

# CARSON CUMBERBATCH PLC

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Annual Report 2023/24

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**CARSON  
CUMBERBATCH  
PLC**

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# Financial Highlights

(Amounts expressed in Sri Lankan Rs.'000 unless otherwise stated)

For the year ended/as at 31st March	2024	2023	% Change
<b>Statement of Profit or Loss</b>			
Group revenue	277,076,515	330,458,690	(16)
Profit from operations	47,489,136	59,257,650	(20)
Profit before tax	37,378,454	42,433,522	(12)
Profit after tax from continuing operations	22,304,812	27,357,875	(18)
EBITDA	58,425,212	71,246,699	(18)
Profit attributable to ordinary shareholders	10,769,537	13,729,646	(22)
Operating cash flow per share (Rs.)	170.86	267.43	(36)
Earnings per share (Rs.) - Group	54.84	69.91	(22)
Dividend per share (Rs.) - Company	6.80	1.50	353
<b>Statement of Cash flows</b>			
Operating cash flow	33,553,915	52,519,931	(36)
Capital expenditure	16,919,433	17,387,897	(3)
<b>Statement of Financial Position</b>			
Shareholders' funds	71,830,528	68,547,883	5
Net assets	143,618,731	140,236,892	2
Net assets per ordinary share (Rs.)	365.76	349.05	5
Return on ordinary shareholders' funds (%)	14.99	20.03	(25)
Total assets	287,789,229	299,518,030	(4)
Net debt	45,783,353	58,367,773	(22)
<b>Market/Shareholder Information</b>			
Market value per share (Rs.) - Company	259.00	271.75	(5)
Market capitalization (Company) (Rs. Mn)	50,864	53,368	(5)
Revenue to Government of Sri Lanka (Rs. Mn)	84,113	70,102	20
Economic value retained (Rs. Mn)	33,180	39,836	(17)
Group employment as of 31st March (Nos.)	16,423	14,964	10
Employee benefit liability as of 31st March	3,701,222	3,941,252	(6)

# Reflections from the Chairman

## Dear Stakeholders,

On behalf of the Board of Directors, I warmly welcome you to the 111th Annual General Meeting of Carson Cumberbatch PLC and present to you the Annual Report for the financial year ended 31 March 2024. Your group continued to demonstrate its strength and perseverance, gathered over a century of resilient existence in Sri Lanka's evolving socio-economic landscape.

### OPERATING CONTEXT

In 2023, the global economy faced headwinds from geopolitical risks, persistent inflation, and tightening monetary policies. Although headline and core inflation rates declined from their 2022 peaks, they remained above target in many economies. Commodity markets experienced volatility, with prices retreating from previous highs. Trade growth weakened, and fiscal conditions tightened, contributing to a softened economic environment worldwide.

At home, the Sri Lankan economy achieved significant improvement in key economic indicators in close congruence with a series of stringent reforms and targeted policies under the Extended Fund Facility (EFF) arrangement set forth by the International Monetary Fund (IMF). Inflation moderated from its peak of 70% to single digits by September 2023. The finalisation of the Domestic Debt Optimisation (DDO) Programme in July 2023, along with robust financial support from bilateral and multilateral creditors, strengthened the debt-restructuring process of the country. The Central Bank of Sri Lanka (CBSL) adopted an accommodative monetary policy with policy rates viz. Standing Deposit Facility Rate and Standing Lending Facility Rate being slashed by seven percentage points within the financial year, ending at 8.50% and 9.50% respectively. Resultantly, market interest rates also reduced considerably. On external sector performance, the latter part of the year saw stability in the Rupee, enabled

by tourism inflows, increased worker remittances, reduced trade deficit and the current account reaching positive territories.

Further progress was made to improve the profitability of state-owned enterprises (SOEs) through a cost-reflective pricing strategy for utilities. While this is important, there is an overarching requirement to build a consistent framework for the SOE sector that drives institutional efficiencies and promotes competitiveness. Simultaneously, ensuring transparent governance, rationalising government spending, and executing anti-corruption reforms are essential foundations to build a resilient economy that benefits all.

Essential fiscal reforms strengthened public finances, leading to substantial hikes in direct and indirect taxes, which in turn affected consumer confidence due to lower real incomes. Although real incomes are expected to increase eventually, the pace of growth will be slower to compensate for the tax hikes and inflation. In the alcoholic beverages sector, significant excise duty hikes of 64% over the past year widened the gap between legal and illegal market segments. Implementing an inflation-indexed excise mechanism, as prescribed by the IMF, was deemed suitable to boost tax revenues and promote transparency – but it's crucial to align such systems with established models used in developed countries. Your group contributed a total of Rs. 84.1 Bn in taxes, including excise duties, to the Government of Sri Lanka over the financial year 2023/24, with a cumulative five-year contribution amounting to Rs. 278.1 Bn.

Carson Cumberbatch PLC, leveraging its diversified business presence and geographic spread, achieved Rs. 277.1 Bn in revenue and Rs. 47.5 Bn Profit from Operations (EBIT) for the financial year 2023/24. The core profit before tax, adjusted for currency translation impact, impairments and fair value adjustments, was Rs. 34.6 Bn. The

**“A resilient performance, even amidst ongoing challenges, was made possible by operational excellence and the dedication of our teams”**

Balance Sheet remained well diversified in terms of assets classes and funding, enhancing its resilience at the face of external shocks. Taking the stock of our net assets, there has been an increase of over Rs. 80 Bn (equivalent to USD 115 Mn) over the past five years, and in the same period, Earnings Per Share have increased by slightly over 50 rupees. For the financial year ended 31st March 2024, a first interim dividend of Rs. 2.10 per share and a second interim dividend of Rs. 4.70 were declared, translating to a dividend payout of 92% from the Company profits. A resilient performance, even amidst ongoing challenges, was made possible by operational excellence, close alignment to the Group's strategy blueprint with requisite tactical changes and the dedication of our teams.

## GROUP STRATEGY AND PORTFOLIO PERFORMANCE

Drawing deep strength from a clearly articulated strategy for each of our business segments, we ensured that our performance remains on track in achieving budgeted growth and profitability targets. In recent years, we have been diligently strategising across our businesses to better position us for long-term success. Group-wide, we have rolled out a number of initiatives that will help us drive future progress and profitability with more conviction. With a future focus, our capital allocations made over the past half-decade totalled Rs. 57.1 Bn, providing us the much needed headroom to grow and expand our venture. Reflecting our continuous commitment to strengthening our balance sheet, the Group's Net Debt position marked a considerable improvement by Rs. 21 Bn over the same period. As a diversified regional holding company, we remain unwavering in our pursuit of opportunities in South Asia and beyond, endeavouring to create continuous value and drive sustainable returns.

## Oil Palm Plantations

In the past year, we saw a number of accomplishments. One highlight was the higher contributions to Fresh Fruit Bunches (FFB) from the younger plantations. Additionally, all our plantation locations became EBITDA positive, placing the sector on a strong launch-pad in generating promising profitability into the future. With a focus on operational efficiency and as a part of our sustainability commitments, we launched a 1.7 MW Bio-gas project, which helped reduce the cost of processing palm kernel and, thus, improving profitability at our primary Crude Palm Kernel Oil (CPKO) Plant in Central Kalimantan in Indonesia. By January 2024, we successfully completed the refinancing of specific funding lines to reduce interest costs in future periods and optimize our funding mix. Looking ahead, we intend to expand our Crude Palm Oil (CPO) mill capacity in Ketapang and West Kalimantan in Indonesia and establish a new kernel plant in West Kalimantan. Secondly, we look forward to more collaborations with plasma communities to achieve increasingly higher CPO volumes. Thirdly, we intend to attain internal yield improvements from our younger plantations in West Kalimantan and Papua.

## Oils and Fats

Premium Vegetable Oils Sdn Bhd's (PVO), the key Malaysian manufacturing plant, saw its volumes increase during the year. PVO's solvent throughput increased by 14% year-on-year, including a record-high performance of 19,401 Metric Tonnes (MT) crushed in March 2024. Downstream volumes also rose by 6%, which was supported by specialty fat sales. PVO's strategies are now focused on moving away from supplying trading companies to meeting end-user demand, strengthening its sales force, and prioritising customer centricity with a greater focus on local Malaysian consumers. On the other hand, Premium Fats Sdn Bhd, an associated investment

in the sector (in partnership with J-Oil Mills INC - a listed entity in Japan), continues to drive exports into Asian markets.

## Beverage

The year saw a key milestone reached in revamping our international business strategy by channelling our resources to three key growth markets viz., Africa, the Middle East, and South Asia. With concerted efforts, our export volumes rose by 20% year-on-year. With our customer-centric product strategy, we aim to drive both volume and value by building a segmented and differentiated brand portfolio while exploring adjacent product categories for future growth. Over the last two years, we introduced Carlsberg Smooth Draught, Guinness, Lion Ice, and two variants of Somersby into the market. These launches aimed to create new consumption occasions and novel consumer experiences. In the year under review, we completed the revamping of the Lion Master brand strategy to sharpen our delivery to consumer preferences. The construction of the Innovation Brewery also commenced and will be completed in the ongoing financial year. Going forward, building efficient cost structures and digitalisation of operations will be key focus areas for the sector.

## Portfolio and Asset Management

The positive developments in the economy provided a fresh impetus for activity of the Colombo Stock Exchange. Investor engagement in the stock market saw an uptick due to lower policy rates affecting fixed-income markets. Our Discretionary portfolio saw a growth of 23.74% (adjusted for dividend and share buyback) compared to the ASPI return of 23.04% and S&P SL20 Index of 23.66%. Throughout the year, the focus was on fundamentally strong equities trading at significant discounts to their fair value. At the same time, we benefitted from previously locked-in higher rates for our longer-term Fixed Deposit portfolio.

## Reflections from the Chairman

### Leisure

The upturn in tourist arrivals in the second half of the financial year contributed to revenue growth in the Leisure sector. Accordingly, Pegasus Reef Hotel and Giritala Hotel achieved occupancies of 47% and 49%, respectively. However, our key source markets experienced a delayed recovery, limiting revenue potential. The Meetings, Incentives, Conferences and Exhibitions (MICE) segment boosted revenue growth, although the weddings segment underperformed due to domestic spending constraints. Our ongoing priorities include property and resource enhancements as well as creating unique experience-driven offerings catering to broader audiences. During the year, the Leisure sector considerably reduced its net debt position, with Giritala Hotel settling a significant portion of its borrowings using Rights Issue proceeds.

### Real Estate

The country's Real Estate sector continued to navigate challenges such as significant construction costs slowing down new developments, increased operational costs, and decreased demand for commercial property due to widespread work-from-home models. However, we grew our revenue by 18% through higher occupancy rates and upward adjustments to rental rates. Occupancy of our investment properties increased from 74% to 80%, with a fair value gain of Rs. 386 Mn recorded.

### OUR APPROACH TO SUSTAINABILITY

At Carson Cumberbatch PLC, we are deeply committed to upholding Environmental, Social, and Governance (ESG) principles as a core part of our business ethos. By embedding ESG considerations into our strategy and operations, we aim to create sustainable long-term value for all stakeholders. We actively seek opportunities to contribute to the broader business ecosystem in which we operate.

We are deeply committed to protecting the environment by reducing Greenhouse Gas (GHG) emissions in our operations, conserving environmental resources, and ensuring relevant compliance with environmental regulations and certifications. For us, social well-being means empowering the local communities, nurturing our employees, driving health and safety, and upholding human rights across our entire operations. From a governance standpoint, we maintain the highest standards of transparency and accountability in our operations, ensure traceability and responsible sourcing, and drive sustainable leadership and effective stakeholder management.

At Lion Brewery (Ceylon) PLC and Goodhope Asia Holdings Ltd, the respective ESG Steering Committees identify all focus areas based on materiality and develop action plans, which are periodically reviewed in accordance with good governance practices. Furthermore, in the 2023 Sustainability Palm Oil Transparency Toolkit (SPOTT) Assessment, Goodhope Asia Holdings Ltd achieved an impressive 9th ranking out of 100 companies, outperforming many global players in the palm industry. More details on the Group's sustainability efforts will follow in the "Sustainability" section of the Annual Report.

### LOOKING AHEAD

We look to the future with confidence, in the belief that the current economic recovery momentum will continue, with authorities prioritising the growth of the real economy. This means executing broad structural reforms aimed at restoring business and consumer confidence. It has become ever more essential to drive Foreign Direct Investments through investor-friendly policies and achieve export-led economic growth. Furthermore, building a strong and resilient tourism sector is of great significance to revitalise the economy. Most importantly, aligning with the IMF's debt restructuring parameters is crucial for ensuring debt sustainability.

As Sri Lanka progresses towards its economic recovery, there is a strong need to strengthen social safety nets to protect vulnerable communities. At the same time, maintaining consistent tax policies will pave the way for a successful economic recovery.

In the international context, the unfolding business landscape in the future will likely remain uncertain and challenging due to the ongoing global economic slowdown and geopolitical risks.

Against this backdrop, we will seek to maintain our growth, resting on our capital strength and the excellence of our people. We will strive forward, well-aligned to and guided by the Group's strategic priorities with emphasis on more competitive, efficient, financially prudent, and sustainable business operations.

### APPRECIATIONS

As we remain well poised for another promising year, I wish to extend my heartfelt appreciations to the many that make greatness at Carson Cumberbatch PLC a possibility. I would like to thank my fellow members of the Board of directors for their counsel and guidance, in ensuring the Company remains well focused on its broader mission. I also wish to thank the senior management and all our staff members for their unwavering dedication and hard work during these challenging times. Our valued shareholders, business partners and all other stakeholders also deserve our appreciation for their unwavering dedication and confidence placed on us through our mutual growth journeys.

(Sgd.)  
Tilak De Zoysa  
Chairman

16th July 2024  
Colombo



# Directors' Profile

## TILAK DE ZOYSA

(Chairman)

A well-known figure in the Sri Lankan business community, Tilak de Zoysa, FCMI (UK) FPRI (SL), Honorary Consul for Croatia and Global Ambassador for HelpAge International was conferred the title of "Deshabandu" by His Excellency the President of Sri Lanka in recognition of his services to the Country and was the recipient of "The Order of the Rising Sun. Gold Rays with Neck Ribbon" conferred by His Majesty the Emperor of Japan, and was the Recipient of the LMD lifetime achievers' Award 2017.

Tilak de Zoysa is the Chairman of Carson Cumberbatch PLC, Associated CEAT (Pvt) Ltd., Amaya Hotels and Resorts USA (Radisson), Jetwing Zinc Journey Lanka (Pvt) Ltd., Trinity Steel (Pvt) Ltd., CG Corp Global Sri Lanka and HelpAge Sri Lanka.

