance as at 1-Apr-21	Amortised during the year	Balance as at 31-Mar-22
United States Agency for International Development (USAID) and Connecting Regional Economies (USAID/CORE)	Kilinochchi project	Based on the corresponding expenditure being incurred	92,002	21,034	(9,075)	11,959
	Dehiattakandiya project	Based on depreciation applicable corresponding to the plant & machinery acquired from the grant.	24,905	6,420	(2,404)	4,016
			116,907	27,454	(11,479)	15,975

29. Trade and other payables

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
Current				
Trade creditors (other than from related companies)	15,926,120	11,480,197	-	-
Amounts due to related companies (Note 31.3)	2,928	4,281	18,868	7,036
Accruals, other accounts payable & provisions	7,405,423	4,835,272	16,642	11,051
	23,334,471	16,319,750	35,510	18,087
Non current				
Security deposits (Note 29.1)	181,187	169,679	-	-
	181,187	169,679	-	-

29.1 Security deposits

This represents deposits which are repayable at the termination of tenancy agreements.

Notes to the Financial Statements

30. Financial instruments – Fair values and risk management

30.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

In thousands of rupees	Note	Financial assets at amortised cost		FVTPL equity instruments		FVOCI equity instruments		FVTPL debt instruments	
As at 31st March		2022	2021	2022	2021	2022	2021	2022	2021
Group									
Financial Assets									
Financial assets measured at fair value									
- Other financial assets - Equity	20.1	-	-	130,193	451,776	62,508	75,809	-	-
- Other financial assets - Debt	20.2	-	-	-	-	-	-	1,500,000	-
Financial assets not measured at fair value									
- Trade receivables & amount due from related companies	22	4,274,997	3,591,411	-	-	-	-	-	-
- Other financial assets	20.1 & 20.3	1,016,556	1,018,661	-	-	100	100	-	-
- Other receivables	22	1,059,356	757,055	-	-	-	-	-	-
- Cash and cash equivalents	23	3,554,218	3,155,193	-	-	-	-	-	-
Total financial assets		9,905,127	8,522,320	130,193	451,776	62,608	75,909	1,500,000	-
Financial liabilities									
Financial liabilities not measured at fair value								Financial liabilities at Amortised cost	
- Interest bearing loans and borrowings	26	-	-	-	-	-	-	40,861,602	37,738,777
- Security deposits	29	-	-	-	-	-	-	181,187	169,679
- Trade creditors & amount due to related companies	29	-	-	-	-	-	-	15,929,048	11,484,478
Total financial liabilities		-	-	-	-	-	-	56,971,837	49,392,934

30.1 Accounting classifications and fair values (Contd.)

In thousands of rupees	Note	Financial assets at amortised cost		FVTPL equity instruments		FVOCI equity instruments	
As at 31st March		2022	2021	2022	2021	2022	2021
Company							
Financial Assets							
Financial assets measured at fair value							
- Other financial assets	20.1	-	-	28,766	425,417	36,297	63,865
Financial assets not measured at fair value							
- Trade receivables & amount due from related companies	22	28,260	21,724	-	-	-	-
- Other financial assets	20.1 & 20.3	-	63,865	-	-	100	100
- Other receivables	22	44,217	27,413	-	-	-	-
- Cash and cash equivalents	23	8,944	144,766	-	-	-	-
Total financial assets		81,421	257,768	28,766	425,417	36,397	63,965
Financial liabilities							
Financial liabilities not measured at fair value						Financial liabilities at Amortised cost	
- Interest bearing loans and borrowings	26					826,399	456
- Trade creditors & amount due to related companies	29					18,868	7,036
Total financial liabilities						845,267	7,492

Notes to the Financial Statements

30.2 Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

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

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

Level 3: Quoted price (unadjusted) in active markets for identical assets or liabilities

In thousands of rupees		Level 1		Level 2		Level 3		Total	
As at 31 March		2022	2021	2022	2021	2022	2021	2022	2021
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000

Group

Freehold land and buildings	13	-	-	-	-	16,820,017	16,676,737	16,820,017	16,676,737
Investment property	16	-	-	-	-	9,579,553	9,176,410	9,579,553	9,176,410
Other financial assets - Equity	20.1	62,508	75,809	130,193	451,776	100	100	192,801	527,685
Other financial assets - Debt	20.2	-	-	1,500,000	-	-	-	1,500,000	-

In thousands of rupees		Level 1		Level 2		Level 3		Total	
As at 31 March		2022	2021	2022	2021	2022	2021	2022	2021
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000

Company

Freehold land and buildings		-	-	-	-	-	-	-	-
Investment property	16	-	-	-	-	709,700	1,611,865	709,700	1,611,865
Other Investments	20.1	36,297	56,908	28,766	425,417	100	100	65,163	482,425

30.2.1 Assets and Liabilities Measured at Fair Value - Recurring

The following table shows the valuation techniques used by both Group in measuring level 3 fair values and the significant unobservable inputs used.

Asset and liabilities	Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Property, plant and equipment - Freehold land and building	Market comparable method - This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Market value per perch of land/ Price per square foot. The value has used a range of prices for respective lands based on adjusted fair value taking into account other valuation considerations - Rs. 800,000 - Rs. 18,000,000 per perch	Estimated fair value will increase (decrease) if ; Price per perch/ sq ft increases (decreases)
	Income method:- The net income generated by the property is used in conjunction with certain factors is used to calculate its fair value.	Cash flows from property discounted at an appropriate rate Contractual rental Rs. 50,000 - Rs. 9,000,000 per month. Capitalization rates 5% - 8% Repairs and insurance 25% - 30%.	Estimated fair value will increase (decrease) if ; market interest rate increases (decreases)
Investment property - Freehold land and building	Market comparable method :- This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Construction cost per square foot Rs. 4,400 - Rs. 12,700. Market price per perch. The valuer has used a range of prices for respective lands based on adjusted fair value taking into account other valuation considerations - Rs. 250,000 - Rs. 18,000,000 per perch	The estimated fair value would increase/ (decrease) if Cost per square foot was higher/(lower) Market value per perch was higher/(lower)
	Income method:- The net income generated by the property is used in conjunction with certain factors is used to calculate its fair value.	Contractual rentals agreed Occupancy rates 70%-95% Capitalization rates 5.4%-7.5% Repairs and insurance 25% - 30% Contractual rental Rs. 15,000 - Rs. 9,000,000 per month.	The estimated fair value would increase/ (decrease) if Contractual rentals were higher/(lower) Occupancy rates were higher/(lower) Capitalization rate was (higher)/lower Repair and insurance was (higher)/lower Market value per perch was higher/(lower)

Notes to the Financial Statements

30.3 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2017.

The capital structure of the Group consists of below:

In thousands of rupees		Group		Company	
As at 31st March	Note	2022	2021	2022	2021
Debt (long and short term borrowings, excluding derivatives)					
Interest bearing loans and borrowings	26	40,861,602	37,738,776	826,399	456
Net debt		40,861,602	37,738,776	826,399	456
Equity (all capital and reserves of the Group that are managed as capital)					
Stated capital	24	6,489,758	6,489,758	6,489,758	6,489,758
Reserves	25	3,136,528	3,191,265	45,747	53,140
Retained earnings		14,161,037	13,678,172	1,159,351	1,125,945
Non-controlling interest		9,555,690	7,954,517	-	-
Total equity		33,343,013	31,313,712	7,694,856	7,668,843
Total debt and equity		74,204,615	69,052,488	8,521,255	7,669,299

The Group is not subject to any externally imposed capital requirements.

30.4 Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- » credit risk
- » liquidity risk and
- » market risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management processes/ guidelines and procedures and reviews the adequacy of the risk management framework in relation to the risks. The Audit Committee is assisted in its oversight role by Risk Management team and Internal Audit, who undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

30.5 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligation, and arise principally from the Group's receivables from customers.

Group implemented several initiatives such as periodic review of the creditworthiness of its counterparties, Financial Statements reviews, and industry information. Further, economic environment was scrutinised in response to Covid-19 pandemic limiting exposure to counterparties who were severely affected.

Carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as follows:

In thousands of rupees As at 31st March	Note	Group		Company	
		2022	2021	2022	2021
Trade receivables	22	4,274,997	3,591,411	28,260	21,724
Other receivables	22	1,059,356	757,055	44,217	27,413
Other financial assets	20.3	1,016,556	1,018,661	-	63,865
Cash and cash equivalents	23	3,554,218	3,155,193	8,944	144,766
		9,905,127	8,522,320	81,421	257,768

30.5.1 Trade receivables

Trade receivables net provisions for impairments were at the ageing set out below.