He is also the Vice Chairman of CEAT Kelani Holdings (Pvt) Ltd., and serves on the boards of other several listed and private Companies, which include TAL Lanka Hotels PLC (Taj), TAL Hotels and Resorts Ltd, Nawaloka Hospitals PLC, Associated Electrical Corporation Ltd., INOAC Polymer Lanka (Pvt) Ltd., Cinnovation INC., Varun Beverages Lanka (Pvt) Ltd. (Pepsi), and is a Member of the Kalutara Bodhi Trust, and immediate Past President of Sasakawa Memorial, Sri Lanka Japan Cultural Center Trust.

Mr. Tilak de Zoysa was the past Chairman of the Supervisory Board (AMW) and Advisor to the Al-Futtaim Group of Companies in Sri Lanka, and the past Chairman of the Ceylon Chamber of Commerce, the National Chamber of Commerce of Sri Lanka, HelpAge International (UK), Colombo YMBA and served as a Member of the Monetary Board of Sri Lanka (2003-2009).

## HARI SELVANATHAN

(Deputy Chairman)

Hari Selvanathan is the Chairman of Bukit Darah PLC and Deputy Chairman of Carson Cumberbatch PLC. He is the Deputy Chairman/Group Chief Executive Officer of Goodhope Asia Holdings Ltd., Singapore.

He is the President Commissioner of the palm oil related companies in Indonesia, Director of Sri Krishna Corporation (Private) Limited.

He was the Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka).

He holds a Bachelor's Degree in Commerce.

## MANO SELVANATHAN

Mano Selvanathan is the Chairman of Sri Krishna Corporation (Private) Limited and Selinsing Limited. He is a Director of most of the Companies in the Carson Cumberbatch Group in Sri Lanka, Indonesia, Malaysia & Singapore and is an active Member of its Executive Management Forums.

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

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

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

He holds a Bachelor's Degree in Commerce.

## CHANDIMA GUNAWARDENA

Chandima Gunawardena currently serves as a Non-Independent, Non-Executive Director of the Company, having joined the Group Directorate in 1990. During his tenure at Carson's Group, he has served on the Boards of most of its subsidiaries in Sri Lanka and overseas and continues to serve on some of the subsidiary Boards as of date.

Mr. Gunawardena has over five decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions.

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

## SURESH SHAH

Mr. Suresh Shah is the Chairman of Ceylon Tobacco Company PLC and a Director of Carson Cumberbatch PLC, Bukit Darah PLC, Hunter & Company PLC, Hatton National Bank PLC and Lanka Canneries (Pvt) Ltd. Further, he currently functions as the Head of the State-Owned Enterprise Restructuring Unit of the Government of Sri Lanka set up under the Ministry of Finance, Economic Stabilization and National Policies.

Previously, he was Director & CEO of Ceylon Beverage Holdings PLC & Lion Brewery (Ceylon) PLC, a position he held for 30 years.

He is a Past Chairman of the Ceylon Chamber of Commerce and of the Employers Federation of Ceylon. Previously, he has served as a Commissioner of the Securities and Exchange Commission of Sri Lanka, a Member of Council of the University of Moratuwa and a Member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka.

He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.

## Directors' Profile

### RAJENDRA THEAGARAJAH

Mr. Rajendra Theagarajah has been a veteran banker with a wealth of experience in the Banking and financial services sector. He counts over 38 years in banking both locally and overseas.

Presently, Mr. Theagarajah is a Senior Visiting Fellow of the Pathfinder Foundation a leading think tank in Sri Lanka. Mr. Theagarajah served as the MD/CEO of Cargills Bank Limited till 30th September 2020. Prior to Cargills Bank, he served as Director/Chief Executive Officer (CEO) of National Development Bank PLC (NDB) from August 2013 till November 30, 2016 and as CEO/ Managing Director at Hatton National Bank PLC for 9 years until June 2013.

Mr. Theagarajah was also a past Chairman of the Sri Lanka Bankers' Association (Guarantee) Ltd, Financial Ombudsman Sri Lanka (Guarantee) Ltd, former Director of Colombo Stock Exchange and Chairman Emeritus of the Asian Bankers Association. He has also served as a Council Member of the Sri Lanka Institute of Directors.

He is a past Chairman of the Ceylon Chamber of Commerce. He has been a past Chairman of the Chartered Institute of Management Accountants (UK) Sri Lanka Governing Board. He was formerly a co-opted member of CIMA UK's Global Council.

Mr. Theagarajah serves as a Founder Trustee of Colours of Courage Cancer Trust. He currently serves on the Boards of Carson Cumberbatch PLC, Orient Finance PLC (as its Chairman), Siam City Cement (Lanka) PLC, Professional Insurance Corporation Zambia PLC and First Capital Holdings PLC (as its Chairman).

He holds a FCMA (UK), FCA (Sri Lanka), MBA (Cranfield) FIB (Hon), Sri Lanka.

### RAVI DIAS

A banker by profession, Ravi Dias served Commercial Bank of Ceylon PLC for nearly four decades and retired as the Managing Director/Chief Executive Officer of Commercial Bank of Ceylon PLC.

He is the Chairman of Ceylon Tea Marketing (Pvt) Ltd. He also serves on the Boards of Tokyo Cement Company (Lanka) PLC and United States - Sri Lanka Fulbright Commission.

He had served as Chairman of Senkadagala Finance PLC, Seylan Bank PLC and as Managing Director of Commercial Development PLC and had also served as a Director on the boards of Lanka Clear (Pvt) Limited, Lanka Financial Services Bureau Limited and Academy of Financial Studies of the Ministry of Finance & Planning and was a Council Member of the Employers' Federation of Ceylon.

He holds a Degree in Law and is a Fellow of the Chartered Institute of Bankers (UK). He is also a Hubert. H. Humphrey Fellow.

Is an alumnus of INSEAD Business School - France, having attended the Advanced Management Programme in Fontainebleau.

### SAKTHA AMARATUNGA

Mr. Saktha Amaratunga is an Independent, Non-Executive Director of Carson Cumberbatch PLC, Bukit Darah PLC and Hemas Holdings PLC, Chairman of Carson Cumberbatch PLC and Hemas Holdings PLC – Audit Committees, and a Commissioner of PT Agro Indomas Indonesia, a subsidiary of the Carson Cumberbatch Group. He is also an Audit Committee member of MAS Holdings Ltd.

Previously, Regional Audit Controller (Asia Pacific) for British American Tobacco, he has more than 20 years' experience with British American Tobacco, having performed senior finance roles for the Group in Sri Lanka and the United Kingdom, and also being the Finance Director of British American Tobacco Operations in the Czech Republic, Sri Lanka, Switzerland, Japan and Malaysia (IT Shared Services Organization).

Has many years of experience in Strategy Development, Business Restructuring, Risk and Governance, International Finance and People Development. He is a Fellow Member of the Chartered Accountants of Sri Lanka, Associate Member of the Chartered Institute of Management Accountants, UK and also a Member of CPA Australia.

### SHARADA SELVANATHAN

Sharada Selvanathan has been on the Board of Carson Cumberbatch PLC [CCPLC] since March 2019.

Sharada focuses on the Human Resources and Corporate Strategy functions of CCPLC's oil palm arm, Goodhope Asia Holdings Ltd. [Goodhope]. Sharada is a member of the Executive Committee of Goodhope and works closely with senior management in making key decisions.

Prior to Goodhope, Sharada worked at BNP Paribas in London, Hong Kong and Singapore.

Beyond Goodhope, Sharada is passionate about education, especially for children with learning differences. She is currently a Trustee of an education-focused trust that provides a platform for students to reach their potential through alternative learning methods.

Sharada holds a Master of Science in Economics from the University of Warwick, UK, and an MBA from IMD, Switzerland.

## M M MURUGAPPAN

M M Murugappan served as the Executive Chairman of the Corporate and Supervisory Board of the Murugappa Group India. He presently chairs the Boards of Carborundum Universal (CUMI – a material science company) and Cholamandalam Mitsui Sumitomo General Insurance Company Ltd. of the Murugappa Group.

After a brief stint in the field of Environmental Engineering Design in the United States, Murugappan joined CUMI in the year 1979.

In January 2004, Murugappan took over as Chairman of CUMI, playing a pivotal role in transforming CUMI into an international company. He has broken new grounds in positioning CUMI as a technology and innovation-driven organization. His strategic approach towards business partnerships with global leaders has been one of the key factors contributing to CUMI's consistent growth, internationally.

Murugappan was appointed as the Non Executive Chairman of Cyient Ltd, Hyderabad in April 2021. He recently retired from the Board of Mahindra & Mahindra. He served on the Board of Governors of IIT Madras, for six years till November 2011 and has enabled many industry – academic partnerships. He now serves on the Board of the IIT Madras Research Park and is a mentor to many companies incubated there. In November 2022, he was appointed Chairman, Board of Governors, Indian Institute of Management, Indore.

As Trustee of the Group's AMM Foundation, he is actively involved in the development of various citizenship initiatives, particularly in education, health care, performing arts and sports.

Murugappan holds a Bachelor's degree in Chemical Engineering from the AC College of Technology, University of Madras, India and a Master of Science

Degree also in Chemical Engineering from the University of Michigan, Ann Arbor, Michigan, USA. He is a member of the American and Indian Institutes of Chemical Engineers and the Plastics & Rubber Institute. He was elected as a Fellow Member of the Indian Ceramic Society in 2006.

## YEW HUAT ONG

Mr. Yew Huat Ong is an Independent Non-Executive Director, Chairman of the Audit Committee and Member of the Nominating Committee of Singapore Power Ltd. and Capitaland Group Pte Ltd. He is a Director of Singapore Mediation Centre.

Mr. Ong chaired United Overseas Bank Malaysia Bhd from 2012 to 2018 and he was Chairman of the Tax Academy of Singapore. He has served as Independent Director of United Overseas Bank Ltd., Singapore.

During 2008- 2013, he served as a Director of the Accounting and Corporate Regulatory Authority (ACRA) of Singapore, a member of the Public Accountants Oversight Committee and chaired the Audit Committee of ACRA.

Mr. Ong is a Chartered Accountant and began his career with Ernst & Young's London office. He returned to Singapore in 1983 and he later led its transaction advisory and corporate recovery practice in the Far East area. From 2005 to 2012, he served as the Managing Partner and later Executive Chairman of Ernst & Young, Singapore, and as Chief Operations Officer of Ernst & Young Asia Pacific.

A known supporter of the Arts, Mr.Ong was the Chairman of the National Heritage Board and Singapore Tyler Print Institute (STPI). He was awarded the Public Service Star in 2017 for his contributions to the Arts in Singapore.

In 2023 Mr.Ong was appointed as Singapore Non-resident High Commissioner to Papua New Guinea.

Mr. Ong holds a Bachelor of Accounting (Honours) degree from the University of Kent at Canterbury. He is a member of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Singapore.

## KRISHNA SELVANATHAN

(Alternate Director to Mr. M. Selvanathan – Ceased to be an Alternate Director w.e.f. 31st December 2023).

Krishna Selvanathan serves as a Director of Carsons Management Services (Private) Limited and is the CEO of Guardian Fund Management Limited. He also serves as a Director of Lion Brewery (Ceylon) PLC and Pegasus Hotels of Ceylon PLC.

He holds a BA Degree in Accounting & Finance and Business Administration from the University of Kent, U.K.

## SUDARSHAN SELVANATHAN

(Alternate Director to Mr. D. C. R. Gunawardena– Ceased to be an Alternate Director w.e.f. 31st December 2023)

Joined Carson Cumberbatch in 2019, focusing on the Group's beverage business. Prior to this, he was involved in various roles in the asset management industry from 2000 to 2019.

He received a bachelor's degree from the University of Warwick.

# Group Structure

## PLANTATIONS, OILS & FATS

- Goodhope Asia Holdings Ltd.  
• 2008\* • 53.33%
- Agro Asia Pacific Limited  
• 2010\* • 100%
- Premium Nutrients Private Limited  
• 2011\* • 100%
- Shalimar Developments Sdn. Bhd.  
• 1980\* • 100%
- Premium Oils & Fats Sdn. Bhd.  
• 2011\* • 100%
- Premium Vegetable Oils Sdn. Bhd.  
• 1978\* • 80%
- Shalimar (Malay) Limited  
• 1909\* • 99.88%
- Selinsing Limited  
• 1907\* • 96.58%
- Indo-Malay Limited  
• 1906\* • 88.18%
- Good Hope Limited  
• 1910\* • 95.30%
- Agro Harapan Lestari (Private) Limited  
\* 2008\* 100%
- AHL Business Solutions (Private) Limited  
• 2010\* • 100%
- Goodhope Investments (Private) Limited  
• 2012\* • 100%
- PT Agro Indomas  
• 1987\* • 94.30%
- PT Agro Bukit  
• 2004\* • 95%
- PT Agro Asia Pacific  
• 2008\* • 100%
- PT Karya Makmur Sejahtera  
• 2003\* • 95%
- PT Agro Harapan Lestari  
• 2007\* • 100%
- PT Rim Capital  
• 2006\* • 95%
- PT Agrajaya Baktitama  
• 1994\* • 95%
- PT Nabire Baru  
• 2008\* • 95%
- PT Agro Wana Lestari  
• 2006\* • 95%
- PT Batu Mas Sejahtera  
• 2006\* • 95%
- PT Sawit Makmur Sejahtera  
• 2008\* • 95%
- PT Sumber Hasil Prima  
• 2006\* • 95%
- PT Sinar Sawit Andalan  
• 2008\* • 95%
- PT Sariwana Adi Perkasa  
• 2008\* • 95%
- PT Agro Bina Lestari  
• 2006\* • 95%
- PT Agro Surya Mandiri  
• 2006\* • 95%

## BEVERAGE

- Ceylon Beverage Holdings PLC  
• 1910\* • 75.62%
- Lion Brewery (Ceylon) PLC  
• 1996\* • 62.20%
- Pubs 'N Places (Private) Limited  
• 2007\* • 100%
- Retail Spaces (Private) Limited  
• 2010\* • 100%
- Luxury Brands (Private) Limited  
• 2012\* • 100%
- Millers Brewery Limited  
• 2010\* • 100%
- Lion Beer (Ceylon) Pte. Ltd  
• 2023\* • 100%

## PORTFOLIO & ASSET MANAGEMENT

- Ceylon Guardian Investment Trust PLC
  - 1951\* • 67.53%
- Ceylon Investment PLC
  - 1919\* • 65.94%
- Rubber Investment Trust Limited
  - 1906\* • 100%
- Guardian Fund Management Limited
  - 2000\* • 100%

- Guardian Fund Management LLC
  - 2019\* • 100%
- Guardian Value Fund LLC
  - 2019\* • 100%
- Leechman & Company (Private) Limited
  - 1953\* • 100%

## LEISURE

- Pegasus Hotels of Ceylon PLC
  - 1966\* • 89.98%
- Equity Hotels Limited
  - 1970\* • 100%
- Carsons Airline Services (Private) Limited
  - 1993\* • 100%

(in the process of being struck off from the Register of Companies under Section 394 of the Companies Act, No. 07 of 2007)

## REAL ESTATE

- Equity One Limited
  - 1981\* • 98.99%
- Equity Two PLC
  - 1990\* • 88.87%
- Equity Three (Private) Limited
  - 1990\* • 100%

## MANAGEMENT SERVICES

- Carsons Management Services (Private) Limited
  - 1993\* • 100%

## INVESTMENT HOLDINGS

- Baillie Street Holdings pte. Ltd
  - 2023\* • 100%

% refer to group interest  
\* refer to year of incorporation

### Country of Incorporation/Operation

- Sri Lanka
- Indonesia
- Malaysia
- Singapore
- Mauritius

# Management Discussion & Analysis

## - Sector Reviews

### BEVERAGE



**Our targeted approach will be instrumental in propelling our international business forward...**

#### BUSINESS CONTEXT

From a macro-viewpoint, the Beverage sector's operating environment proved challenging. The alcoholic beverage industry faced significant excise duty hikes within a very short time span, leading to higher consumer price points. Furthermore, a 3% increase in Value-Added-Tax (VAT) led us to further raise prices across our entire product range, ultimately causing a decrease in the total

volumes sold for the year. Inevitably, these price increases made the category less affordable compared to illicit alternatives. Therefore, prioritising affordability for consumers, we introduced new pack sizes during the year. The 500ml returnable glass bottle for Lion Strong and Carlsberg Special Brew was made available at a 15% - 20% lower price than the 625ml bottle and 500ml can SKUs. In spite of domestic volumes decreasing throughout the year, these initiatives,

however, helped to minimise a more significant decline. The rapid growth in the Sri Lankan tourism sector, especially in the latter part of the financial year, had a positive impact on the sales volumes of specific brands in our portfolio, further mitigating the impact of the local volume drop. With the continued surge in the tourism sector, we anticipate a sustained positive impact on the domestic business of the Beverage sector.



Our international business showcased considerable expansion, marked by enhanced processes and seamless execution from initial planning to final delivery and customer support. Through a strategic decision to narrow down our target markets from 35 to 17 countries, we were able to deploy our efforts and resources towards key regions, viz. Africa, the Middle East, and South Asia. This decisive shift in strategic focus has enabled us to optimise our profit margins and sales volumes by offering an ideal product mix. Accordingly, our export volumes saw an encouraging 20% increase over the year. Our focused approach will be instrumental in propelling our international business forward, ensuring sustained growth and solidifying our market position.

With respect to profitability, the Beverage sector continued to confront significant margin headwinds during the year due to the devalued Rupee and inflation in our key input materials, in addition to steep excise duty hikes mentioned above.

On the market front, the Government of Sri Lanka authorised the issuance of soft liquor licenses in regions with a low number of licensed alcohol outlets over the past year. This move has been beneficial for the lawful sector, and such efforts, if continued, could contribute to the reduced consumption of illicit products.

The Group's Beverage sector achieved sound progress in its digital efforts during the year. We aim to drive innovation, focusing on several fronts over the next five years. These areas include process automation, smart factory technology, Martech, data analytics, cyber security, and infrastructure improvement. In the past year, we have made significant progress in strengthening our ERP platform with increased SAP utilisation. One of the key achievements was the Production System revamp which successfully integrated Brewhouse data with SAP

information feeds, providing us with dynamic visibility into our production processes.

## FINANCIAL PERFORMANCE

Against a challenging operating backdrop, the Beverage sector achieved a turnover of Rs. 112.2 Bn and a profit before tax of Rs. 14 Bn. Total segmental assets as of 31 March 2024 stood at Rs. 57 Bn. The sector observed a net cash position of Rs. 5.1 Bn as of 31 March 2024, which improved by 151% year-on-year.

Demonstrating the resilience of our operations, Fitch Ratings reaffirmed the Lion Brewery Ceylon (PLC) with a "AAA" (lka) rating during the year.

## KEY HIGHLIGHTS

Continuous innovation is the cornerstone of success in today's competitive marketplace. In the Beverage sector, we always champion efforts to bring excitement and energy into the market by expanding the range of brands to appeal to different consumer groups. Over the past two years, a variety of new products have been introduced, such as Carlsberg Smooth Draught, Guinness, Lion Ice, and two different versions of Somersby. The construction of the innovation brewery, which commenced in the financial year 2023/24, is progressing as planned and is expected to be completed in the ongoing year, providing further impetus to our initiatives. Additionally, the complete overhaul of the Lion Master brand strategy, which was finalised in the year under review, has successfully positioned our well-established brand for future growth.

## FUTURE OUTLOOK

The Beverage Sector is charting a strategic course focused on driving growth in both volume and value in the future. This entails a concentrated effort to build a diverse and unique brand portfolio with a focus on premiumisation in the beer industry. In addition, we

intend to explore adjacent categories to drive further growth. Internationally, we will take a proactive approach, seeking to gain deep consumer insights and develop tailored product portfolios to expand our global footprint. In the coming period, a key priority will be cost optimisation and cash management. We are committed to striking a balance between future profits and cost performance, all the while focusing on the superior quality of our products. As we expand our portfolio, we understand the importance of a flexible and efficient supply chain. We are also exploring the integration of technology to manage overhead costs effectively. Moreover, our focus includes optimising working capital to release cash, with a careful assessment of associated risks due to the current uncertainty.

# 20%

Increase in  
export volumes

Marketbase for  
exports

# 17 Countries

Taxes paid to the  
Government

# Rs. 82.5 Bn

National Long Term Rating by Fitch

# AAA(lka)

## Management Discussion & Analysis – Sector Reviews

### OIL PALM PLANTATIONS



An encouraging development was the growing contribution to FFB yield from our younger plantation locations...

#### BUSINESS CONTEXT

The Malaysian Benchmark Crude Palm Oil (CPO) prices, which had reached record highs in the previous year, gradually normalised during the year under review i.e. 2023/24. The abnormally high price hikes of CPO in the preceding year were driven by factors such as domestic market obligation in Indonesia, labour supply shortages, the Russia-Ukraine conflict,

and the impact of La Niña's wet weather. The lifting of the export ban and subsiding of the other factors led to a more stable price range for CPO towards the latter half of the financial year 2023/24. The average monthly price for Crude Palm Oil (CPO) (as reflected in the Bursa Malaysia) for the financial year 2023/24 was MYR 3,826, an 8% decrease over the prior year. However, the year-on-year price drop in

the first quarter exceeded 40%, limiting the revenue potential of the Oil Palm Plantations sector for the year. Overall, the Average Selling Price (ASP) of CPO for the Oil Palm Plantations sector saw a 9% year-on-year decline during the financial year 2023/24.

Our business priorities over the past few years have been enhancing yields and improving production efficiencies.



We established a number of building blocks to achieve these goals with a long-term focus, which have shown promising results. During the year under review, the total internal Fresh Fruit Bunch (FFB) production in the Oil Palm Plantations sector rose to 1.27 Million metric tons (MT), marking a 4% year-on-year increase in internal Crude Palm Oil (CPO) production. However, in the same period, there was a normalisation in external crop purchases, leading to a decline in total CPO production and sales volumes. An encouraging development was the growing contribution to FFB yield from our younger plantation locations in Central Kalimantan, West Kalimantan, and Papua. Importantly, all our plantation locations were able to achieve positive EBITDA during this period.

In cost performance, the Oil Palm Plantations realised significant cost savings by strategically timing the purchase of required fertiliser contracts, a testament to our steadfast commitment to driving efficiencies.

One of our critical achievements during the year was the successful launch of the 1.7-megawatt biogas project in April 2023. This initiative has significantly contributed to our goal of sustainable energy production. As a result, we have been able to reduce the operating costs of processing palm kernel at our main Crude Palm Kernel Oil (CPKO) plant in Central Kalimantan. This has improved our efficiency in processing both internal and external palm kernels and has also led to an increase in overall profitability, whilst enabling lower energy costs.

### KEY HIGHLIGHTS

The Federal Reserve's policy rate hikes in the past period led to higher market interest costs across different regions. In light of this, a significant management effort was made during the year to complete the refinancing

of certain funding lines, which was successfully finalised in January 2024. This strategic move is anticipated to result in reduced interest costs in future periods, as well as a more diversified mix of funding sources.

Furthermore, Goodhope Asia Holdings Ltd achieved the 9th position out of 100 companies in the 2023 SPOTT (Sustainable Palm Oil Transparency Toolkit) Assessment. This accomplishment holds substantial significance for the sector, positioning the company in the top 10 ahead of numerous global players in the palm industry.

### FINANCIAL PERFORMANCE

The Oil Palm Plantations sector achieved a revenue of Rs. 106.8 Bn (USD 336.1 Mn), which is a decrease of 29% (19% in USD terms) from the previous period. Profit before tax was Rs. 18.2 Bn (USD 57.3 Mn) for the year. Total segmental assets of the sector as of 31st March 2024 stood at Rs. 165 Bn. The Oil Palm Plantations sector focused on reducing its gross debt whilst continuing to maintain a strong liquidity position. The net debt position of the sector reduced by 14% year-on-year to Rs. 43.8 Bn.

### FUTURE OUTLOOK

The Group's Oil Palm Plantation sector is actively pursuing several initiatives to achieve profitable growth in the future. Strategic focus is placed on enhancing profitability by expanding the CPO milling capacity at the existing CPO mill in Ketapang, West Kalimantan. Additionally, plans are under way to commission a new kernel plant at the same location, with a keen focus on margin expansion.

In line with the goal of achieving volume-driven growth, the sector intends to increase its plasma-planted land area and collaborate with local communities to boost CPO

volumes from expanded plasma and external crop volumes. Internal yield improvements are also being targeted at the younger plantations in West Kalimantan and Papua. Going into the next few years, the sector aims to benefit from replanting initiatives at its mature plantations to drive yield improvements. In addition, with a sustainability-centric approach, the sector will increasingly focus on the sale of its RSPO-certified palm oils.

# 1.27 Mn MT

Total Internal FFB production

2023 SPOTT Assessment Rankings out of 100 Palm Oil Companies

# 9th Place

Oil Palm Plantations - Revenue

# Rs. 106.8 Bn

Oil Palm Plantations - Profit Before Tax

# Rs. 18.2 Bn

## Management Discussion & Analysis – Sector Reviews

### OILS AND FATS



**PVO observed a notable increase in its production volumes...**

#### **BUSINESS CONTEXT**

The prices of palm kernel, the key input material of the Oils and Fats segment of the Group, traded at low levels in the first half of the year, experiencing a significant 20% year-on-year decline in its monthly prices. This led to considerable effects on revenue growth and margin performance of the sector in the financial year 2023/24. However,

in line with Crude Palm Oil (CPO) prices, Crude Palm Kernel Oil (CPKO) prices stabilised towards the latter half of the year, remaining range-bound for the year at approximately MYR 2,000.

During the financial year 2023/24, Premium Vegetable Oils Sdn Bhd (PVO), the primary Malaysian manufacturing establishment supplying specialty fats to

the chocolate, ice cream, confectionery, and bakery industries, observed a notable increase in its production volumes. PVO's solvent throughput increased by 14% year-on-year, reaching a peak performance of 19,401 metric tons (MT) of palm kernel crushed in the month of March 2024. Accordingly, the utilisation of the Solvent Plant improved during the review period. Additionally,

higher volumes of Specialty Fats (SFD) in comparison to the prior year, along with continuous plant operations to accommodate additional volumes, contributed to increased utilisation of PVO's Specialty Plant.

Furthermore, sales of midstream products rose by 9%, driven by higher crushing volumes. Additionally, downstream sales volumes grew by 6%, with an emphasis on increased SFD sales. Despite these positive volume trends, the sector faced the challenge of lower downstream profit margins. This was attributable to factors such as reduced raw material prices, adjustments in product mix, and a more cautious approach to sales in certain regions due to currency and geopolitical risks.

### FINANCIAL PERFORMANCE

The Group's Oils and Fats sector generated Rs. 55 Bn (USD 171.3 Mn) in revenue for the financial year 2023/24, a decrease of 33% (26% in USD terms) compared to the previous year. Furthermore, the sector recorded a profit before tax of Rs. 1.35 Bn (USD 4.3 Mn) for the financial year 2023/24.

An important focus for the sector remains reducing its exposure to term loans and securing local working capital from Malaysian banks, which will lower its interest costs. During the year under review, the Oils and Fats sector's net debt reduced by 11% over the prior year to Rs. 7.9 Bn.

### FUTURE OUTLOOK

PVO's future strategic initiatives are focused on several fronts that aim to significantly enhance its overall performance. These areas include fine-tuning the sales mix to closely match market demand, reinforcing the sales team to foster deeper engagement with customers and establishing closer proximity to customers' locations to provide better product accessibility. In addition, there will also be a strong emphasis on serving the Malaysian market through tailored products.

Premium Fats Sdn Bhd, the sector's associate investment, will concentrate on developing specialised products for export to Asian markets in collaboration with J-Oil Mills Inc, which is a listed entity in Japan. This dedicated effort aims to capitalise on the growing demand in these markets and seize opportunities for further growth and margin enhancement.

# 14%

Increase in PVO's solvent throughput

Downstream volume growth

# 6%

Oils and Fats - Revenue

# Rs. 55 Bn

Oils and Fats  
- Profit Before Tax

# Rs. 1.35 Bn

## Management Discussion & Analysis – Sector Reviews

### PORTFOLIO AND ASSET MANAGEMENT



In the financial year 2023/24, our discretionary portfolio witnessed significant growth...

#### BUSINESS CONTEXT

The Colombo Stock Exchange (CSE) witnessed greater stability during the year under review, in line with the positive progress achieved by the Sri Lankan economy. Consequently, the All-Share Price Index (ASPI) observed a return of 23.04%, and the S&P SL20 index also rose by 23.66% in the year under consideration. Investor engagement was more prominent, with lower market interest rates prompting a shift from fixed income to greater participation in equities. In the year

under review, the sector's discretionary portfolio was strategically positioned to capitalise on the positive equity market performance.

Accordingly, in the financial year 2023/24, our discretionary portfolio witnessed significant growth of 23.74% (adjusted for dividends and share repurchases), reaching Rs. 16.61 Bn. This return outpaced the ASPI, which grew by 23.04%, and the average bank fixed deposit rates of around 11.80% for the same period. Our investment

strategy, centred on identifying fundamentally robust companies trading at significant discounts to their intrinsic value, considerably contributed to this performance. Furthermore, when considering the entire portfolio, including our strategic stake in Bukit Darah PLC, the total value increased by 12.50% (adjusted for dividends and share repurchases) to Rs. 24.94 Bn.