Neither past due nor impaired	28,257	21,722	28,257	21,722
1 - 30 days	2,690,971	2,162,652	3	2
31 - 60 days	556,277	1,024,002	-	-
61 - 90 days	234,803	210,807	-	-
More than 90 days	764,689	172,228	-	-
	4,274,997	3,591,411	28,260	21,724

Based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if available, the management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full.

Impairment and risk exposure

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment.

The movement in the provision for impairment in respect of trade and other receivables during the year is given in Note 22.3.

30.5.2 Cash and cash equivalents

The Group held cash and cash equivalents of Rs. 3.55 Bn at 31st March 2022 (2021: Rs. 3.15 Bn). The cash and cash equivalents are held with bank and financial institution counter-parties, with high credit ratings which are rated AA-(lka) to BBB-(lka), based on Fitch Ratings.

Notes to the Financial Statements

30.5.3 Corporate guarantees

The Group's policy is to provide financial guarantees only to subsidiaries. As at 31st March 2022, the Company had issued guarantees to certain banks in respect of credit facilities granted to subsidiaries (refer Notes 34.1 & 34.2)

30.6 Liquidity risk

Exposure to liquidity risk - Contractual maturities of financial liabilities at the reporting date.

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk.

The Group monitors its risk to shortage of funds by considering maturity of both the Group's financial investment and financial assets and other projected cash flow from operations.

The Group's objective is to maintain balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans and overdrafts over a wider spread of maturity periods. In liquidity risk management, the Group uses a mixed approach where it combines elements of cash flow matching approach and the liquid assets approach. The business units attempt to match cash outflows in each time bucket against a combination of contractual cash inflows that can be generated through the sale of assets, repurchase agreement or secured borrowings.

Contractual cash flows

In thousands of rupees	Note	Carrying value	Contractual maturity	Within 1 year	Between 1-5 years	More than 5 years	Total
Group							
As at 31st March 2021							
Bank overdrafts	26	2,794,707	2,794,707	2,794,707	-	-	2,794,707
Loans from Banks	26	18,332,844	18,332,844	15,447,113	2,885,731	-	18,332,844
Trade and other payables	29	16,319,750	16,319,750	16,319,750	-	-	16,319,750
Finance lease liabilities	26.1	3,606	3,858	3,606	-	-	3,606
Lease liabilities	14.2	16,607,619	33,784,029	2,668,417	10,326,266	20,789,346	33,784,029
		54,058,526	71,235,188	37,233,593	13,211,997	20,789,346	71,234,936
As at 31st March 2022							
Bank overdrafts	26	1,769,714	1,769,714	1,769,714	-	-	1,769,714
Loans from Banks	26	19,324,440	19,324,440	10,846,897	8,477,543	-	19,324,440
Trade and other payables	29	23,334,471	23,334,471	23,334,471	-	-	23,334,471
Finance lease liabilities	26.1	7,896	7,896	3,606	4,290	-	7,896
Lease liabilities	14.2	19,759,552	39,536,521	3,012,742	11,659,203	24,864,576	39,536,521
		64,196,073	83,973,042	38,967,430	20,141,036	24,864,576	83,973,042

Contractual cash flows of the Company are not material, and are therefore not disclosed separately

30.7 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

30.7.1 Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the Sri Lankan rupees (LKR). The Group also has limited exposure in respect of recognised foreign currency assets and liabilities. Based on the discussions with the Group's banking partners, economic conditions and expectations of the future exchange rates, management has estimated Rs. 360 per USD and Rs. 282 per EUR, as at the reporting date, in translating its assets and liabilities. The following table shows the estimated impact on profitability by fluctuation of exchange rates assuming that all other variables remain constant ;

In thousands of rupees As at 31st March	Group		Company	
	2022	2021	2022	2021
5% - Increase in exchange rate USD	152,568	56,027	-	-
5% - Decrease in exchange rate USD	(152,568)	(56,027)	-	-

30.7.2 Interest rate risk

The Group is exposed to interest rate risk on borrowings and deposits. The Group's interest rate policy seeks to minimise the cost and volatility of the Group's interest expense by maintaining a diversified portfolio of fixed rate, floating rate and inflation linked liabilities. Further The Interest Rates have risen significantly after the year end which have negatively impacted the Group's Borrowings and Deposits.

The Group adopt policy of ensuring borrowings are maintained at manageable level while optimizing return. Interest rates are negotiated leveraging on the strength of the Cargills Group and thereby ensuring the availability of cost -effective funds at all time, while minimizing the negative effect of market fluctuations. Further, the Group has considerable banking facilities with several reputed banks which has enabled the Group to negotiate competitive rates.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's and Group's profit before tax (through the impact on floating rate borrowings).

In thousands of rupees As at 31st March	Group		Company	
	2022	2021	2022	2021
(+)100 basis points	152,544	(144,072)	(8,021)	(34,150)
(-)100 basis points	(152,544)	144,072	8,021	34,150

Notes to the Financial Statements

30.7.3 Market Price Risk

Listed equity securities are susceptible to market price risk arising from uncertainties of future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity portfolio investments. The Group's equity risk management policies are;

- » Equity investment decisions are based on fundamentals rather than on speculation; and
- » Decisions are based on in depth macroeconomic and industry analysis as well as research reports on company performance. Market price risk exposure is not material to the Group.

31. Related parties

31.1 Transactions with key management personnel

According to the LKAS 24 - "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive & Non-Executive Directors) of the Company have been classified as Key Management Personnel of the entity.

- (a) Mrs. R Page, wife of Mr. Ranjit Page, is a Director of the Double Yummm (Private) Limited with which Cargills Foods Company (Private) Limited had regular transactions in the ordinary course of business and the amount outstanding as at 31st March 2022 was Rs. 16.20 Mn (2021 - Rs. 13.72 Mn). Purchases for re-sale in the ordinary course of business for the year amounted to Rs. 158.42 Mn (2021 - Rs. 123.71 Mn) and rental income earned for the year is Nil (2021 - Nil).
- (b) Short term employment benefits paid to key management personnel have been disclosed in the Note 8.1 to these financial statements. There are no post employment benefits paid during the year.
- (c) No unsecured loans to Directors have been granted during the year.

Close Family Members (CFM) of a KMP are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include;

- (a) the individual's domestic partner and children;
- (b) children of the individual's domestic partner; and
- (c) dependents of the individual or the individual's domestic partner

CFM are related parties to the entity. There were no transactions with CFM during the year.

31.2 Other related party transactions

Transactions that are carried out in the ordinary course of business between the Company and other Group companies as well as between Group companies who are defined as related parties in Sri Lanka Accounting Standards (LKAS - 24 'Related party Disclosures') are disclosed below.

a.) Transactions between the Company and the other Group companies

Related Company	Common Directors	Transaction	2022	2021
C T Properties Limited	Ranjit Page	Recovery of Expenditure	(1,796)	(2,061)
	R. Selvaskandan			
	Louis Page	Settlement	1,798	3,800
	Joseph Page			
	Ms. Cecilia Muttukumaru			
	S C Niles			
Ceylon Theatres (Private) Limited	Louis Page	Rent Income	532	-
	R. Selvaskandan	Settlement	118,514	3,570
	Joseph Page			
	Ms. Cecilia page Muttukumaru	Recovery of Expenditure	(112,514)	-
	S C Niles			
	M I Abdul Wahid			
Millers Limited	M I Abdul Wahid	Rent Income	-	-
		Settlement	-	-
Cargills (Ceylon) PLC	L R Page	Recovery of Expenditure	(11,832)	655
	Ranjit Page			
	M I Abdul Wahid			
	Priya Edirisinghe			
	Joseph Page			

Notes to the Financial Statements

b) Transactions between Group companies

In thousands of rupees	Balance as at 1-Apr-21	Net Amount Received/ (Paid)	Balance as at 31-Mar-22	Purchase / Sale of Goods	Receipt / Rendering of Services	Interest Received / Paid	Dividend Received / Paid
Subsidiary							
Cargills (Ceylon) PLC	(1,313,613)	(758,664)	(2,072,277)	✓	✓	✓	✓
Cargills Foods Company (Private) Limited	895,310	1,027,372	1,922,682	✓	✓	✓	✓
Cargills Quality Foods Limited	3,671	(286,586)	(282,915)	✓	✓	✓	✓
Cargills Quality Diaries (Private) Limited	(378,627)	(472,642)	(851,269)	✓	✓	✓	✓
The Empire Investments Company (Private) Limited	173,891	850,332	1,024,223	-	✓	-	-
Kotmale Holdings PLC	695	(675)	20	-	✓	-	-
Kotmale Products Limited	(77,438)	(108,790)	(186,228)	-	✓	-	-
Kotmale Milk Foods Limited	-	-	-	-	-	-	-
Kotmale Dairy Products (Private) Limited	13,713	35,615	49,328	✓	✓	✓	✓
Kotmale Milk Products Limited	-	-	-	-	-	-	-
Cargills Quality Confectioneries (Private) Limited	(51,150)	(142,723)	(193,873)	✓	✓	-	-
Cargills Agrifoods Limited	(148,821)	(99,430)	(248,251)	✓	✓	✓	✓
C P C (Lanka) Limited	(35,205)	(63,206)	(98,411)	✓	✓	✓	✓
Cargills Food Processors (Private) Limited	(2,364)	21,836	19,472	✓	✓	✓	✓
Cargills Food Services (Private) Limited	(381)	403	22	✓	✓	✓	-
Millers Limited	(101,471)	(63,907)	(165,378)	✓	✓	✓	✓
Dawson Office Complex (Private) Limited	-	-	-	-	-	-	-
Cargills Agro Development Company (Private) Limited	18	755	773	✓	-	-	-
C T Land Development PLC	(18,037)	8,500	(9,537)	✓	✓	-	-
Ceylon Theatres (Private) Limited	18,554	79,078	97,632	✓	✓	-	-
C T Properties Limited	947,170	36,508	983,678	-	-	✓	-
C T Property Management Company (Private) Limited	-	-	-	-	-	-	-
C T Real Estate (Private) Limited	-	-	-	-	-	-	-
C T Properties Lakeside (Private) Limited	-	-	-	-	-	-	-
C T Properties G S (Private) Limited	-	-	-	-	-	-	-
Fredrick North Hotel Company Limited	-	-	-	-	-	-	-
Cargills Enterprise Solutions (Private) Limited	3,200	4,800	8,000	-	✓	-	-
Equity accounted investees							
C T CLSA Holdings Limited	-	-	-	-	-	-	-
Cinema Entertainments (Private) Limited	2,819	569	3,388	-	✓	-	-
Cargills Bank Limited	72,981	(34,543)	38,438	-	✓	-	-

31.3 Related party balances

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
(a) Amount due from subsidiary companies				
Ceylon Theatres (Private) Limited	-	-	23,081	16,549
C T Properties Limited	-	-	1,768	1,765
	-	-	24,849	18,314
(b) Amount due from other related companies				
United Hotels Co. Limited	466	66	-	-
Cargills Bank Limited	38,438	72,981	-	-
Ceylon Hotels Corporation PLC	379	257	-	-
Galle Face Hotel Company Limited	494	480	-	-
Kandy Hotels Company (1938) PLC	434	85	-	-
Cinema Entertainments (Private) Limited	3,482	3,483	3,408	3,408
Cargills Foundation	233,520	226,479	-	-
	277,213	303,831	3,408	3,408
Total amounts due from related companies	277,213	303,831	28,257	21,722
(c) Amounts due to subsidiary companies				
Cargills (Ceylon) PLC	-	-	18,868	7,036
	-	-	18,868	7,036
(d) Amount due to other related companies				
Unidil Packaging Ltd	2,834	4,281	-	-
Cinema Entertainments (Private) Limited	94	-	-	-
	2,928	4,281	-	-
Total amounts due to related companies	2,928	4,281	18,868	7,036

31.4 Parent Company and ultimate controlling entity

Odeon Holdings (Ceylon) (Private) Limited holds 42.09% (2021 – 42.09%) of the ordinary share capital of the Company.

32. Operating segments

The Group has six reportable segments, as described in Note 2.1, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different management strategies. For each of the strategic business units, the Group's chief decision maker reviews internal management reports at least on a quarterly basis.

32.1 Geographical information

The Group does not distinguish its turnover into significant geographical segments.

Notes to the Financial Statements

32.2 The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.1. Segment profit represents the profit before tax earned by each segment without allocation of corporate net income and Directors' salaries, share of profit of associates, other gains and losses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments:

- (a) All assets are allocated to reportable segments other than interests in associates and assets used by the head office. Goodwill is allocated to reportable segments as described in Note 17.2. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.
- (b) All liabilities are allocated to reportable segments other than liabilities of the head office, if there are any.

In thousands of rupees	Retail & Wholesale Distribution		FMCG		Restaurants	
For the Year ended	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021
Revenue						
Gross revenue	105,958,154	89,589,107	34,864,766	27,470,785	5,875,972	3,422,733
Eliminations of inter segment revenue	(1,040,986)	(84,336)	(8,967,198)	(7,791,228)	-	-
Corporate and other unallocated revenue						
External revenue	104,917,168	89,504,771	25,897,568	19,679,557	5,875,972	3,422,733
Segment result						
Results from operating activities	3,805,308	2,629,699	4,107,764	3,980,840	977,184	448,625
Corporate and other unallocated operating profit						
Total results from operating activities						
Reportable Segment Profit after tax	804,625	657,025	3,401,139	2,887,451	666,653	226,655
Corporate and other unallocated operating profit						
Reportable Segment Profit after attributable to owners of the parent						
Reportable Segment Profit after attributable to owners of the parent	572,699	458,866	2,419,354	2,016,596	474,496	158,296
Corporate and other unallocated operating profit						
Net Finance Costs	(2,695,070)	(1,799,026)	(106,009)	(362,775)	(85,863)	(107,944)

In thousands of rupees	Real Estate		Entertainment		Group	
For the Year ended	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021
Revenue						
Gross revenue	146,783	347,468	71,321	18,092	146,916,996	120,848,185
Eliminations of inter segment revenue	(36,056)	(31,650)	-	-	(10,044,240)	(7,907,214)
Corporate and other unallocated revenue					-	-
External revenue	110,727	315,818	71,321	18,092	136,872,756	112,940,971
Segment result						
Results from operating activities	(216,663)	55,990	(86,664)	123,999	8,586,929	7,239,153
Corporate and other unallocated operating profit					81,971	(60,051)
Total results from operating activities					8,668,900	7,179,102
Reportable Segment Profit after tax	(40,602)	152,835	(128,752)	(155,423)	4,703,063	3,768,543
Corporate and other unallocated operating profit					(532,758)	(447,274)
					4,170,305	3,321,269
Reportable Segment Profit after attributable to owners of the parent						
Reportable Segment Profit after attributable to owners of the parent	(28,694)	103,744	(110,133)	(132,949)	3,327,722	2,604,553
Corporate and other unallocated operating profit					(489,693)	(543,066)
					2,838,029	2,061,487
Net Finance Costs						
Corporate and other unallocated	(20,294)	(61,515)	(42,088)	(31,424)	(2,949,324)	(2,362,684)
					(423,487)	(235,750)
					(3,372,811)	(2,598,434)

Notes to the Financial Statements

In thousands of rupees	Retail & Wholesale Distribution		FMCG		Restaurants	
As at	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021
Non current assets						
Property, plant & equipment	21,628,965	18,895,656	8,538,466	8,332,717	1,410,292	1,052,652
Right of use asset	15,044,695	12,136,959	83,339	796,542	2,308,361	1,236,080
Investment properties	151,750	143,800	98,182	21,989	-	-
Intangible assets and goodwill	169,602	164,029	724,057	723,861	93,134	111,395
Other investments	-	-	135	118	134	84
Deferred tax assets	-	-	11,969	13,036	2,101	3,192
Total segment non-current assets	36,995,012	31,340,444	9,456,148	9,888,263	3,814,022	2,403,403
Prepayment on leasehold land and building	200,912	200,912	-	-	-	-
	37,195,924	31,541,356	9,456,148	9,888,263	3,814,022	2,403,403
Current assets						
Inventories	10,664,662	9,292,815	4,001,420	2,405,479	130,061	79,011
Trade and other receivables	3,691,463	3,152,995	2,742,290	2,202,782	177,268	194,040
Other financial assets	904,695	856,021	92,453	88,827	-	-
Cash and cash equivalents	1,137,542	1,047,565	1,304,801	1,427,502	921,829	368,645
Total segment current assets	16,398,362	14,349,396	8,140,964	6,124,590	1,229,158	641,696
Total segment assets	53,594,286	45,890,752	17,597,112	16,012,853	5,043,180	3,045,099
Investments in equity accounted investees						
Corporate and other unallocated assets						
Total assets						
Segment liabilities						
Non-current liabilities						
Borrowings	18,159,176	15,713,686	904,962	721,628	2,111,739	1,249,722
Employee benefits	828,149	829,173	125,431	119,800	-	-
Capital Grants	-	-	15,975	27,456	-	-
Trade and other payables	-	-	119,800	-	-	-
Deferred tax liabilities	(163,399)	48,563	427,102	438,542	(15,731)	(950)
Total segment non-current liabilities	18,823,926	16,591,422	1,593,270	1,307,426	2,096,008	1,248,772
Current liabilities						
Trade and other payables	17,878,769	12,592,150	3,533,153	2,379,279	1,088,762	535,415
Current tax liabilities	978,876	780,659	2,378,036	2,324,382	583,669	412,681
Borrowings	7,572,808	10,080,346	2,478,866	4,355,700	298,562	323,551
Total segment current liabilities	26,430,453	23,453,155	8,390,055	9,059,361	1,970,993	1,271,647
Total segment liabilities	45,254,379	40,044,577	9,983,325	10,366,787	4,067,001	2,520,419
Corporate and other unallocated liabilities						
Total liabilities						