	As at 31-Mar-24	As at 31-Mar-23	Change %	As at 31-Mar- 2024 (Dividend/ Repurchase adjusted)	Dividend/ Repurchase adjusted performance
Discretionary portfolio (Rs. '000) *	16,613,020	13,706,990	21.20%	16,961,369	23.74%
Total Portfolio (Rs. '000)*	24,936,498	22,475,000	10.95%	25,284,847	12.50%
ASPI (Points)	11,444	9,301	23.04%		23.04%
S&P 20 (Points)	3,318	2,683	23.66%		23.66%

\*After the addition of the total cash outflow from the distribution of dividends and repurchases by the sector, which was Rs. 348.4 Mn during the period under review.

Domestically, interest rates experienced significant decreases over the financial year as a result of monetary policy adjustments and the gradual dissipation of inflation concerns. Additionally, larger bank fixed deposit rates also saw a decrease from the range of 18.00-20.00% to the prevailing 8.00-8.75%. However, the Portfolio and Asset Management sector benefited from the high-yielding long-term fixed income investments of Rs. 4.6 Bn made in the previous year, when interest rates peaked due to the stringent contractionary policy adopted by the Central Bank of Sri Lanka in response to debilitating effects of the country's economic crisis. The remaining fixed-income investments are allocated to short-term investments, to be reinvested whilst ensuring liquidity or to be directed towards identified equity opportunities.

A small portion of our discretionary portfolio is dedicated to overseas investments. Even though global markets have been generally positive, we have been adopting a cautious approach due to central banks maintaining high policy rates to combat inflation. Additionally, upcoming crucial elections in key countries and escalating geopolitical tensions have led us to take a conservative stance in our overseas investment strategy. Nevertheless, we continue to adhere to our investment philosophy, actively seeking long-term opportunities in both equity and fixed-income asset classes.

### FINANCIAL PERFORMANCE

With revenue of Rs. 2.3 Bn, the Portfolio and Asset Management sector recorded a profit before tax of Rs. 3.7 Bn, compared to the profit before tax of Rs. 1.6 Bn recorded in the prior year. The stronger financial performance was driven by the gain of Rs. 1.9 Bn from 'financial assets held at fair value through profit or loss' due to the upward movement in the prices of equity holdings. Total segmental assets as of 31st March 2024 stood at Rs. 26.6 Bn.

In the year under review, the sector conducted share repurchases at the Net Asset Values of Ceylon Guardian Investment Trust PLC and Ceylon Investment PLC. Additionally, further repurchases were announced on May 22nd, 2024, at Net Asset Values which were at significant premiums to market prices.

### FUTURE OUTLOOK

Throughout the year under review, the robust performance of the stock market has led to a majority of our investee companies experiencing upward movements in their share prices. We have been diligent in monitoring each position, making adjustments based on our assessment of each company's fundamental outlook, intrinsic value, and growth potential. In addition, we have taken into account the heightened political risk associated with two major elections in the country coming up in the ensuing financial year. With a

forward-looking strategy, the sector's equity allocation relies on identifying fundamentally strong stocks that can thrive in a challenging operating environment and offer long-term growth potential.

# 23.7%

Discretionary  
Portfolio Growth

Total Portfolio  
Growth

# 12.5%

Total Portfolio

# Rs. 25 Bn

Portfolio and Asset Management  
- Profit Before Tax

# Rs. 3.7 Bn



## Management Discussion & Analysis – Sector Reviews

### LEISURE



One of our key focuses is to revamp the beach offerings at Pegasus Reef Hotel through a beach activation plan...

#### BUSINESS CONTEXT

In the financial year 2023/24, Sri Lanka made notable progress on the tourism front with the easing of crisis conditions. In the first half, daily visitor arrivals averaged 3,700, reaching 66% of pre-crisis levels, with India and Russia contributing to approximately 30% of arrivals during this period. Towards the latter part of the year, arrivals stabilised, with daily arrivals

averaging to 7,000 in the final quarter. However, the recovery rate of arrivals in the financial year 2023/24 was 76% of pre-crisis levels. Similarly, tourism receipts and per-tourist spending too remained significantly down compared to pre-crisis levels, falling by 41% and 22%, respectively.

The upsurge in tourism during the latter part of the year can be attributed

to several initiatives put in place by the authorities. Among those, offering visa-free travel to certain nationalities has greatly contributed to shaping the current travel trends. The Sri Lanka Tourism Development Authority (SLTDA) also rolled out targeted destination marketing campaigns focusing on both traditional and emerging source markets. Additionally, global influencer endorsements and Sri Lanka's growing

reputation as a preferred travel destination worldwide have contributed to the optimistic outlook.

The steady influx of tourists and the resultant foreign income have been instrumental in strengthening Sri Lanka's foreign exchange reserves in the past period. However, building a robust and resilient tourism sector in the long term necessitates targeted policy action, significant infrastructure enhancements, and strengthening of the industry's resource capabilities.

In line with country arrival trends, the Leisure sector of the Group experienced a slow start to the year due to the delayed recovery in its primary source markets, leading to yearly occupancy rates of 47% and 49% for Pegasus Reef Hotel and Giritala Hotel respectively. One of the key source markets, China, performed below expectations, prompting us to focus on strengthening our partnerships with agents in Europe and other emerging markets. Although the performance in the MICE (Meetings, Incentives, Conferences, and Events) sector was encouraging, we encountered decreased demand, particularly for wedding receptions, as a result of external market factors such as reduced domestic spending.

### FINANCIAL PERFORMANCE

In the year under consideration, the sector achieved a revenue of Rs. 927.4 Mn, with a 29% year-on-year increase. Despite the high-cost environment, the Leisure sector implemented diligent cost management strategies. Importantly, the Leisure sector successfully decreased its financial leverage, which helped it lessen the burden of interest expenses on the bottom line. By the end of the year, the Net Debt dropped by 53% year-on-year to Rs. 84.1 Mn. This reduction was primarily attributed to the

settlement of Equity Hotels Limited's borrowings through the rights issue proceeds.

Loss before tax for the year decreased by 31% compared to the prior year, with the sector achieving a cash breakeven position in the financial year 2023/24. Total segmental assets as of 31st March 2024 stood at Rs. 3.05 Bn.

### FUTURE OUTLOOK

In recent years, the Leisure sector deployed its cash reserves to offset losses, resulting in the postponement of significant business development projects. However, with the sector now experiencing promising tourism growth and improved business conditions, plans are underway to reinvest its cash flows in a phased approach to these projects. Within the Leisure sector, we are committed to consistently enhancing our service standards, strengthening our resources, and providing superior offerings to all our valued guests. One of our key focuses is to revamp the beach offerings at Pegasus Reef Hotel (PRH) through a beach activation plan. Additionally, we are gearing up to renovate PRH's main restaurant in the near future with a focus on exclusivity and enhancing the guest experience. We also remain focused on introducing a diverse range of experiences and events tailored to appeal to a broad spectrum of guests.

A strong and resilient tourism sector is a prerequisite for business growth in the Leisure sector. With a focus on driving guest value, the sector will make strategic investments, whilst rigorously prioritising expense discipline and operational excellence.

Rs. **927.4** Mn

Leisure - Revenue

Leisure - Total Assets

Rs. **3.05** Bn

Freehold Land Bank

**5.87** Hectares

Total Land Bank

**11.9** Hectares

## Management Discussion & Analysis – Sector Reviews

### REAL ESTATE



**Our investment properties are well-positioned to capitalise on the industry's positive momentum...**

#### **BUSINESS CONTEXT**

Sri Lanka's commercial property sector faced considerable headwinds during the year under review. Particularly, high construction costs remained a significant hurdle, which will possibly impact new developments given the extended payback periods in a subdued business environment. Moreover, commercial property establishments encountered various market challenges,

including escalating operational expenses such as insurance, repair and maintenance, as well as challenges in staff retention and recruitment. Additionally, capital expenditures continued to rise, straining the sector's growth potential.

On the business front, the widespread transition to remote work has resulted in a decreased need for commercial

real estate. Certain corporates resorted to downsizing on-site staff or switching to hybrid work setups, causing higher vacancy rates and lower demand for traditional office spaces. As a result, property owners were compelled to adjust to such evolving conditions by providing more flexible leasing arrangements and reconfiguring spaces to accommodate hybrid work environments.



Amidst a difficult industry backdrop, occupancy levels of our properties increased from 74% to 80%. The increase in occupancy rates, coupled with upward adjustments to rental rates, supported the growth of the Real Estate sector's topline during the year.

With the uptrend in key economic indicators and the gradual recovery of businesses, the immediate outlook of the real estate leasing sector has improved with renewed interest in inquiries. However, sustaining this progress over the medium term remains debatable since larger macroeconomic challenges continue to persist.

### FINANCIAL PERFORMANCE

The Real Estate sector's revenue reached Rs. 323.6 Mn during the year under review, an 18% increase over the prior year. The sector achieved a profit before tax of Rs. 638.5 Mn. The valuation of the sector's investment properties as of 31 March 2024 resulted in a fair value gain of Rs. 386.3 Mn, which strengthened the profits.

### FUTURE OUTLOOK

New mega real estate projects are redefining the Colombo skyline, pushing the real industry to new heights. This transformation has also intensified competition among market players, compelling them to enhance their service quality and efficiencies to stay ahead. Such developments will nonetheless drive overall progress in the country's real estate industry alongside the evolving economic landscape.

The gradual revival of the tourism industry is expected to have a favourable impact on the economy and related sectors such as real estate. Advances in infrastructure projects will improve accessibility and connectivity, making certain real estate properties

more appealing for development and investment. This, in turn, will contribute to the country's real estate market expansion.

Our investment properties are well-positioned to capitalise on the industry's positive momentum. Our approach is built on delivering exceptional service, prime locations, and competitive pricing, setting us up for success within the industry.

We are currently assessing the potential refurbishment of our property located at Dharmapala Mawatha, Colombo 07. This upgrade aims to enhance the offerings available to tenants and solidify our status as contemporary property in the area, ensuring that we stay competitive within our market segment. With our strategies aligned with the positive market trends, we expect to experience continued growth and improve our position in the market in the years to come.

# 80%

Occupancy of  
Investment Properties

Valuation gain on  
Investment Properties

# Rs. 386.3 Mn

Real Estate - Revenue

# Rs. 323.6 Mn

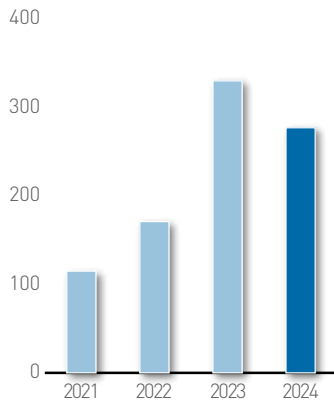
Real Estate - Profit Before Tax

# Rs. 638.5 Mn

## Management Discussion & Analysis – Graphical Financial Review

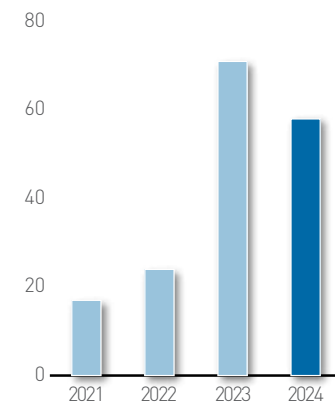
### Revenue

Rs.Bn



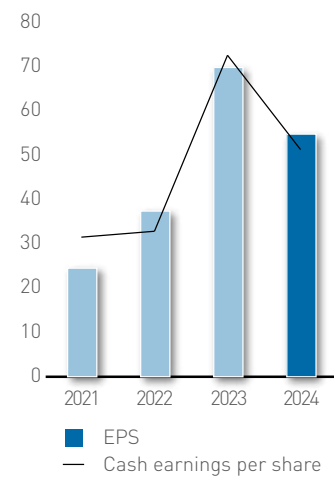
### EBITDA

Rs.Bn



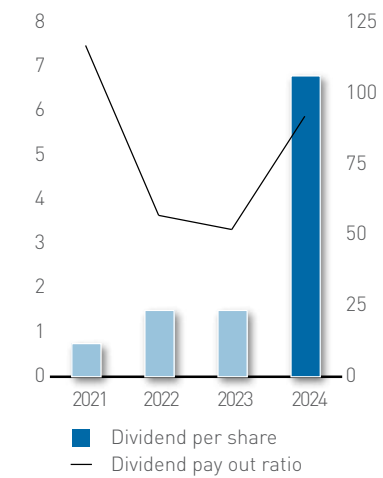
### Earnings per share vs Cash earnings per share

Rs.



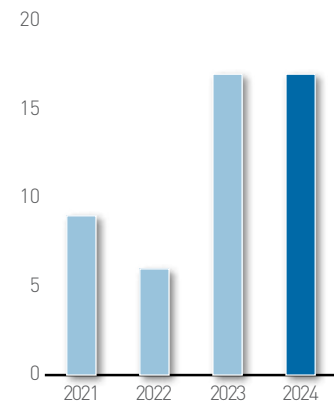
### Dividend per share vs Dividend pay out ratio

Rs.