In thousands of rupees	Real Estate		Entertainment		Group	
As at	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021	31-Mar 2022	31-Mar 2021
Non-current assets						
Property, plant & equipment	3,157,543	1,423,245	230,340	335,409	34,965,606	30,039,679
Right of use asset	42,884	45,666	261,537	311,340	17,740,816	14,526,587
Investment properties	8,482,870	6,438,220	-	-	8,732,802	6,604,009
Intangible assets and goodwill	7,977	4,385	-	-	994,770	1,003,670
Other investments	101,427	102,571	-	-	101,696	102,773
Deferred tax assets	-	-	-	-	14,070	16,228
Total segment non-current assets	11,792,701	8,014,087	491,877	646,749	62,549,760	52,292,946
Prepayment on leasehold land and building	-	-	-	-	200,912	200,912
	11,792,701	8,014,087	491,877	646,749	62,750,672	52,493,858
Current assets						
Inventories	-	-	5,068	1,567	14,801,211	11,778,872
Trade and other receivables	629,996	302,918	19,669	29,845	7,260,686	5,882,580
Other financial assets	19,408	9,948	-	-	1,016,556	954,796
Cash and cash equivalents	106,507	14,987	1,091	4,309	3,471,770	2,863,008
Total segment current assets	755,911	327,853	25,828	35,721	26,550,223	21,479,256
Total segment assets	12,548,612	8,341,940	517,705	682,470	89,300,895	73,973,114
Investment in equity accounted investees					5,655,456	5,846,685
Corporate and other unallocated assets					9,695,164	12,334,618
Total assets					104,651,515	92,154,417
Segment liabilities						
Non-current liabilities						
Borrowings	202,482	51,744	271,107	312,612	21,649,466	18,049,392
Employee benefits	52,102	58,066	1,105	2,536	1,006,787	1,009,575
Capital Grants	-	-	-	-	15,975	27,456
Trade and other payables	244,747	169,679	-	-	364,547	169,679
Deferred tax liabilities	441,685	399,515	-	-	689,657	885,670
Total segment non-current liabilities	941,016	679,004	272,212	315,148	23,726,432	20,141,772
Current liabilities						
Trade and other payables	1,015,382	1,010,625	52,734	149,798	23,568,800	16,667,267
Current tax liabilities	22,163	18,728	-	837	3,962,744	3,537,287
Borrowings	172,369	388,163	93,982	127,910	10,616,587	15,275,670
Total segment current liabilities	1,209,914	1,417,516	146,716	278,545	38,148,131	35,480,224
Total segment liabilities	2,150,930	2,096,520	418,928	593,693	61,874,563	55,621,996
Corporate and other unallocated liabilities					9,433,939	5,218,709
Total liabilities					71,308,502	60,840,705

Notes to the Financial Statements

33. Commitments

The capital expenditure commitments of the Company and Group approved by the Directors were as follows:

33.1 Capital commitments

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
(a) Subsidiary company Cargills (Ceylon) PLC				
Approved and contracted	3,047,782	2,157,569	-	-

33.2 Financial commitments

In thousands of rupees	Group		Company	
As at 31st March	2022	2021	2022	2021
(a) Settlement of letter of credits and import bills	495,341	2,018,360	-	-
	495,341	2,018,360	-	-

34. Contingent liabilities

34.1 IFRIC 23 - Uncertainty over Income Tax Treatments

34.1.1 Deferred tax on Freehold Land

The Inland Revenue Act No. 24 of 2017 and new tax rates including capital gains taxes were effective from 1 April 2018. Accordingly, the income tax charge for the year ended 31 March 2022 has been computed at rates applicable to the year of assessment 2021/22. The provision for deferred tax as at 31 March 2022 has been calculated at 10% on capital gains arising from revalued Land applicable post 1 April 2018.

The uncertain tax treatment relates to the interpretation of the new law relating to freehold land for tax purposes, where the Group had to exercise judgement to determine the provision required for deferred taxes on capital gains applicable to freehold land.

Having sought independent professional legal advice, the Group is of the view that the freehold land used in the business falls under the category of "Investment Assets" and that it is likely that the taxation authorities would accept the Group's tax treatment and accordingly, deferred tax has been provided on the related gain on revaluation post 1 April 2018.

In the event it is deemed that freehold land be considered as “Capital Assets used in the business”, the Company and Group would have to make an additional deferred tax charge in the statement of profit or loss and other comprehensive income for the year ended 31st March 2022, as shown below:

Statement of profit or loss and other comprehensive income

In millions of rupees	Group		Company	
For the year ended 31st March	2022	2021	2022	2021
Freehold land classified as investment property which may have a P&L impact	1,244	1,351	174	298
Freehold land classified as property, plant & equipment which could have an OCI impact	579	587	-	-

The above amounts have not been recognised in these Consolidated Financial Statements because based on the independent professional and legal advice received.

34.1.2 Income tax

- Arm's length price charged on the related party transactions of Cargills Ceylon PLC is being contested by the Department of Inland Revenue. Contingent liabilities on potential income tax payment is Rs. 70.20 Mn. Having sought professional advice, the Management is confident that no liabilities would arise. Accordingly, No provision has been made in the Financial Statements.
- The Deputy Commissioner of Inland Revenue has made an additional assessment of Income Tax for the year ended 31st March 2018 of Rs. 49.5 Mn on the subsidiary company C T Land Development PLC and also imposed a penalty of Rs. 29.6 Mn by considering the difference between the total value of credits in the subsidiary Company's current account and the declared revenue as undeclared revenue. The subsidiary Company's Financial Statements have been prepared on an accruals basis as per generally accepted accounting principles and have been duly audited and reported on by the Auditors. The declared revenue of the subsidiary Company according to its Financial Statements is accurate and the assumption made by the Deputy Commissioner that all deposits other than fund transfers need to be considered as revenue cannot be accepted. A full reconciliation between the subsidiary Company's declared revenue and the total value of deposits credited to our bank account has been carried out and included in an appeal made to the CGIR through its tax consultants.

No adjustments have been made in the Financial Statements in this regard as the management of the subsidiary Company believes that there is no likelihood of an unfavourable outcome.

34.2 Bank guarantee

Cargills (Ceylon) PLC has provided Bank Guarantees to Sri Lanka Customs amounting to Rs. 2.5 Mn.

There are no other material contingent liabilities as at the reporting date.

The Directors do not expect any claim on these guarantees. Accordingly, no provision has been made in the Financial Statements.

34.3 Letters of guarantee

The Company and subsidiaries Cargills (Ceylon) PLC and Kotmale holdings PLC have given letters of guarantee to Commercial Banks on behalf of subsidiary companies totalling to Rs. 1.95 Bn (2021: Rs. 1.95 Bn). The Directors do not expect any claim on these guarantees. Accordingly, no provision has been made in the Financial Statements for any possible losses.

Notes to the Financial Statements

35 Events after the reporting period

(a) *Surcharge Tax*

Surcharge Tax Act No. 14 of 2022 was enacted on 8th April 2022 and is applicable to the Group as the collective taxable income of companies belonging to the Group, calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeds Rs. 2,000 Mn, for the year of assessment 2020/21. The liability is computed at the rate of 25% on the taxable income of the individual Group companies, net of dividends from Subsidiaries.

As the Act was certified by the Speaker of Parliament after the financial reporting date, no liability has been recognised in financial year 2021/22 on account of the one-off Surcharge Tax as the law had not been enacted as at 31st March 2022.

Total Surcharge Tax liability of Rs. 1,081.19 Mn will be recognized in the Financial Statements of financial year 2022/23 for the Group as an adjustment to the 1st April 2021 retained earnings in the Statement of Changes in Equity as per the Statement of Alternative Treatment (SoAT) issued by The Institute of Chartered Accountants of Sri Lanka.

On 20th April 2022, the Group paid Rs. 540.59 Mn on account of the first instalment of the Surcharge Tax liability with the balance payable on 20th July 2022.

(b) *Changes to tax laws*

According to the Gazette No 2282/26 enacted on 31st May 2022, Value Added Tax (VAT) charged based on the Value Added Tax Act No 14 of 2002 as amended by Act No 6 of 2005, has been increased from 8% to 12% effective from 1st June 2022.