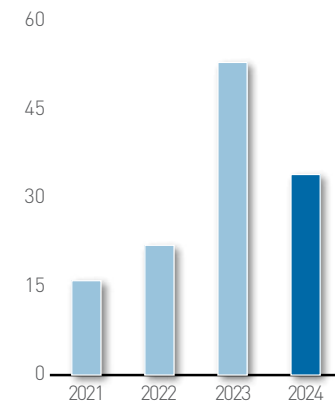
### Capital Expenditure

Rs.Bn

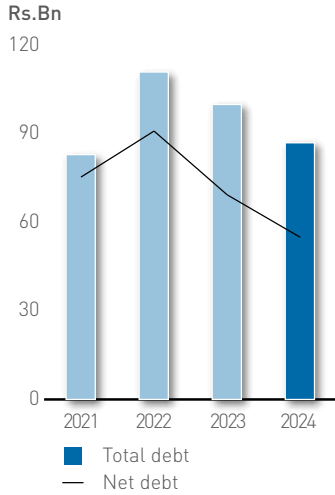


### Operating Cash Flow

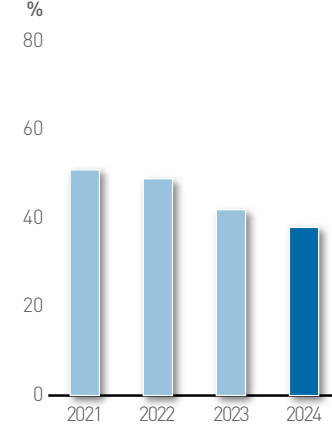
Rs.Bn



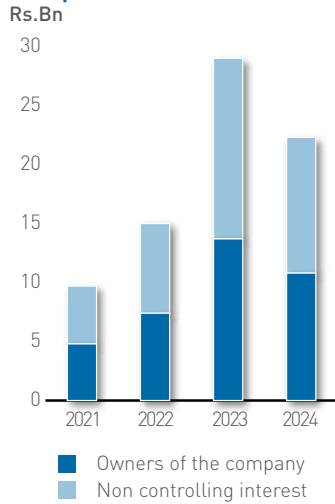
### Total debt vs Net debt



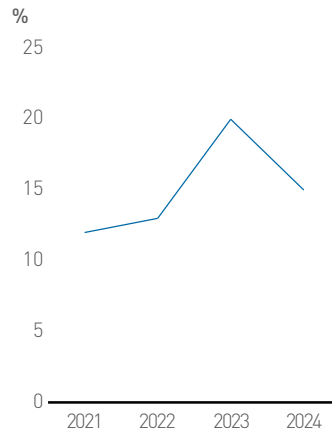
### Gearing ratio



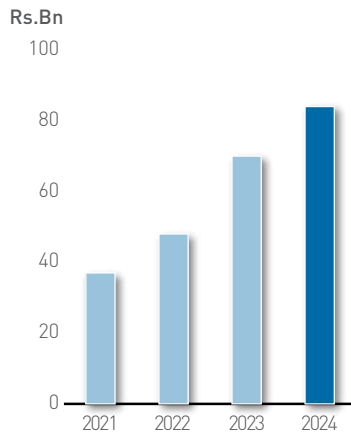
### Net profit distribution



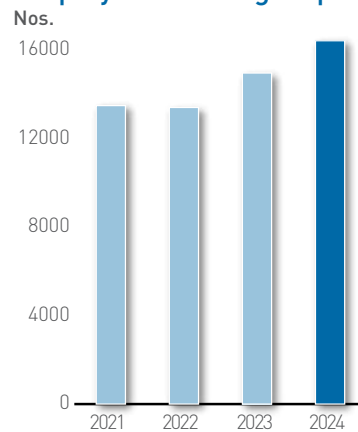
### Return on ordinary shareholders' funds



### Total taxes to the Government of Sri Lanka



### Employees of the group



## Management Discussion & Analysis – Financial Review

### OPERATING CONTEXT

The Sri Lankan economy demonstrated notable improvement in key economic indicators during the financial year ended 31 March 2024, with its adherence to stringent reforms and policies under the International Monetary Fund - Extended Fund Facility (IMF-EFF) programme. As the operating environment evolved, Carson Cumberbatch PLC (The Group - Company and its Subsidiaries) faced both opportunities and challenges in its business operations, which we effectively navigated through our group's diversified strength.

Encouraged by the Central Bank of Sri Lanka's (CBSL) relaxed monetary policies and softening inflation, Sri Lanka's GDP growth turned positive in the third quarter of 2023, ending a period of contraction. Growth was recorded in the Services, Industries, and Agriculture sectors. However, on an annual basis, GDP still contracted by 2.3% in 2023.

Starting in June 2023, the CBSL began easing its monetary policy. By the end of the financial year on 31 March 2024, it had reduced the Standing Deposit Facility Rate and Standing Lending Facility Rate by seven percentage points to 8.50% and 9.50%, respectively. Government securities rates, along with commercial bank lending and deposit rates, also decreased significantly by the end of the financial year. Inflation settled within the target mid-single digits, enhancing confidence in broader price stability.

In terms of external sector performance, the Sri Lankan rupee appreciated by 7.6% against the US dollar up to 28 March 2024 and also strengthened against other major currencies such as the euro, pound sterling, Japanese yen, Indian rupee, and Australian dollar. This exchange rate stability and foreign currency availability allowed businesses to plan with greater confidence. Meanwhile, gross official reserves saw improvement throughout the year. The merchandise trade deficit contracted

to one of its lowest levels in 15 years due to reduced expenditure on imports. Worker remittances reached USD 6.0 Bn, and tourism earnings hit USD 2.1 Bn, bolstering the gross official reserves, a trend expected to continue.

In Indonesia, inflation continued to impact the cost base of our plantation operations. Furthermore, the palm oil industry in Indonesia saw an increase in production volumes of CPO (Crude Palm Oil) and PKO (Palm Kernel Oil) compared to the previous year. Local palm oil consumption also rose notably due to the government's promotion of a palm oil-based biodiesel program. However, earnings from palm oil exports dropped by 23%, mainly due to a significant decline in average palm oil prices in 2023, despite relatively stable export volumes.

Amid challenging operating conditions in various regions, our Group entities achieved commendable performance, as detailed in the following sections.

### GROUP REVENUE

The Group posted a consolidated revenue of Rs. 277 Bn for the financial year ended 31 March 2024, recording a decrease of 16% compared with the previous year (year-on-year/ YoY). The contribution to the Group revenue from each segment is as outlined below:

Revenue - Rs. 000	FY 2023/24	% Contribution	FY 2022/23	% Contribution	% Change
Oil Palm Plantations	106,763,428	38.53%	149,508,063	45.24%	(29%)
Oils and Fats	54,478,750	19.66%	81,695,092	24.72%	(33%)
Beverage	112,235,839	40.51%	97,041,354	29.37%	16%
Portfolio and Asset Management	2,289,997	0.83%	1,110,112	0.34%	106%
Leisure	927,369	0.33%	719,766	0.22%	29%
Real Estate	323,589	0.12%	274,358	0.08%	18%
Investment Holdings and Management Services	57,543	0.02%	109,945	0.03%	(48%)
Group	277,076,515	100.00%	330,458,690	100.00%	(16%)

## SEGMENT PERFORMANCE REVIEW

### Beverage

The Beverage segment, which comprises Ceylon Beverage Holdings, Lion Brewery and their subsidiaries, emerged as the largest contributor to the Group revenue, accounting for 41% of the total consolidated revenue. Its revenue reached Rs 112.2 Bn for the current financial year, recording a 16% increase compared with the prior year. The revenue increased primarily due to price hikes triggered by the excise duty, which was increased three times during the year, and the volumes dropped marginally due to the price hikes. At present, taxes comprises around 69% of the price paid by the consumer. However, Lion Brewery (Ceylon) PLC strived to maintain consumer affordability and mitigate a steeper decline in sales volumes by introducing the 500ml returnable glass bottle for both Lion Strong and Carlsberg Special Brew at a price 15%-20% lower than the 625ml bottle and 500ml can SKUs.

The segment's international business achieved 20% export volume growth with strong performance in all key markets. During the financial year, the Beverage sector focused its marketing efforts on three key regions—Africa, the Middle East, and South Asia—to capitalise on their market potential, which resulted in export growth.

### Oil Palm Plantations

This business segment representing oil palm cultivation and milling operations in Indonesia was the second-highest revenue contributor, accounting for 39% of the Group's revenue. The segment posted a revenue of USD 336.1 Mn (FY 23: USD 417.1 Mn), which translated to Rs. 106.8 Bn for the year under review. Compared to the prior year, segment revenue posted a decline of 29% due to the compound impact of the lower sales volumes and average selling price of Crude Palm Oil (CPO), 11% and 9%, respectively. The CPO average monthly price for the year was MYR 3,826 (as reflected in the Bursa Malaysia), down 8% from the previous year's monthly average. However, the YoY price decline in the first quarter was more than 40%, leading to lower revenues for the period. Additionally, the appreciation of the LKR against the USD during the year also contributed to the lower revenue in LKR terms.

### Oils and Fats

This segment based in Malaysia is engaged in manufacturing, marketing, and selling refined oils and specialty fats to the bakery, chocolate and confectionery, ice creams and creamer industries, and cooking oil products for end consumers. Accounting for 20%

of the Group's revenue, this segment generated USD 171.3 Mn (FY 23: USD 229.8 Mn) in revenue, translating to Rs. 54.5 Bn. Revenue was down by 26% and 33.3% in USD and Rupee terms, respectively, compared to the year. This segment relies on Palm Kernel as its primary raw material, and the price of palm kernel remained relatively stable at around MYR 2,000 during the year. However, palm kernel prices dropped significantly, particularly in the first half of the year, by an average of 20% compared to the prior year's first-half-average monthly prices. Despite a 6% increase in volume, the revenue declined mainly due to the considerably lower prices and the impact of the LKR appreciation against the USD during the year.

### Portfolio and Asset Management

The segment's revenue reached Rs. 2.3 Bn, marking a substantial 106% increase from the previous year. Interest income for the year totalled Rs. 1.1 Bn, reflecting a significant 62% growth compared to the preceding year. Although interest rates sharply declined throughout the financial year, the segment achieved higher interest income from long-term fixed deposits invested when market interest rates were higher.

## PROFIT FROM OPERATIONS

The Group reported an operating profit of Rs. 47.5 Bn, compared to the prior year's Rs. 59.3 Bn—a 20% decline attributable to the decrease in revenues primarily due to external market shocks as discussed in the preceding section. In this context, diligent cost management initiatives were rolled out across all business sectors to maximize efficiencies, The segmental contribution to the Group's operating profit is presented below.

Profit from Operations - Rs. 000	FY 2023/24	% Contribution	FY 2022/23	% Contribution	% Change
Oil Palm Plantations	27,977,639	58.91%	41,507,569	70.05%	(33%)
Oils and Fats	2,167,383	4.56%	3,825,150	6.46%	(43%)
Beverage	15,476,787	32.59%	13,280,301	22.41%	17%
Portfolio and Asset Management	1,883,893	3.97%	816,840	1.37%	131%
Leisure	(85,931)	(0.18%)	(144,977)	(0.24%)	(41%)
Real Estate	173,873	0.37%	143,690	0.24%	21%
Investment Holdings and Management Services	(104,508)	(0.22%)	(170,923)	(0.29%)	(39%)
Group	47,489,136	100.00%	59,257,650	100.00%	(20%)

## Management Discussion & Analysis – Financial Review

The Beverage segment's operating profit for the year improved by 17% to Rs. 15.5 Bn from Rs. 13.3 Bn the previous year. In addition to export revenue growth, this improvement stemmed from several cost optimization efforts. Production overhead costs were reduced, and the margins improved due to coordinated and focused cost-reduction efforts all while maintaining our commitment to quality. These led to overall cost savings of around Rs. 875 Mn during the year and strengthened the operating profitability. Further, decreases in production cost due to rupee appreciation over the corresponding year contributed to the profitability growth of the sector,

The Oil Palm Plantations segment achieved an operating profit of Rs. 28 Bn, although it decreased by 33% compared to the previous year's Rs. 41.5 Bn. Its operating profit has been impacted by the 29% drop in its revenue, as explained in the preceding section. Cost of sales dropped significantly, consequent to the decreased CPO and CPKO production by 9% and 5%, respectively. The lower production was driven mainly by the reduced fresh fruit bunch (FFB) intake from out-growers. On the other hand, the segment witnessed a 1% increase in internal FFB production and a 4% increase in CPO production. Thus, costs of harvesting and plantation

maintenance, processing (milling), and depreciation and overheads remained relatively stable compared to the prior year. Similarly, the Oils and Fats segment also experienced a 43% decline in operating profitability, mainly due to a 33% revenue decrease.

The Portfolio and Asset Management segment reported a significant operating profit of Rs 1.9 Bn, compared to Rs 817 Mn the previous year. This profit was driven by the growth in interest income on fixed deposits, which amounted to Rs 1.1 Bn (compared to Rs 694 Mn in FY23), and gains on disposal of its investments of Rs 660 Mn (compared to a loss of Rs. 89 Mn in FY23).

The Leisure segment significantly reduced its prior year's operating loss by 41%, from Rs. 145 Mn to Rs. 86 Mn in the year under review. Revenue growth of 29% significantly contributed to the segment's improved performance on the back of higher occupancy.

### NET FINANCE EXPENSES AND NET DEBT

The Group saw a significant decrease in its net finance costs by 14% to Rs. 12.6 Bn, from Rs 14.5 Bn in the prior year. Significant loan settlements across all segments and declining interest rates, particularly concerning

the segments based in Sri Lanka, contributed to the decrease in interest costs. Additionally, the appreciation of the Sri Lankan Rupee against the US Dollar in the latter half of the year also contributed to the lower financial cost.

The Group's total gross debts amounted to Rs. 87.2 Bn, down from Rs. 100 Bn in the prior year. The gross debts of the segments outside of Sri Lanka were Rs. 76 Bn recorded, a 14% decrease from Rs. 88 Bn of the prior year. In USD terms, gross debts of the overseas segments stood at USD 251 Mn, down from USD 270 Mn, marking a 7% YoY decrease, primarily due to net settlements of USD 31 Mn. The reduction in the gross debt in rupee terms is higher than that of USD due to the impact of the appreciating LKR exchange rate.

The Group's net debt decreased by 22% YoY to Rs. 45.8 Bn from Rs. 58.3 Bn in the previous year. The reduction was attributed to loan settlements, while cash balances remained at the same levels as last year. The Beverage segment closed in at a net cash position of Rs. 5.1 Bn. The Portfolio and Asset Management segment also held significant cash balances, resulting in a net cash position. The net debt segmental analysis is as presented below.

Net debt/(cash) - Rs. 000	FY 2023/24	% Contribution	FY 2022/23	% Contribution	% Change in Net Debt
Oil Palm Plantations	43,795,275	95.66%	50,851,689	87.12%	(14%)
Oils and Fats	7,946,883	17.37%	8,890,969	15.24%	(11%)
Beverage	(5,112,545)	(11.17%)	(2,036,996)	(3.49%)	151%
Portfolio and Asset Management	(2,205,928)	(4.82%)	(1,007,607)	(1.73%)	119%
Leisure	84,119	0.18%	178,169	0.31%	(53%)
Real Estate	(213,722)	(0.47%)	(173,214)	(0.30%)	23%
Investment Holdings and Management Services	1,489,271	3.25%	1,664,763	2.85%	(11%)
Group	45,783,353	100.00%	58,367,773	100.00%	(22%)

## PROFIT BEFORE TAX (PBT)

PBT is calculated by adjusting the operating profit by net finance costs, the share of the equity-accounted investee's results, and changes in the fair value of investments in equity and debt securities, investment properties, and biological assets. PBT for the year under review was Rs.37.3 Bn, down from Rs. 42.4 Bn in the prior year due to the impact of the revenue decrease.

The biological assets, which represent the unharvested crops in the oil palm plantations, had a positive fair value gain of Rs 188 Mn at the end of the financial year compared to the significant fair value loss of Rs 3.7 Bn recognised in the prior year. This fair

value gain boosted the PBT for the year, as a fair value loss similar to the preceding year would have further reduced the lower operating profit for the year. A significant fair value gain of Rs. 1.9 Bn from the mark-to-market valuation of the investment portfolio also boosted the Group's PBT. Additionally, the investment properties of the Group contributed to the PBT with a fair value gain of Rs. 391 Mn.

## CORE PROFIT

Core profit refers to the profits generated from the Group's primary business activities, excluding accounting adjustments made mainly to account for fair value changes due

to market price movements of financial assets or liabilities. These adjustments reflect changes in the fair market value of the assets and liabilities without impacting the Group's cash or cash equivalents.

The Group reported a core profit of Rs. 34.6 Bn for the current financial year, recording a 24% decrease from Rs. 45.5 Bn in the prior year. The reduced PBT for the year, stemming from the drop in revenue, largely contributed to the lower core profit, which was further impacted by the higher fair value gains on financial assets, which doubled that of the prior year.

Adjusted core profit of the Group (Rs. '000)	FY2023/24	FY2022/23
Profit/(loss) Before Tax	37,378,454	42,433,522
Adjustments to arrive at the core profit		
Impairment of business assets	(291,063)	353,229
Foreign exchange (gains)/losses	(61,148)	507,410
Change in fair value of investment properties	(390,581)	(578,712)
Change in fair value of biological assets	(188,414)	3,696,464
<b>Adjusted core profit before FVTPL fair value adjustments</b>	<b>36,447,248</b>	<b>46,411,913</b>
Change in fair value of fair value through profit or loss financial assets	(1,880,387)	(923,001)
<b>Adjusted core profit</b>	<b>34,566,861</b>	<b>45,488,912</b>

## CAPITAL EXPENDITURE

The Group continued to invest in property, plant and equipment, bearer plants, intangibles and other assets to strengthen and enhance the profitability and sustainability of the group entities. Total capital expenditure for the year

amounted to Rs. 16.9 Bn, compared to Rs. 17.4 Bn in the prior year. Oil Palm Plantations accounted for 59% of the total expenditure, followed by the Beverage and Oils and Fats segments, with 33% and 7%, respectively. The Group allocated nearly 53% of its cash

generated from operating activities during the year to finance the capital expenditure.

## Management Discussion & Analysis – Financial Review

Cash Utilisation (Rs. Mn)	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20	Total
<b>Cash Inflows</b>						
Net Operating Cashflow	33,554	52,520	21,591	16,106	5,316	129,087
Cash Inflows from Investing Activities	1,063	3,827	1,773	681	451	7,795
Cash Inflows from Financing Activities	70,126	7	60	2,537	50,050	122,780
Total Inflows	104,743	56,354	23,424	19,324	55,817	259,662
<b>Cash Outflows</b>						
<b>Investing Activities</b>						
Purchase and construction of Property, Plant and Equipment, biological assets, intangible assets/ prepaid lease payments	(16,601)	(16,236)	(10,815)	(7,471)	(7,183)	(58,306)
Other Investing Activities	(3,499)	(4,880)	(693)	(41)	(1,227)	(10,340)
Total Outflows from Investing Activities	(20,100)	(21,116)	(11,508)	(7,512)	(8,410)	(68,646)
<b>Financing Activities</b>						
Repayment of borrowings, finance lease creditors and net decrease in noncontrolling interest	(77,087)	(22,495)	(6,490)	(4,322)	(49,222)	(159,616)
Dividends Paid (including Preference Dividends)	(543)	(2,465)	(1,322)	(549)	(453)	(5,332)
Total Outflows from Financing Activities	(77,630)	(24,960)	(7,812)	(4,871)	(49,675)	(164,948)
Total Cash Outflows	(97,730)	(46,076)	(19,320)	(12,383)	(58,085)	(233,594)
Change in Cash Balance	7,013	10,278	4,104	6,941	(2,268)	26,068
Opening Cash Balance	15,401	5,123	1,019	(5,922)	(3,654)	(3,654)
Closing Cash Balance	22,414	15,401	5,123	1,019	(5,922)	22,414

### DIVIDENDS

The shareholders received a dividend of Rs.6.80 per share (DPS) for the financial year 2023/24 when the board of directors approved the payment of two interim dividends for the financial year under review. The first interim dividend of Rs. 2.10 per share was paid in June 2023, followed by the second interim dividend of Rs. 4.70 paid in June 2024, distributing a total of Rs. 1.3 Bn to the shareholders.

Carsons Management Services Private Limited  
16th July 2024



# Sustainability Report

## SUSTAINABILITY INTEGRATION INTO THE CORPORATE MODEL

At Carson Cumberbatch PLC, sustainability is deeply ingrained in our corporate culture, guiding our strategic decision-making and long-term value creation. For us, Environmental, Social, and Governance (ESG) initiatives are not merely compliance requirements but integral drivers of innovation, risk mitigation, and competitive advantage. By embedding these principles across our broader operations, we aim to build a resilient business model that delivers sustainable returns while leaving a lasting positive social and environmental footprint.

## OUR APPROACH TO ESG

Through rigorous materiality assessments conducted across our diverse sectors, our group is pursuing an ambitious sustainability agenda, focusing on ESG goals that are most significant for our operations.

Within our environmental commitments, we place significant emphasis on biodiversity and landscape conservation, climate action transition plans, and contributions towards a circular economy through sustainable waste management practices. Additionally, we prioritise environmental compliance to ensure that our operations rigorously align with the regulations and standards. In the realm of social considerations, our focus extends to a diverse range of community development projects that support broader causes, including education, health and wellness programmes, and other efforts aimed at enhancing societal well-being. Most importantly, building sustainable businesses is about how we value and nurture our employees. To this end, we have dedicated substantial investments to enhancing the well-being and growth of our employees, placing a strong focus on developing our human capital. In recent years, our businesses have spearheaded numerous impactful environmental and social projects. These endeavours will be comprehensively detailed in the latter part of our review.

Our governance framework ensures that our business operations adhere to the highest standards of risk management, compliance and ethical practices. In line with this approach, we have integrated comprehensive risk assessments, reporting standards, robust compliance frameworks and transparent stakeholder engagement across our business operations, as part of our good governance practices.

Through focused efforts, our group has achieved significant milestones in its sustainability journey over the recent years. A notable example is our Oil Palm Plantations sector, securing an impressive 9th place in the 2023 SPOTT ranking with a 5.4% increase in scores from 2022. The Zoological Society of London's (ZSL) SPOTT initiative evaluates 100 palm oil producers, processors, and traders on their public disclosure of organisational policies and ESG practices. Hence, this recognition exemplifies our group's approach to robust ESG stewardship with greater accountability and transparency.

## Sustainability Report

### WAY FORWARD

Our major business sectors currently operate with dedicated ESG steering committees that provide sustainability oversight and periodically review progress against established targets. Moving forward, our strategic focus remains on embedding sustainability deeper into our business model by developing a comprehensive Group-level ESG roadmap. This will provide further impetus to our ambitious long-term ESG goals, with a structured approach to sustainability leadership, regulatory compliance and active stakeholder engagement.

In June 2023, the International Sustainability Standards Board (ISSB) introduced its first global baseline for sustainability reporting: IFRS S1 for General Requirements for Sustainability-Related Financial Information and IFRS S2 for Climate-Related Disclosures. Partnering with the ISSB, the Institute of Chartered Accountants of Sri Lanka has released localised versions, SLFRS S1 and SLFRS S2, which will be effective from January 1, 2025. By aligning our ESG disclosures with these benchmarks, we aim to strengthen our ESG reporting for our stakeholders, elevating our overall sustainability practices.

### ENVIRONMENTAL

As a part of our long-term environmental agenda, we have launched impactful projects across three key domains:

1. Biodiversity and Landscape Conservation
2. Transitioning to a Low-Carbon Economy
3. Moving towards a Circular Economy.
4. Environmental Compliance

These initiatives are driving significant progress in our sustainable commitments.

#### 1. BIODIVERSITY AND LANDSCAPE CONSERVATION PROJECTS

The Group is dedicated to implementing robust practices aimed at protecting and restoring ecosystems across all operational countries, ensuring the preservation of biodiversity and natural habitats. Each sector within the Group actively contributes to this mission through the implementation of customised action plans. These collective efforts fulfil our responsibility to safeguard the environment for future generations.

#### 1.1 25-year Landscape Conservation Project in the Oil Palm Plantations Sector

With its extensive landholdings, the Oil Palm Plantations sector of the group is committed to preserving a 4,475-ha forested area outside its concessions in Nabire Regency, Papua, as part of its Roundtable on Sustainable Palm Oil (RSPO) commitment. To this end, Goodhope (GAHL) has embarked on a 25-year strategic project encompassing a comprehensive compensation plan for external areas and a robust remediation plan to protect High Conservation Value (HCV) and High Carbon Stock (HCS) forests within its concessions. Additionally, Goodhope GAHL is driving sustainable business development in collaboration with local communities, engaging them in conservation management and monitoring activities. These strategic efforts not only maintain biodiversity and ecological balance but also empower local communities, reinforcing our dedication to landscape conservation and sustainable agricultural practices.



Of the above phases, the implementation phase began in the financial year 2023/24. It focused on key activities across three strategic areas: implementing ecosystem enhancement activities through a compensation plan, managing and monitoring High Conservation Value (HCV) and High Carbon Stock (HCS) areas under a remediation plan, and fostering sustainable business development initiatives within the community.

**Progress of the Implementation Stage in FY 23/24**

Remediation Plan	Compensation Plan	Community Engagement
<ul style="list-style-type: none"> <li>• 3 nurseries were established in Sima Village and Wagi Beach, with 1,829 seedlings prepared for restoration and expansion.</li> <li>• 3,504 forest plant seedlings were purchased for 2024 planting.</li> <li>• River boundary marking began in October 2023 to enhance riparian protection.</li> </ul>	<ul style="list-style-type: none"> <li>• 107,581.66 ha in Nabire Regency was designated as Key Ecological Ecosystem (KEE) to preserve biodiversity and support sustainability.</li> <li>• Implemented regular patrols and ecosystem restoration activities in Sima and Wanggar Pantai villages</li> <li>• Enhanced community engagement with KEE information board installations.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitated alternative business development in agriculture, non-timber forest products, and ecotourism.</li> <li>• Empowered local groups through capacity-building initiatives such as the Papuan Leader Bootcamp, fostering sustainable practices and economic resilience.</li> </ul>

# Sustainability Report

## 1.2. Fire Prevention and Preparedness

Deforestation and forest degradation are critical threats to a sustainable agricultural future. Our plantations have actively addressed these challenges by implementing a comprehensive array of fire prevention measures aimed at mitigating the risks of land fires. These initiatives, outlined below, are crucial for preserving the integrity of our landscapes and natural habitats.

- Implemented multiple measures to ensure adequate resources for addressing land fires in plantations.
- Enhanced early-warning and fire detection system.
- Implemented hotspot monitoring system which provides rapid alerts to fire response teams.
- Constructed several fire monitoring towers.
- Utilised drones for anticipatory monitoring of land fires.
- Identified and mapped high-priority areas in FY23/24.
- Provided training and conducted regular fire drills for team preparedness.

- Engaged with community and government stakeholders to ensure awareness and support.

## 1.3 Protecting Coastlines

In preserving coastal ecosystems, our group actively participates in beach conservation projects. For example, our Beverage sector has teamed up with dedicated organisations to support coastal conservation initiatives. We proudly back “Wana Arana” project, in beach cleanup efforts from Mount Lavinia to Welawatta, and collaborate with “Clean Ocean Force” to empower local families conducting cleanups in Negombo. In addition, our partnership with the Negombo Hoteliers Association further drives local beach cleanup projects. Meanwhile, our Leisure sector supports these endeavours, engaging in regular beach cleanup activities with its staff.

## 1.4 Other Landscape Conservation Projects

The group’s other landscape conservation efforts extend to tree-planting initiatives such as the “Prana Project” led by the Leisure sector and the Beverage Sector’s tree-planting initiatives in collaboration with ‘Machang’ restaurant chain, which

marked the first step in involving trade partners in conservation activities. Additionally, the Beverage sector has launched a community based waste segregation programme, providing waste segregation bins made from recycled materials generated in its manufacturing process. Twelve such units have been deployed over this period, promoting sustainable waste management practices and minimising environmental impact.

## 2. TRANSITIONING TO A LOW CARBON ECONOMY

To address the pressing environmental concerns across the world, our group has embarked on a strategic shift towards a greener economy. At the heart of this transformation is a focused endeavour to decrease greenhouse gas emissions (GHG) and lower the usage of electricity, water, and fuel across operational areas. Through the implementation of specific projects and cutting-edge technologies, our goal is not only to comply with regulations but also to lead the way in sustainable techniques that improve operational effectiveness and environmental responsibility.



## 2.1 Electricity, Water & Fuel Consumption – Progress Made in FY 2023/24

Metrics	Year-on-Year % Change
<b>Oil Palm Plantations &amp; Oils &amp; Fats Sector</b>	
Electricity Consumption (kWh)	-6%
Diesel Usage (Litre per Tonne of FFB processed)	-13%
<b>Beverage Sector</b>	
Electricity Consumption (kWh per Hectolitre)	-1%
Furnace Oil Consumption (Litre per Hectolitre)	-5%

In addition, the group's Oil Palm Plantations sector has taken a proactive approach to monitor GHG emissions by expanding its use of the RSPO PalmGHG Calculator (V.4 November 2019). This tool is utilised to estimate GHG emissions from various activities, including land-use change, oil palm cultivation, and the processing of Fresh Fruit Bunches (FFB) for palm oil production. The main objective of this monitoring effort is to identify potential opportunities to reduce GHG emissions and to track the progress in this reduction process.

## 2.2 Inaugural Biogas Project

In April 2023, the commissioning of the first Biogas plant at Sg. Binti Mill marked a significant milestone for our low-carbon economy strategy. This plant is pivotal in reducing methane emissions from Palm Oil Mill Effluent (POME) by up to 85%, underscoring our commitment to environmental sustainability. By transitioning to biogas, we aim to diminish the Oil Palm Plantations sector's reliance on fossil fuels while embracing a cost-effective and sustainable energy solution.

## 3. MOVING TOWARDS A CIRCULAR ECONOMY

Our Group actively implements initiatives that prioritise



resource efficiency, waste reduction, and responsible by-product management. From upcycling and innovative recycling programmes to sustainable packaging solutions, we are committed to closing the loop across all operations and diverse sectors.

### 3.1. Waste and By-Product Management through Upcycling and Recycling

In the financial year 2023/24, the Beverage sector of the group converted 22,869 MT of material through re-use, recycling, and upcycling. The sector has partnered with various authorities, such as the Western Province Waste Management Authority, Sri Lanka Institute of Biotechnology, Sri Lanka Institute of Nanotechnology, and numerous private sector entities for several development initiatives. The "Melting Point" brand continued, focusing on upcycling Aluminium. As a notable initiative in 2023, the Lanka Premier League cricket trophy and player awards were crafted from damaged aluminium cans.