(c) *Economic Uncertainty*

Sri Lankan economy showed signs of recovery from the impact of COVID-19 pandemic during the year ended 31 March 2022. However, from late March 2022, the Sri Lankan economy presented a negative outlook mainly due to insufficient foreign reserves/liquidity and the global price increases of fuel. The situation was aggravated when the credit rating of the country was downgraded to "Restricted Default (RD)" by Fitch Ratings in May 2022, following the expiry of the 30-day grace period on coupon payments that were due on 18 April 2022 on two international sovereign bonds.

The macro level issues on reserves and the free floating of the USD caused a sharp depreciation of the rupee along with an adjustment to the Standing Lending Facility Rate by 700 basis points in April, resulted in a steep increase in costs of imports and other products. The inflationary pressures could further intensify in the period ahead, driven by the build-up of aggregate demand, fuel shortages, domestic supply disruptions, and the elevated prices of commodities globally, which could also have an impact on the Group's businesses.

The Management has considered the consequences of the current economic & political uncertainty in the country and based on its strategic plans has determined that it is not expected to have a significant impact on the Group's operations in the foreseeable future.

(d) Proposed Dividends

The Company and following subsidiaries have declared the following final dividends out of the profits for the year ended 31st March 2022

- (a) Company – final dividend of Rs. 3.00 per share (on 201,406,978 shares now in issue)
- (b) Subsidiary, Cargills (Ceylon) PLC – final dividend of Rs. 5.00 per share (on 257,677,731 shares now in issue)

The above final dividends are to be submitted for approval by the shareholders at the respective Annual General Meetings of the companies concerned. As required by the Section 56 (2) of the Companies Act No. 7 of 2007, the Boards of Directors of the respective companies have confirmed that the Companies concerned satisfy the 'Solvency test'. In accordance with LKAS 10 - "Events after the reporting period", the proposed dividends have not been recognised as a liability in the Financial Statements.

Other than the above mentioned events no material events have occurred since the reporting date which require adjustments to or disclosure in the Financial Statements.

36. Going Concern

C T Properties Limited

The Group recorded accumulated losses of Rs.1,629,377,716/- as at 31st March 2022 (2021: Rs. 1,599,121,794/-). This indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Note 16.2(g) indicates a potential restriction on the realisability of a land owned by the subsidiary. However, the net realisable values of the property assets and investments exceed the value at which such assets are stated in the statement of financial position. Further, the related party dues would not be demanded for repayment in a manner that would affect the Company's ability to function as a going concern due to the investments and borrowings for the same operations. Having taken into consideration the financial position and future prospects, the Directors have a reasonable expectation that the Company has adequate resources to continue to be in operation in the foreseeable future. Accordingly, the Directors have adopted a Going Concern method of accounting of the subsidiary concerned as at the reporting date.

C T Real Estate (Pvt) Limited

The Company had accumulated losses as at the reporting date of Rs. 85,354,685 (2021: Rs. 85,838,477) and Company's total liabilities exceeded its total assets by Rs. 84,106,329 (2021: Rs. 84,590,121) . These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. In order to mitigate this going concern, it was resolved at the Extra Ordinary General Meeting of the Board of Directors of C T Properties Limited held on 4 August 2017 that, Group companies will not claim any borrowings or liabilities that would adversely affect the financial position of the Company. However, the financial statements of the Company have been prepared on a going concern basis without making adjustments that may be required to reclassify assets and liabilities, if the Company is unable to continue as a going concern. The validity of the above going concern assumption is based on the financial support of its ultimate parent company, C T Holdings PLC.

Notes to the Financial Statements

C T Properties G S (Pvt) Limited

The Company's accumulated losses amounts to Rs. 312,625,413 as at 31 March 2022 (2021: Rs. 320,295,625) and company's total current liabilities exceeds current assets by Rs. 691,470,713 (2021 : Rs. 690,140,925). These factors indicate an existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. In order to mitigate this going concern, it was resolved at the Extra Ordinary General Meeting of the Board of Directors of C T Properties Limited held on 4 August 2017 that in respect of the property situated at Kotahena, carried at value of Rs. 1,528,500,000, the Company would look to dispose the property at a price higher than the carrying value due to the piling work already done at the site. Therefore, the financial statements of the Company have been prepared on a going concern basis without making adjustments that may be required to reclassify assets and liabilities, if the Company is unable to continue as a going concern.

The validity of the above going concern assumption is based on the financial support of its ultimate parent Company C T Holdings PLC.

C T Property Management Company (Pvt) Limited

The Company had accumulated losses as at the reporting date of Rs. 2,361,005 (2021: Rs. 2,235,244) and Company's total liabilities exceeded its total assets by Rs. 2,360,985 (2021: Rs. 2,235,224). These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

In order to mitigate this going concern, it was resolved at the Extra Ordinary General Meeting of the Board of Directors of C T Properties Limited held on 4 August 2017 that the Group companies will not claim any borrowings or liabilities that would adversely affect the financial position of the Company.

However, the financial statements of the Company have been prepared on a going concern basis without making adjustments that may be required to reclassify assets and liabilities, if the Company is unable to continue as a going concern. The validity of the above going concern assumption is based on the financial support of its ultimate parent company, C T Holdings PLC. Further, the Company does not have any source of revenue for the year and has terminated all employees.

Ceylon Theatres (Pvt) Ltd

The Company had net current asset deficiency of Rs. 198,339,455 as at 31 March 2022 (2021 : Rs. 242,823,818) and has recognized current year losses of Rs. 152,327,779 (2021 : 161,514,269). Notwithstanding this, the financial statements have been prepared on a going concern basis. The Company is fairly confident that it can secure amendments to the covenants and to the terms of its current bank borrowings. At this time, the Company is attempting to secure various options from its lenders to amend the terms of its credit facilities. The continuation of the Company's activities depends on the resumption of its operations

within a reasonable time and restore, and then maintain, its profitability. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. This is because management believes that the aforementioned measures it has taken or intends to take will mitigate the effect of the conditions and events that cast doubt on the appropriateness of this assumption.

37. Assessment of going concern

The Financial Statements of C T Holdings PLC for the year ended 31 March 2022, have been prepared on the basis that the Company is a going concern.

Based on the prevailing information, the management has considered the consequences of the uncertainty faced by the country and, whilst these challenges would have a bearing on the inflation, consumer demand and supply chain, Company has adapted strategies to mitigate its impact and does not contemplate a significant doubt upon the entity's ability to continue as a going concern.

38. Comparative information

Comparative Information is re-classified wherever necessary to conform to the current year's presentation in order to provide a better presentation.

39. Directors' responsibility statement

Board of Directors is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards.

The Board of Directors acknowledges their responsibility for Financial Statements as set out in the Annual Report of the Board of Director's, Statement of Directors' Responsibility, and the certification on the Statement of Financial Position.

FIVE YEAR REVIEW – GROUP

As at / for the year ended 31st March	2022	2021	2020	2019	2018
In thousands of rupees					
Financial Results					
Revenue	136,872,756	112,940,971	107,817,065	95,547,360	92,134,483
Results from operations	8,668,900	7,179,102	7,170,944	5,233,973	6,802,234
Net finance costs	(3,372,811)	(2,598,434)	(2,680,731)	(1,425,141)	(1,319,208)
Profit before taxation	5,468,375	4,311,617	4,254,692	3,888,474	5,791,257
Tax expenses	(1,298,070)	(990,348)	(1,532,815)	(1,504,237)	(2,051,792)
Profit after tax for the year from discontinued operations	-	-	-	-	-
Profit for the year	4,170,305	3,321,269	2,721,877	2,384,237	3,739,465
Attributable to -					
Owners of the parent	2,838,029	2,061,487	1,404,986	1,642,617	2,597,342
Non-controlling Interest	1,332,276	1,259,782	1,316,891	741,620	1,142,123
	4,170,305	3,321,269	2,721,877	2,384,237	3,739,465
Financial Position					
Stated capital	6,489,758	6,489,758	6,489,758	6,489,758	6,489,758
Reserves	17,297,565	16,869,437	14,700,088	14,958,595	14,167,708
Total equity attributable to equity holders of the parent	23,787,323	23,359,195	21,189,846	21,448,353	20,657,466
Non-controlling interest	9,555,690	7,954,517	5,317,420	4,765,746	4,239,636
Total equity	33,343,013	31,313,712	26,507,266	26,214,099	24,897,102
Borrowings					
Non-current borrowings	13,760,074	19,368,972	19,112,192	16,935,443	14,719,710
Non-current payables	181,187	169,679	169,608	3,456,493	3,089,325
	13,941,261	19,538,651	19,281,800	20,391,936	17,809,035
Net Assets					
Current assets	27,214,972	22,545,215	21,196,782	21,026,746	18,717,656
Current liabilities	(41,460,075)	(39,581,165)	(40,077,347)	(34,569,514)	(30,865,988)
Net current liabilities	(14,245,103)	(17,035,950)	(18,880,565)	(13,542,768)	(12,148,332)
Non-current liabilities	(29,848,427)	(21,259,540)	(13,784,294)	(6,555,370)	(5,973,075)
Non-current assets	77,436,543	69,609,202	59,172,125	46,312,237	43,018,509
Total net assets	33,343,013	31,313,712	26,507,266	26,214,099	24,897,102
Ratios & Statistics					
Growth in revenue (%)	21.19	4.75	12.84	3.70	8.35
Earnings per share (Rs.)	14.09	10.24	6.98	8.16	12.90
Growth in earnings (%)	37.67	46.73	(14.47)	(36.76)	48.60
Shareholders' funds per share (Rs.)	118.11	115.98	104.71	106.49	102.57
Growth in shareholders' funds (%)	1.83	10.76	(1.67)	3.83	9.91
Return on shareholders' funds (%)	11.93	8.83	6.66	7.66	12.58
Non-current assets to shareholders' funds (%)	325.54	297.99	280.58	215.92	208.25
Current ratio (times)	0.66	0.57	0.53	0.61	0.61
Debt equity ratio (times)	0.42	0.62	1.14	0.78	0.72
Dividend per share (Rs.)	4.55	4.35	4.60	5.50	5.50
Dividend cover (times)	3.10	2.35	1.52	1.48	2.35
Market price per share (Rs.)	151.50	170.00	160.00	162.90	175.00
Price earnings ratio (times)	10.75	16.60	22.94	19.97	13.57
Net asset value per share	165.55	155.47	131.61	130.15	123.62

Note

All per share details have been calculated, for all periods, based on the number of shares in issue as at 31st March 2022.

GROUP DIRECTORY

Parent company

C T Holdings PLC

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Phone: +94112431243

Fax: +94112447956

Email: info@ctholdings.lk

Chairman Emeritus: Mr. Anthony A Page

Directors: Louis Page (Chairman), Ranjit Page, Priya Edirisinghe, J B L De Silva, Cecilia Page Muttukumaru, Dr. A Aravinda Page, Joseph Page, A D B Talwatte, Imtiaz Abdul Wahid, S C Niles

Retail and Wholesale Distribution

Cargills (Ceylon) PLC

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Email: ccl@cargillsceylon.com

Directors: Louis Page (Chairman), Ranjit Page, Imtiaz Abdul Wahid, Priya Edirisinghe, Sanjeev Gardiner, Y Kanagasabai, Joseph Page, Errol Perera, Asoka Pieris, Ms. Indira Malwatte, Asite Talwatte, Dilantha Jayawardhana (w. e. f. 01 July 2021)

Cargills Foods Company (Private) Limited

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Fax: +94112338704

Directors: Ranjit Page (Chairman), Imtiaz Abdul Wahid, Asoka Pieris, Priya Edirisinghe, Y Kanagasabai,

Millers Limited

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Directors: Imtiaz Abdul Wahid, D G O Dias, Dilantha Jayawardhana

FMCG

Cargills Quality Foods Limited

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Phone: +94112427777

Fax: +94112338704

Directors: Ranjit Page (Chairman), Imtiaz Abdul Wahid, S L W Dissanayake, Dilantha Jayawardhana, Mahinda Ganepola

Cargills Distributors (Private) Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid, Dilantha Jayawardhana

Cargills Quality Dairies (Private) Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid, D G O Dias, S L W Dissanayake, Dilantha Jayawardhana, Saranga Wijesundara

Cargills Agrifoods Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid, Dilantha Jayawardhana, Buddhisha Herath

CPC (Lanka) Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid, Dilantha Jayawardhana

Group Directory

Ceylon Agro Development Company (Private) Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid,
Haridas Fernando, Keerthi
Gunasekara, Talaal Maruzook,
Saranga Wijesundara

Kotmale Holdings PLC

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Ranjit Page (Chairman),
Imtiaz Abdul Wahid, Priya
Edirisinghe, Joseph Page,
Asite Talwatte, Saranga
Wijesundara

Kotmale Products Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid, S L W
Dissanayake

Kotmale Milk Foods Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid, S L W
Dissanayake

Kotmale Dairy Products (Private) Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid,
S L W Dissanayake

Kotmale Milk Products Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid,
S L W Dissanayake

Cargills Frozen Products (Pvt) Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid,
D G O Dias, S L W
Dissanayake,
Dilantha Jayawardhana

Cargills Quality Confectionaries (Private) Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid, Dilantha
Jayawardhana, Buddhisha
Herath

Cargills Enterprise Solutions (Private) Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: V R Page (Chairman), Rohan
Muttiah, S C Niles, Imtiaz
Abdul Wahid

Restaurants

Cargills Food Processors (Private) Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid, Dilantha
Jayawardhana

Cargills Foods Services (Private) Limited

Address: 40, York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid, Dilantha
Jayawardhana

Real Estate

C T Land Development PLC

Address: 4th Floor, Majestic City,
10 Station Road, Colombo 04.

info@majesticcity.lk

Phone: +94112508673-4

Fax: +94112592427

Email: info@majesticcity.lk

Directors: Louis Page (Chairman from 27 December 2021), R Selvaskandan (Chairman up to 27 December 2021), Joseph Page, Mrs. M G Perera (up to 30 September 2021), Priya Edirisinghe, Sunil Mendis (up to 2 July 2021), S C Niles, Ranjit Page, Dr. T Senthilveri, Priyan Edirisinghe (from 1 October 2021), Suren Madanayake (from 1 October 2021), Joel Selvanayagam (from 23 February 2022).

C T Properties Limited

Address: 28th Floor, West Tower,
World Trade Centre, Colombo 01.

Phone: +94112005700

Fax: +9411233672

Email: info@ctproperties.lk

Directors: Ranjit Page (Chairman), R Selvaskandan (Chairman up to 30 December 2021), Joseph Page (up to 13 January 2022), S C Niles, Louis Page, Errol Perera (up to 7 January 2022), Jayantha Perera (up to 9 January 2022).

C T Property Management Company (Private) Limited

Address: 28th Floor, West Tower,
World Trade Centre, Colombo 01.

Phone: +94112005700

Fax: +94112336727

Directors: R Selvaskandan (Chairman up to 30 December 2021), Joseph Page (up to 13 January 2022), S C Niles, Louis Page, Errol Perera (up to 7 January 2022), Jayantha Perera (up to 9 January 2022).

C T Real Estate (Private) Limited

Address: 28th Floor, West Tower,
World Trade Centre, Colombo 01.

Phone: +94112005700

Fax: +94112336727

Directors: R Selvaskandan (Chairman up to 30 December 2021), Joseph Page (up to 13 January 2022), Cecilia Page Muttukumaru (up to 7 January 2022), S C Niles, Louis Page, Errol Perera (up to 7 January 2022), Jayantha Perera (up to 9 January 2022).

C T Properties Lakeside (Private) Limited

Address: 28th Floor, West Tower,
World Trade Centre, Colombo 01.

Phone: +94112005700

Fax: +94112336727

Directors: R Selvaskandan (Chairman up to 30 December 2021), Joseph Page (up to 13 January 2022), Cecilia Page Muttukumaru (up to 7 January 2022), S C Niles, Louis Page, Errol Perera (up to 7 January 2022), Jayantha Perera (up to 9 January 2022).

C T Properties G S (Private) Ltd

Address: 28th Floor, West Tower,
World Trade Centre, Colombo 01.

Phone: +117468500

Fax: +117468502

Directors: Louis Page (alternate - R Selvaskandan up to 30 December 2021), Ranjit Page (alternate - S C Niles)

Dawson Office Complex (Private) Limited

Address: 40 York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Director: Imtiaz Abdul Wahid, Dilantha Jayawardhana

Frederick North Hotel Company (Private) Limited

Address: 40 York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Imtiaz Abdul Wahid, S C Niles

The Empire Investment Company (Private) Limited

Address: 40 York Street, Colombo 01.

Phone: +94112427777

Fax: +94112338704

Directors: Ranjit Page, S C Niles,
Anthony A. Page

Group Directory

Entertainment

Ceylon Theatres (Private) Limited

Address: No 8, Sir Chittampalam A Gardiner Mawatha, P O Box 2042, Colombo 02.

Phone: +94112431243,
+94112555565

Fax: +94112447956

Directors: Louis Page (Chairman), Joseph Page, Ranjit Page (from 18 March 2022), Cecilia Page Muttukumar (up to 7 January 2022), S C Niles, Errol Perera, Mrs. M G Perera (up to 12 September 2021), Imtiaz Abdul Wahid, Amali David (from 18 March 2022).

Banking & Financial Services

Cargills Bank Limited

Address: 696 Galle Road, Colombo 04.

Phone: +94117640000

Fax: +94112055575

Email: info@cargillsbank.com,
Directors: Ranjit Page (Chairman), Senarath Bandara, Prabhu Mathavan, Faizal Salieh, Richard Ebell, Ruvini Fernando, Marianne Page, Yudhishtan Kanagasabai, Buwaneka Perera

C T CLSA Holdings Limited

Address: 4-15, Majestic City, 10 Station Road, Colombo 04.