Similarly, the Oil Palm Plantations sector adopts an integrated approach that emphasises the reuse and recycling of 100% of organic waste generated. The primary waste products, including Empty Fruit Bunches (EFB), mesocarp fibres, palm kernel shells, and Palm Oil Mill Effluent (POME), are repurposed to enhance environmental sustainability and operational efficiency:

- Palm kernel shells and mesocarp fibres from FFB are utilised as biofuel for boilers in our mills, reducing reliance on fossil fuels and minimising waste.
- EFB undergo composting treatment to be used as organic fertiliser or applied as mulch. This contributes to weed control, soil erosion prevention, and moisture retention, thereby improving soil health and productivity.
- Treated POME is repurposed for land application, enriching soil quality and preventing water pollution by avoiding discharge into waterways.

## Sustainability Report

### 3.2. Sustainable Packaging

The group’s consumer-focused Beverage sector has embarked on an eco-friendly packaging initiative to minimise its environmental footprint. Under this initiative, performance for the financial year 2023/24 was as follows.

Key Metrics	FY 23/24
Returnable bottles as a % of total bottle volume	92%
Returnable plastic crate reutilisation	96%
Recycled materials purchased for bottles as a % of total material	32%
Recycled materials purchased for plastic crates as % of total material	56%

## 4. ENVIRONMENTAL COMPLIANCE

As a part of our commitment to sustainability, the Group has acquired the required environmental licenses and certificates across all its business operations. This ensures that the Group’s operations and value chain activities fully comply with stringent environmental regulations and standards, thus signifying its commitment to responsible and sustainable practices.

### 4.1. Roundtable on Sustainable Palm Oil (RSPO) Certificate

The group’s Oil Palm Plantations sector has been a member of RSPO since 2014. The RSPO certification ensures that palm oil is produced sustainably, meeting strict environmental and social standards. This certificate implies that RSPO-certified oil comes from plantations that adhere to guidelines set around the environment, workers, and local communities. According to the RSPO guidelines, oil palm producers must consider the following aspects in their environmental sustainability guidelines:

- 1) Soil conservation (preventing erosion and degradation)
- 2) Water quality and quantity
- 3) Greenhouse Gas Emissions
- 4) Energy use
- 5) High Conservation Value (HCV) and High Carbon Stock (HCS) areas
- 6) Fire prevention and management
- 7) Peatland management
- 8) Waste management
- 9) Effective Integrated Pest Management (IPM)
- 10) Pesticide use

The Oil Palm Plantations sector has developed its environmental sustainability guidelines by following these criteria, ensuring that we comprehensively meet RSPO standards and promote sustainable palm oil production.

### 4.2 ISO 14001 Certificate for Environmental Management Systems (EMS)

Our group has obtained ISO 14001 EMS certification across all sectors, reflecting our proactive approach to environmental management. These standards mandate the identification and control of environmental impacts, continual performance enhancement, and a commitment to environmental stewardship.

### 4.3 PROPER Certificate

The programme for Pollution Control, Evaluation, and Rating (PROPER), established by Indonesia’s Ministry of Environment, promotes industry compliance with environmental regulations; in the Oil Palm Plantation sector, three of our milling facilities have consistently complied with PROPER standards. We continue to adopt innovative practices in clean technology to enhance our environmental management plans and maintain high standards of environmental protection.

### 4.4. Marine protection Licenses

The Leisure sector of the group complies with the marine protection license and the annual permit for sea dumping. These licenses ensure that our activities comply with stringent regulatory standards, minimising the impact on marine ecosystems and coastal environments.



## SOCIAL

At the core of our group’s business is social responsibility. Across all sectors, we’re driving positive change through initiatives focused on empowering local communities through comprehensive educational support, enhancing rural infrastructure, and providing assistance to indigenous communities. Our employees remain at the forefront, where we actively foster strong employee relationships through a range of employee development initiatives with a focus on creating rewarding workplaces. Through targeted philanthropic efforts and economic contributions, we are committed to driving societal well-being. Our ultimate goal is to drive purposeful progress and positive change throughout our business ecosystem in the long term.

### 1. COMMUNITY DEVELOPMENT PROJECTS

Across our group, we have committed to a range of community development

initiatives through targeted programmes and partnerships. These initiatives aim to empower local communities by fostering sustainable livelihoods, improving access to education and healthcare, and promoting cultural preservation. By investing in these initiatives, we not only strengthen community resilience but also build long-term relationships based on trust and mutual benefit.

#### 1.1 Education Support

The Group has aligned its educational initiatives to empower future generations, positioning these efforts as a cornerstone of its long-term vision. By investing in comprehensive educational and training programmes and education support programmes, the Group aims not only to ensure a positive societal impact but also to cultivate a skilled and knowledgeable workforce. This dual approach enhances community engagement while fostering human capital for the company’s future growth.



#### Group Education Support Initiatives in FY 23/24

Oil Palm Plantations & Oils & Fats Sectors	Beverage Sector	Portfolio & Asset Management Sector	Leisure Sector
<p>Under “Bumi Nabire” project 101 smallholders received training and graduated in the year under review.</p> <p><b>Ongoing Key Projects</b></p> <ul style="list-style-type: none"> <li>Established in 2008, the Agro Harapan Foundation operates schools and daycare centres near plantations, providing a supportive learning environment for local children with the help of qualified educators.</li> <li>In Nabire, the Field School ‘Bumi Nabire’ plays a pivotal role in promoting sustainable conservation and development. It hosts training sessions for community groups to enhance knowledge on sustainable agricultural practices</li> </ul>	<ul style="list-style-type: none"> <li>Facilitated technical knowledge transfer for professionals and higher education students through field visits to the Brewery. In the FY 23/24, 32 field visits were organized, engaging 1,161 participants and providing 3,951 hours of specialized training.</li> <li>22 internships and 24 industrial training opportunities were provided to develop practical skills in the emerging workforce.</li> </ul>	<ul style="list-style-type: none"> <li>Implemented an investment trainee programme in collaboration with universities to nurture talent and offer employment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Partnered with leading hotel schools to provide industrial training opportunities for recent graduates.</li> <li>Provided educational support for employees’ children through school book donations under the “Nana Diriya” programme.</li> </ul>

#### 1.2. Ensuring the well-being of Indigenous communities in Nabire, Indonesia.

Under this impactful project aimed at empowering the Indigenous communities, the Oil Palm Plantations sector of the group has undertaken several initiatives such as;

- Formation of Forest Care Community Groups: Restoring ecosystems and promoting community participation.
- Ecosystem Monitoring Programmes: These programmes carry out risk assessments and monitor forest management in KEE areas.
- Establishment of Nursery Facilities: Enhancing ecosystem restoration and ensuring food security for residents.
- Sustainable Livelihood Business Models: Creating market-engaged sustainable business models.

# Sustainability Report

- Capacity Building and Training: Supporting women farmer groups, joint venture community development groups and fish processing and marketing groups.

### 1.3 Uplifting of the local communities in Vakarai

This collaborative project between the Real Estate and the Portfolio and Asset Management sectors of the group, in partnership with World Vision, aims to positively impact the local community in the Vakarai region of Sri Lanka. The project includes initiatives such as providing essential equipment and seeds to 25 farming families to support their livelihoods, enhancing sanitation facilities at Mathurankernykulam G.T.M. School by constructing new washrooms, and implementing a one-year mid-day meal programme to address child hunger and malnutrition.



### 1.4 Other Community Support Programmes

Across our business sectors, we are committed to ongoing Corporate Social Responsibility (CSR) initiatives that aim to uplift and support communities. These include range of projects such as distributing essential goods to families affected by natural disasters, organising regular blood donation drives, and providing support for cultural festivals in nearby communities. These regular projects demonstrate our dedication to achieving our business objectives while also prioritising the well-being of the communities around us.



## 2. EMPLOYEE DEVELOPMENT

At Carson Cumberbatch PLC, employee development is a strategic priority aimed at nurturing talent and fostering a culture of continuous learning and growth. To empower our workforce, we invest in comprehensive training programmes, leadership development initiatives, career advancement opportunities, and employee safety and well-being. Through these initiatives, we ensure that our employees are equipped to thrive in a dynamic business environment.

Our people are our most valuable asset. To foster a workplace environment that values openness and honesty, our emphasis has been on crafting a

comprehensive people strategy and Human Resource (HR) governance framework that places significant importance on critical employee concerns. Outlined below are the key pillars that form the foundation of our people strategy.

#### Enhance Employee Development Programmes

Expand and enhance employee training and development initiatives to foster continuous learning and skill enhancement.

#### Strengthen Leadership Development

Implement targeted leadership development programmes to cultivate a robust pipeline of future leaders.

#### Promote Diversity and Inclusion

Accelerate efforts to promote diversity and inclusion throughout the organisations, ensuring a supportive and equitable workplace culture.

#### Optimise HR Technology

Invest in and leverage advanced HR technology solutions to streamline processes, enhance operational efficiency, and support data-driven decision-making.

#### Sustainability Initiatives

Strengthen efforts towards sustainable practices and corporate social responsibility, aligning with global standards and community expectations.

## GROUP HUMAN CAPITAL STATISTICS - FY 2023/24

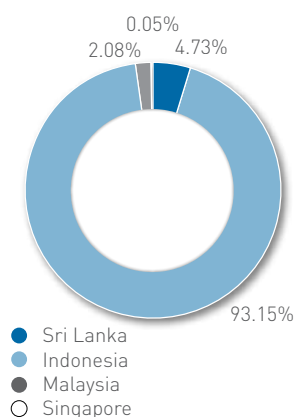
### Total Workforce by Region

	Sri Lanka	Indonesia	Malaysia	Other	Total
Directors	11	6	2	3	22
Managers	175	127	49	4	355
Executives	276	474	142	1	893
Non-Executives	314	14,691	148	0	15,153
Grand Total	776	15,298	341	8	16,423

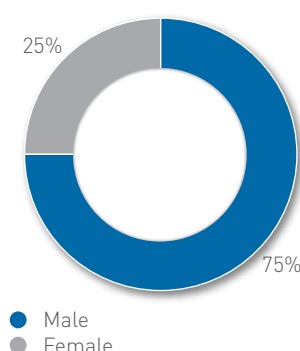
### Gender Diversity (As of 31<sup>st</sup> March 2024)

	Male	Female
Directors	19	3
Managers	297	58
Executives	635	258
Non-Executives	11,420	3,733
Grand Total	12,371	4,052

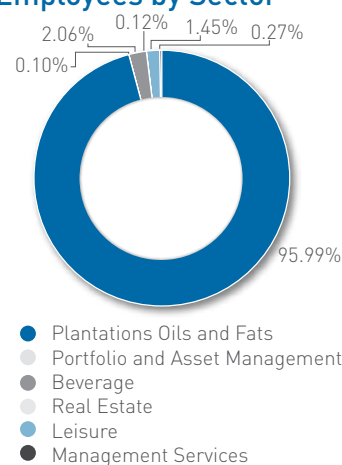
### Total Workforce by Country



### Gender Diversity



### Employees by Sector



## OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is a key priority within our Group Human Resource strategy. This highlights our commitment to safeguarding the well-being of our workforce and ensuring a safe, productive, and compliant work environment across all operations.

To uphold this commitment, we have implemented several strategic initiatives across all business sectors. These include obtaining necessary licenses for occupational health and

safety, conducting comprehensive audits to identify and mitigate high-risk areas, and proactively addressing potential hazards. Additionally, we provide extensive educational sessions on workplace safety, on-the-job safety training programmes, and fire training sessions. These measures collectively reinforce our dedication to creating a secure and supportive environment for our employees.

## TRAINING AND DEVELOPMENT

Training and development form the foundation of our organisation's achievements. We are committed to providing our employees with abundant opportunities for ongoing learning, career growth, and advancement. We offer well-defined career progression paths and mentorship programmes designed to enhance both the technical and interpersonal skills of our team members. Some of the significant sector-specific training initiatives conducted are as follows:

## Sustainability Report

Sector	Initiatives	Details
Oil Palm Plantations & Oils & Fats Sectors	Goodhope Talent Academy	The academy aims to cultivate young talent as future leaders through a structured programme that includes classroom and on-the-job training. Out of 2,600 applicants, 24 were selected—17 males and 7 females—primarily from North Sumatra and Yogyakarta, with additional participants from various operational roles. These individuals represent the next generation of plantation leaders for Goodhope in Indonesia.
Beverage Sector	“Tharanaya” Management Trainee Programme	In FY2023/24, 57 individuals advanced their careers through internal promotions, lateral moves, and one overseas placement.
	Executive Development Programme with Post-graduate Institute of Management (PIM)	An Executive Development Programme with PIM included 12 modules focused on industry-specific leadership skills, enhancing the sector’s strategic talent development efforts.
Leisure Sector	Hospitality Training Programmes	Emphasis on Customer Service Excellence, Food Safety and Hygiene, Effective Communication Skills, and Inventory Management through classroom and on-the-job training by external consultants and internal trainers.
Cross-Sector Training	Future-Oriented Training Sessions	Sessions on AI usage, IT Security Awareness, online safety threats, and other emerging digital advancements.

### EMPLOYEE ENGAGEMENT

Our Group places significant emphasis on fostering employee engagement as a crucial element of our HR strategy. Our engagement initiatives are designed to elevate productivity, improve employee retention, and enhance overall workplace morale. We are dedicated to nurturing effective leadership and management while cultivating a culture of inclusivity, collaboration, and appreciation where every employee feels honoured and respected. Moreover, we are committed to promoting a healthy work-life balance for our employees.

To boost employee morale and engagement, it’s crucial for us to actively seek and actively implement employee feedback through regular open forums. For instance, in the Beverage sector, we host dedicated open forums such as “CEO-Connect” and “Lion People Connect” to facilitate group discussions and understand our employees’ pulse.

Throughout the year, we meticulously planned and organised a wide range of engagement activities across all sectors to make our work environments more vibrant and engaging. These activities encompassed a spectrum of events such as team-building exercises, themed office engagement activities, annual get-togethers, competitive corporate events, fun-filled sports days, musical events, and annual staff trips.



### STAFF AND COMMUNITY WELL-BEING

Our Group prioritises the well-being of our employees by fostering a supportive environment that addresses their physical, mental, and emotional health. Our comprehensive well-being programmes include physical and mental health support, social interaction opportunities, financial wellness assistance, and physical fitness activities, all designed to enhance employee health and productivity.

As an ongoing major initiative in the Oil Palm Plantations sector, we operate 16 clinics staffed with 40 medical practitioners, providing essential healthcare services to 116,162 individuals across 71 villages near 13 plantations. These services encompass family planning, nutrition, immunisation, disease control, free medical screenings, and ambulance services, ensuring comprehensive health support for our communities and employees.

With a vision to cultivate the healthiest workforce in Sri Lanka by 2025, the Beverage sector strategically launched the "Lion We Care" employee wellness programme during the financial year 2023/24, observing increased participation in wellness activities. Key initiatives completed in the financial year 2023/24 year include mental health programmes, physical wellness programmes such as free medical camps and virtual step challenges to promote physical fitness, and active participation in events such as the Colombo Sugar Run, fostering a culture of health and wellness within our workforce.