Phone: +94112552290

Fax: +94112552289

Directors: Priya Edirisinghe (Chairman), Cecilia Page Muttukumar, Ranjit Page, Edward Park, Zakir Mohamedally

C T CLSA Securities (Private) Limited

Address: 4-14, Majestic City, 10 Station Road, Colombo 04.

Phone: +94112552290

Fax: +94112552289

Email: info@ctclsa.lk

Directors: Cecilia Page Muttukumar (Chairperson), Priya Edirisinghe, Kanishka Hewage (up to 24 September 2021), Edward Park, Sundarajee Sivashanth (from 26 October 2021).

C T CLSA Capital (Private) Limited

Address: 4-15 A, Majestic City, 10 Station Road, Colombo 04.

Phone: +94112584843,
+94112503523

Fax: +94112580181

Email: capital@ctclsa.lk

Directors: Cecilia Page Muttukumar (Chairperson), S C Niles, Edward Park, Zakir Mohamedally

C T CLSA Asset Management (Private) Limited (former name: Comtrust Asset Management (Pvt) Ltd.)

Address: 4-07, Majestic City, 10 Station Road, Colombo 04.

Phone: +94112506347,
+94112506204

Fax: +94112506347

Email: info@comtrust.lk

Directors: Cecilia Page Muttukumar (Chairperson), Joseph Page, Edward Park, Zakir Mohamedally

INFORMATION OF SHAREHOLDERS

1. Distribution of Shareholders

Size of Shareholdings	31 Mach 2022				31 Mach 2021			
	Shareholders		Holding		Shareholders		Holding	
	Numbers	%	Numbers	%	Numbers	%	Numbers	%
1 - 1,000 Shares	700	49.05	125,045	0.06	760	49.64	143,598	0.07
1,001 - 10,000 Shares	410	28.74	1,613,718	0.80	443	28.94	1,722,031	0.86
10,001 - 100,000 Shares	250	17.52	7,355,396	3.65	260	16.98	7,819,679	3.88
100,001 - 1,000,000 Shares	51	3.57	17,555,288	8.72	51	3.33	16,001,337	7.94
Over 1,000,000 Shares	16	1.12	174,757,531	86.77	17	1.11	175,720,333	87.25
Total	1,427	100.00	201,406,978	100.00	1,531	100.00	201,406,978	100.00

2. Analysis of Shareholders

Size of Shareholdings	31 Mach 2022				31 Mach 2021			
	Shareholders		Holding		Shareholders		Holding	
	Numbers	%	Numbers	%	Numbers	%	Numbers	%
Institutions	117	8.20	117,599,884	58.39	123	8.03	118,372,470	58.77
Individuals	1,310	91.80	83,807,094	41.61	1,408	91.97	83,034,508	41.23
Total	1,427	100.00	201,406,978	100.00	1,531	100.00	201,406,978	100.00

Size of Shareholdings	31 Mach 2022				31 Mach 2021			
	Shareholders		Holding		Shareholders		Holding	
	Numbers	%	Numbers	%	Numbers	%	Numbers	%
Residents	1,300	91.10	176,062,075	87.42	1,398	91.31	176,292,331	87.53
Non residents	127	8.90	25,344,903	12.58	133	8.69	25,114,647	12.47
Total	1,427	100.00	201,406,978	100.00	1,531	100.00	201,406,978	100.00

Information of Shareholders

3. Major Shareholders

The holdings of the top 20 shareholders

Name of Shareholder	31 Mach 2022		31 Mach 2021	
	Number of Shares	%	Number of Shares	%
Odeon Holdings (Ceylon) (Pvt) Ltd	84,781,323	42.09	84,781,323	42.09
Mr. Anthony A. Page	17,501,287	8.69	17,501,287	8.69
Mr. Ranjit Page	17,235,454	8.56	16,788,809	8.34
Ms. M.M. Page	11,043,098	5.48	10,899,173	5.41
Sir Chittampalam A Gardiner Trust	10,120,004	5.02	10,120,004	5.02
Employees Provident Fund	7,686,987	3.82	7,686,987	3.82
Mr. Joseph Page	7,069,172	3.51	7,069,172	3.51
Mrs. T. Selvaratnam	5,667,250	2.81	5,667,250	2.81
Mrs. Tanya Selvaratnam	2,821,500	1.40	2,821,500	1.40
Mr. T. Selvaratnam	2,821,500	1.40	2,821,500	1.40
Mrs. Cecilia Page Muttukumar	1,646,731	0.82	1,460,266	0.73
Citibank New York S/A Norges Bank Account 2	1,477,015	0.73	1,526,018	0.76
Mr. A.I. Dominic Antoine Indrajit	1,429,940	0.71	-	-
Mrs. P.R. Page	1,276,747	0.63	1,002,884	0.50
Mrs. A.M. Basnayake	1,125,448	0.56	1,078,473	0.54
SSBT- Sunsuper Pty. Ltd. As Trustee for Sunsuper Superannuation Fund	1,054,075	0.52	927,107	0.46
SSBT- Retail Employees Superannuation Trust	960,100	0.48	1,487,829	0.74
Nothern Trust Company S/A Hosking Global Fund PLC	958,629	0.48	1,384,808	0.69
The Gale Face Hotel Co. Ltd	915,503	0.45	915,503	0.45
Citibank Hong Kong S/A Hostplus Pooled Superannuation Trust	820,996	0.41	820,996	0.41
Melstacorp PLC	-	-	1,623,050	0.81
	178,412,759	88.58	178,383,939	88.57
Others	22,994,219	11.42	23,023,039	11.43
Total	201,406,978	100.00	201,406,978	100.00

4. Share Valuation

The market value of ordinary shares of the Company on 31st March 2022 was Rs. 151.50 (2021 - Rs. 170.00). The highest and lowest values recorded during the year ended 31st March 2022 were Rs. 190.00 (2021 - Rs 198.00) and Rs. 150.00 (2021 - Rs. 136.00) respectively.

5. Public Shareholding

Description	2022	2021
Shareholders (No's)	1,414	1,517
Shareholding (%)	35.19%	35.56%
Float adjusted market capitalisation (Rs.'000)	10,738,402	12,176,585

The Company complies with the minimum public holding requirement of the main board as per option 1 of Section 7.13.1 (a) of the CSE Listing Rules.

NOTES

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Ninety First Annual General Meeting (AGM) of C T Holdings PLC will be held at the Board Room of the Company's Corporate Office at Level 28, West Tower, World Trade Centre, Echelon Square, Colombo 01 to be convened through an 'online virtual' platform by using 'audio visual' tools on Friday 29 July 2022 at 10.00 a.m. and the business to be brought before the meeting will be:

To Read the Notice convening the Meeting, and

- 1) To receive and consider the Annual Report of the Directors and the financial statements for the year ended 31st March 2022 with the report of the Auditors thereon.
- 2) To declare a dividend as recommended by the Directors.
- 3) To re-elect Directors
 - a. Dr. A. Aravinda Page, and
 - b. Mr. A. D. B. Talwatte, who retire by rotation, and
 - c. Mr. L. R. Page,
 - d. Mr. J B L De Silva,
 - e. Mr. A T P Edirisinghe,
 - f. Ms. Cecilia Page Muttukumaru, who retire in terms of Section 210 2 (a) & (b) of the Companies Act No. 07 of 2007 having surpassed seventy years of age and offer themselves for re-election in terms of Section 211 (1) and (2) of the Companies Act No. 07 of 2007.

Ordinary Resolution (i)

"Resolved that Mr. L. R. Page, a retiring Director, who has attained the age of Seventy-two years be and is hereby reappointed a Director of the Company and it is hereby declared that the age limit of Seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the appointment of the said Director", and

Ordinary Resolution (ii)

"Resolved that Mr. J B L De Silva, a retiring Director, who has attained the age of Seventy-five years be and is hereby reappointed a Director of the Company and it is hereby declared that the age limit of Seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the appointment of the said Director", and

Ordinary Resolution (iii)

"Resolved that Mr. A T P Edirisinghe, a retiring Director, who has attained the age of Seventy-six years be and is hereby reappointed a Director of the Company and it is hereby declared that the age limit of Seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the appointment of the said Director", and

Ordinary Resolution (iv)

"Resolved that Ms. Cecilia Page Muttukumaru, a retiring Director, who has attained Seventy years of age be and is hereby reappointed a Director of the Company and it is hereby declared that the age limit of Seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the appointment of the said

Director", and

- 4) To authorise the Directors to determine contributions to charities.
- 5) To authorise the Directors to determine the remuneration of the Auditors, Messrs. KPMG, who are deemed re-appointed as auditors at the Annual General Meeting of the Company in terms of Section 158 of the Companies Act No. 7 of 2007.

The Annual Report and Financial Statements of C T Holdings PLC for the year ended 31 March 2022 is available on:

The Colombo Stock Exchange website
– <https://www.cse.lk/home/company-info/CTH.N0000/financial>

Taking into consideration the waiver of the CSE Listing Rule 7.5 (b)(i) in relation to providing hard copies of the Annual Report for the financial year ended 31 March 2022, the members are advised to refer to the website noted above, as a printed copy of the Annual Report will not be provided on request due to the limited availability of paper in the market.

For clarification on how to download and / or access the Annual Report and Financial Statements, please contact the undersigned on +94 77 772 6582 during normal office hours (8.30 a.m. to 5.00 p.m.).

By order of the Board
C T Holdings PLC

(Signed)
S L W Dissanayake
Company Secretary

Colombo
06 July 2022

Notice of Annual General Meeting

Notes:

- (i) A member is entitled to appoint a proxy to attend and vote at the meeting in his or her stead and the proxy need not be a member of the Company. A Form of Proxy is enclosed for this purpose.
- (ii) The Board of Directors, having taken note of the health and safety guidelines issued by the Health Authorities in view of the covid-19 pandemic and the Colombo Stock Exchange issuing guidelines to the listed entities to hold Shareholder Meetings virtually, has decided to hold the Annual General Meeting (AGM) through an online/digital platform in conformity with the applicable regulatory provisions.
- (iii) Shareholders who wish to participate in the Annual General Meeting through the online platform are kindly requested to complete and forward the "Registration of Shareholder details form" with e-signature or scan of the signed document to the email address ctholdingsagm@ctholdings.lk with the email subject title " CTH AGM 2022" or post it to the registered address mentioned below to be received not less than 48 hours before the date of the meeting.

Shareholders are requested to provide their email address legibly in the space provided in order to forward the weblink if they wish to participate at the meeting through the online platform.
- (iv) The Deputy Chairman, certain members of the Board and key essential officials for the administration of formalities to conduct the meeting, will be physically present at the Company's Corporate Office.
- (v) Voting on the items listed in the Agenda will be registered by using an online platform and the procedure to be followed when voting will be explained to the shareholders prior to the commencement of the meeting.
- (vi) Shareholders who wish to appoint a member of the Directors as his/her proxy to represent them at the AGM may do so by completing the Form of Proxy accordingly. In such event the email address of the proxy holder will not be required.
- (vii) Shareholders may send their questions/comments on the items listed in the Agenda of the Notice convening the AGM by email to ctholdingsagm@ctholdings.lk to be received not less than 48 hours before the date of the meeting.
- (viii) The duly completed instrument appointing the proxy should be deposited at the Registered Office of the Company or a scanned copy of the same should be emailed to ctholdingsagm@ctholdings.lk to be received not less than 48 hours before the date of the meeting.
- (ix) Only registered shareholders and registered proxy holders will be permitted to log-in and participate in the AGM virtually.
- (x) The Company intends to proceed to hold the AGM as planned on 29 July 2022 irrespective of whether it is declared a public holiday since the aforesaid measures will enable full participation at the meeting.
- (xi) In the event the Company is required to take any further action in relation to the Meeting in the best interests of the shareholders in the context of any communications, guidelines, directives or orders issued by the Government of Sri Lanka, Notice of such action shall be given by way of additional announcement/s made to the Colombo Stock Exchange.

NOTES

FORM OF PROXY

I/We
 bearing NIC No. of
 being a
 *member/members of C T HOLDINGS PLC (the Company) hereby appoint

(1) *Mr./Mrs/Miss
 bearing NIC No. of
 (e-mail address)
 whom failing *Mr./Mrs/Miss
 bearing NIC No. of.....
 (e-mail address).or failing him/her

(2) The Chairman of the Meeting as my/our proxy to vote as indicated for me/us and on my / our behalf at the Ninety First Annual General Meeting of the Company to be held online on 29 July 2022 and at any adjournment thereof.

No.	Resolution	For	Against
1.	To adopt the Financial Statements for the year ended 31st March 2022		
2.	To declare a dividend as recommended by the Directors		
3a.	To re-elect Dr. A. Aravinda Page as a Director		
3b.	To re-elect Mr. A. D. B. Talwatte as a Director		
3c.	To re-elect Mr. L. R. Page as a Director		
3d.	To re-elect Mr. J B L De Silva as a Director		
3e.	To re-elect Mr. A T P Edirisinghe as a Director		
3f.	To re-elect Ms. Cecilia Page Muttukumaru as a Director		
4.	To authorise the Directors to determine contribution to charities		
5.	To authorise the Directors to determine the remuneration of the Auditors, Messrs. KPMG, who are deemed re-appointed as Auditors at the Annual General Meeting.		

Signed on this day of 2022

.....
 Signature of member(s)

.....
 Witnesses:

Note:

- *Strike out whichever is not desired
- Instructions as to completion of the Form of Proxy are set out in the reverse hereof
- A Proxy holder need not be a Member of the Company
- Please indicate with an "X" in the cage provided how your Proxy holder should vote. If no indication is given, or if there is, in the view of the Proxy holder, any doubt (by reason of the manner in which the instructions contained in the Proxy have been completed) as to the way in which the Proxy holder should vote, the Proxy holder in his/her discretion may vote as he/she thinks fit

Instructions for Completion of The Proxy Form

1. To be valid, the completed Form of Proxy should be deposited at the Registered Office of the Company at No. 8, Sir Chittampalam A Gardiner Mawatha, Colombo 2, or electronic document with e-signature or scan of the signed document emailed to 'cthholdingsagm@cthholdings.lk', with the subject title 'CTH-AGM 2022' not less than 48 hours before the time appointed for holding the meeting.
2. In perfecting the Form of Proxy, please ensure that all details are legible. If you wish to appoint a person other than the Chairman as your proxy, please fill in your full name and address, the name, address and email address of the proxy holder and sign in the space provided and fill in the date of signature.
3. The instrument appointing a Proxy shall, in the case of an individual, be signed by the appointer or by his Attorney and in the case of a Corporation must be executed under its Common Seal or in such other manner prescribed by its Articles of Association or other constitutional documents.
4. If the Proxy Form is signed by an Attorney, the relevant Power of Attorney or a notarially certified copy thereof, should also accompany the completed Form of Proxy, if it has not already been registered with the Company.
5. In the case of joint holders, only one need sign. The votes of the senior holder who tenders a vote will alone be counted.
6. In the case of non-resident Shareholders, the stamping will be attended to upon the return of the completed Form of Proxy to Sri Lanka.

CORPORATE INFORMATION

Name of Company

C T Holdings PLC

Registration No

PQ 210

Legal Form

Quoted Public Company with limited liability incorporated in Sri Lanka on 29th September 1928 and re-registered under the Companies Act No. 7 of 2007.

Chairman Emeritus

Anthony A Page

Board of Directors

Louis Page (Chairman)
Ranjit Page (Deputy Chairman / Managing Director)
J B L De Silva
Priya Edirisinghe
Sunil Mendis (retired 1 July 2021)
Cecilia Page Muttukumaru
Dr. A Aravinda Page
Joseph Page
R Selvaskandan (resigned 31 Dec 2021)
A D B Talwatte
Imtiaz Abdul Wahid
S C Niles (Executive Director)

Company Secretary

Sarath Dissanayake

Registered Office

No 8, Sir Chittampalam A Gardiner
Mawatha, Colombo 2, Sri Lanka
Telephone: +94 11 2431243
Email: info@ctholdings.lk
Fax: +94 11 2447956
Postal Address: PO Box 327, Colombo

Exchange Listing

Colombo Stock Exchange

Executive Committee

Priya Edirisinghe (Chairman)
Ranjit Page
Joseph Page
Imtiaz Abdul Wahid
A D B Talwatte

Audit Committee

Priya Edirisinghe (Chairman)
J B L De Silva
A D B Talwatte

Remuneration Committee

Louis Page (Chairman)
J B L De Silva
Priya Edirisinghe

Nominations Committee

Louis Page (Chairman)
Priya Edirisinghe
Ranjit Page

Related Party Transactions Review Committee

Priya Edirisinghe (Chairman)
J B L De Silva
A D B Talwatte

Auditors

KPMG, Chartered Accountants

Tax Consultants

PricewaterhouseCoopers, Chartered Accountants

Bankers

Cargills Bank Ltd
Commercial Bank of Ceylon PLC
Hatton National Bank PLC
Nations Trust Bank PLC
Sampath Bank PLC
Standard Chartered Bank

Concept & Designed by





C T Holdings PLC

No 08, Sir Chittampalam A Gardiner Mawatha, Colombo 02.