Other employee benefits include health insurance covering OPD, hospitalisation, surgical, and critical illness needs, along with personal accident and life insurance policies. Furthermore, we are committed to providing ongoing support through medical seminars, webinars focusing on mental health awareness, a dedicated support line, and ergonomic programmes.

## DIVERSITY & INCLUSION

Across our group's businesses, Diversity, Equity, and Inclusion efforts are integral to our corporate strategy. Maintaining a commitment to gender equity, we have increased efforts to improve the female-employee ratio. Additionally, we have implemented several initiatives to enhance diversity and foster an inclusive culture, ensuring our workforce reflects the diverse communities we serve.

- **Promoting Diversity:** Actively promoting gender diversity and inclusion across all levels of the organisation. Our goal is to increase the representation of women and under-represented groups in leadership roles.
- **Equity Programmes:** Implementing equitable policies and practices to ensure fair treatment and opportunities for all employees.

- **Inclusive Culture:** Creating an inclusive workplace where all employees feel valued and respected, supported by regular training and awareness programmes.

## GOVERNANCE

Our Group's governance structures exemplify our commitment to upholding practices across our global operations. We are committed to developing comprehensive risk assessments, adhering to international standards and frameworks, and driving ethical excellence in our operations.

### 1. COMPREHENSIVE RISK MANAGEMENT FRAMEWORK

Our Group adheres a comprehensive risk management framework, encompassing Business Environment Risks, Strategic Risks, and Business Process Risks. This involves thorough risk assessments reviewed regularly by the Board Audit Committee and presented to the Board of Directors during annual and quarterly planning sessions. Across our businesses, we carry out periodic internal and external audits. A dedicated risk management report is disclosed in our annual report, highlighting our transparent and proactive approach to mitigating risks.

### 2. COMPLIANCE WITH STANDARDS & FRAMEWORKS

Our Group is steadfast in its commitment to adhering to all relevant standards and frameworks across our business operations, encompassing financial reporting and auditing standards, occupational health and safety, environmental compliance, food safety management, and data protection. This approach to compliance not only mitigates risks but also drives operational excellence, builds stakeholder trust, and reinforces our responsible business practices.

By closely aligning our ESG initiatives with global frameworks, we ensure our initiatives not only meet but exceed regulatory requirements. Moving forward, our main areas of focus include strengthening our ESG efforts through the implementation of a robust Group-level ESG governance framework and further streamlining our sustainability reporting to adhere to pertinent reporting standards and disclosures.

### 3. ETHICAL BUSINESS PRACTICES

Our Group is dedicated to embedding ethical business practices as a core component of our strategic vision across all sectors. In line with this, significant progress has been made in formalising our ethical business practices through the development of Anti-Corruption policies and Employee Codes of Conduct across our group's businesses.

We enforce a zero-tolerance approach to corruption, bribery, and unethical behaviour across all our operations. Regular employee training initiatives on ethical conduct, anti-corruption policies, and compliance requirements are organised, ensuring a well-informed and ethically responsible workforce. Our whistleblower mechanisms empower employees to report unethical behaviour without fear of retaliation, fostering a transparent and accountable organisational culture.



## Sustainability Report

### 4. TAXATION AND ECONOMIC DEVELOPMENT

Our Group views tax compliance as a critical component of our corporate responsibility and economic support initiatives. Our significant contribution to national fiscal stability is demonstrated by direct tax payments amounting to Rs. 84.1 Bn for the year in review. We uphold a transparent relationship with tax authorities, ensuring full compliance with all regulatory requirements. This strategic approach not only reinforces our dedication to integrity and accountability but also supports the economic development of the communities in which we operate.

### 5. RESPONSIBLE SOURCING

The Group is unwavering in its commitment to responsible sourcing, ensuring that our procurement practices are sustainable, ethical, and aligned with our core values of traceability and environmental stewardship.

In the financial year 2023/24, the Oil Palm Plantations and the Oils and Fats sectors demonstrated exemplary dedication by delivering 1,884,492 MT of fresh fruit bunches (FFB) with 100% traceability and mapping 6,039 independent smallholders. Initiatives like the Farmer Field School programme (FFS) in the Ketapang Sub-district of Indonesia support smallholders in adopting sustainable practices, furthering our commitment to responsible sourcing. Additionally, the sector engaged 46 third-party mills and 9 refineries to ensure compliance with No Deforestation, No Peat, No Exploitation (NDPE) policies, thereby enhancing sustainability within the supply chain.

Furthermore, the Beverage sector also contributed to our strategic goals by hosting the Service Provider Safety Summit, where management personnel of Service Providers received training on social compliance and safety improvement plans. This summit featured a competitive awards scheme to recognise and incentivise safety performance.

As we move forward, we remain steadfast in our commitment to advancing our ESG initiatives. By continually enhancing these areas, we aim to foster a more resilient and responsible organization while contributing to a better world for future generations. Together, we are building a sustainable future for all.

Carsons Management Services  
Private Limited

16th July 2024



# Economic Value Added Statement

For the year ended 31st March (Amounts expressed in Sri Lankan Rs. Mn)	2024	2023	2022	2021	2020
<b>Direct economic value generated</b>					
Revenue	277,077	330,459	170,695	114,836	105,915
Other income	3,839	3,732	1,650	1,770	1,306
Share of net results of equity accounted investee	(13)	(14)	(34)	(19)	11
Finance income	2,168	2,055	741	727	1,014
Change in fair value of investment properties	391	579	578	61	151
Change in fair value of biological assets	188	(3,696)	3,348	531	159
Change in fair value of financial assets - fair value through profit or loss	1,880	923	(1,776)	1,884	(1,801)
	<b>285,530</b>	<b>334,038</b>	<b>175,202</b>	<b>119,790</b>	<b>106,755</b>
<b>Economic value distributed</b>					
Operating costs	198,221	233,695	127,123	81,634	82,403
To Employees as remuneration and other benefits	26,120	29,342	13,172	10,832	10,503
<b>Income tax to Governments (Note 1)</b>					
For Sri Lankan operations	6,105	4,312	2,515	2,011	1,937
For overseas operations	7,179	10,183	3,770	2,013	328
Payments to providers of funds	14,725	16,670	7,252	6,927	7,800
	<b>252,350</b>	<b>294,202</b>	<b>153,832</b>	<b>103,417</b>	<b>102,971</b>
<b>Economic value retained</b>					
Depreciation	10,866	10,605	6,701	6,482	6,087
Amortisation	422	523	312	328	305
Profit after dividends	21,892	28,708	14,357	9,563	(2,608)
	<b>33,180</b>	<b>39,836</b>	<b>21,370</b>	<b>16,373</b>	<b>3,784</b>

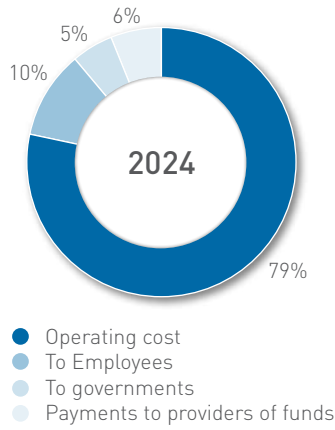
## Note

1. The total tax expense to the Government of Sri Lanka during the year included the following:

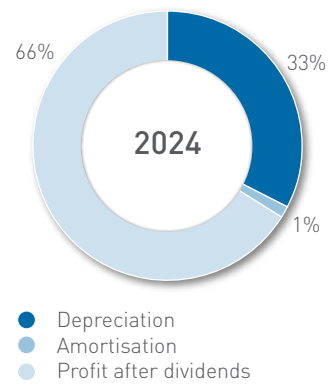
For the year ended 31st March	2024	2023	2022	2021	2020
Value Added Tax	18,013	12,972	4,980	4,230	6,760
Social Security Contribution Levy	2,396	1,071	-	-	667
Excise Duty & Import duty included under net sales above	57,599	51,747	40,882	30,646	29,233
Total indirect taxes	<b>78,008</b>	<b>65,790</b>	<b>45,862</b>	<b>34,876</b>	<b>36,660</b>
Income Tax	6,105	4,312	2,515	2,011	1,937
Total Taxes to the Government of Sri Lanka	<b>84,113</b>	<b>70,102</b>	<b>48,377</b>	<b>36,887</b>	<b>38,597</b>

## Economic Value Statement

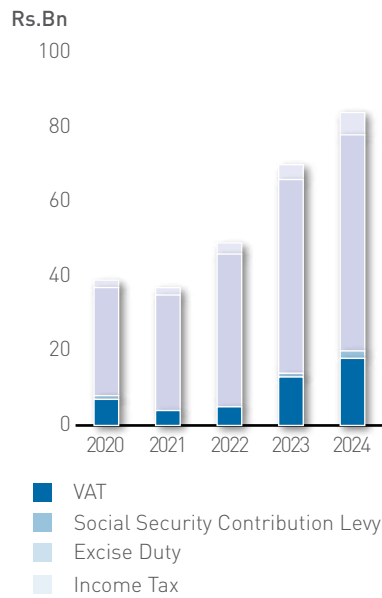
### Economic value distributed



### Economic value retained



### Total Taxes to the Government of Sri Lanka



# Management Teams

## PLANTATIONS, OILS & FATS

Hariharan Selvanathan Deputy Chairman/Group Chief Executive Officer	K. Murali Tharan Regional Controller – Central Kalimantan	Amjad Ibrahim Director/Head of Business Services & Process Re-Engineering
Aneesh Dudeja President and Chief Financial Officer	Muthukumaran A/L Murugiah Director - Engineering	Ishan Danthanarayana Director HR - Group and Country Head Sri Lanka
Satish Selvanathan Executive Director	Carl Dagenhart Head of Group Sustainability	
Ms. Sharada Selvanathan Director/Head of Corporate Planning	Avneet Singh Chief Financial Officer - Downstream	
Sanjaya Upasena Director/Chief Operating Officer - Oil Palm Plantation	Saliya Rodrigo Director/Head of Finance - Upstream	
	Rushdi Azeez Director/Head of Group Finance	

## BEVERAGE

Rajiv Meewakkala Director/CEO	Jehan Goonaratne Chief Financial Officer	Danushka Silva Senior Vice President – Marketing, Regular Category
Madhushanka Ranatunga Chief Sales & Marketing Officer	Shiran Jansz Senior Vice President Strategic Procurement Initiatives	Chathura Karunaratne Senior Vice President – Procurement & Sourcing
Niranjan Perera Chief People Officer	Chandana De Silva Senior Vice President Quality Assurance	Chathura Amarapriya Senior Vice President – Brewing & Planning
Sampath Perumbuli Chief Information Officer	Widhura Nuwan Senior Vice President – Engineering	Shaminda Samaraweera Deputy Chief Finance Officer
Thusith Gunawarnasuriya Chief Supply Chain Officer	Kaveen Gayathma Senior Vice President – Outbound Logistics	Gayan Dodanwala Acting Senior Vice President – Sales & Trade Marketing
Channa Senarathne Chief External Affairs Officer	Arno Matthee Senior Vice President - Brew Master	Steve Wijeyaratna Vice President Operations – Luxury Brands
Eshantha Salgado Chief Sustainability Officer	Anuruddha Jayathilake Senior Vice President – Packaging	Sashreeka Chandra Mohotti Vice President - Pubs 'N Places
Nishantha Hulangamuwa Chief International business	Suneth Warnakula Senior Vice President – ERP Systems Regular Category	
Ruwandhi Thanthrige Senior Vice President - Legal		

## Management Teams

### PORTFOLIO & ASSET MANAGEMENT

Krishna Selvanathan  
Director/CEO

Priyan De Mel  
Senior Vice President - Operations

Sumith Perera  
Director/Head of Portfolio Management

Chrishani Perera  
Senior Vice President - Research

Asanka Jayasekara  
Director/Head of Research

Harindi Hettigamage  
Senior Vice President - Research

Prabath Ekanayake  
Senior Vice President - Finance

Shahan De Silva  
Senior Vice President - Research

### REAL ESTATE

Nalake Fernando  
Director - Property Management

S. Rajaram  
President - Engineering

Chamara Prasanga  
Senior Vice President - Finance (CMSL)

### LEISURE

#### Pegasus Reef Hotel

Renuke Coswatte  
General Manager - Pegasus Reef Hotel

Kapila Gunathilake  
Head of Finance

Chaminda Perera  
Senior Manager  
- Business Development

Sunimal Perera  
Executive Housekeeper

Randika Kalugala  
Manager - HR

Malith Bandara  
Chief Engineer

Anthony Fernando  
Front Office Manager

Charith Ranasinghe  
Food & Beverage Manager

#### Giritale Hotel

Thiagarajah Ganeshan  
General Manager - Giritale Hotel

Surendra Gunasekara  
Accountant

### MANAGEMENT SERVICES

Ms. Keshini De Silva  
Director

Krishna Selvanathan  
Director

Sudarshan Selvanathan  
Director

Vibath Wijesinghe  
Director - Finance

Ms. Amali Alawwa  
Director - Legal

Amal Badugoda Hewa  
Director - Tax

Chaminda Premarathne  
Director - Internal Audit

Udayantha Dasanayake  
President  
- Group Information Technology

Adhil Jawsri  
President - Group Human Resources

# Group Directorate

## PLANTATIONS, OILS & FATS

### GOODHOPE ASIA HOLDINGS LTD.

#### Directors:

Chandra Das S/O Rajagopal Sitaram (Chairman), H. Selvanathan (Deputy Chairman), D.C.R. Gunawardena, A. P. Weeratunge, A. Dudeja

### AGRO ASIA PACIFIC LIMITED

#### Directors:

H. Selvanathan, M. Selvanathan, Satish Selvanathan, A. Dudeja, Chandra Das S/O Rajagopal Sitaram, D.C.R. Gunawardena

### PREMIUM NUTRIENTS PRIVATE LIMITED

#### Directors:

H. Selvanathan, M. Selvanathan, A. Dudeja, Samir Kishorbhai Desai

### SHALIMAR (MALAY) LIMITED

#### Directors:

H. Selvanathan - Chairman, M. Selvanathan, I. Paulraj (Resigned w.e.f. 1/2/2024), D.C.R. Gunawardena, Ahamed Rushdi Azeez (Appointed w.e.f. 1/2/2024), K.C.N. Fernando (Resigned w.e.f. 1/2/2024), S. Mahendrarajah (Resigned w.e.f. 1/2/2024), D.P De Silva (Resigned w.e.f. 1/2/2024)

### SELINSING LIMITED

#### Directors:

M. Selvanathan - Chairman, H. Selvanathan, D.C.R. Gunawardena, Ahamed Rushdi Azeez (Appointed w.e.f. 1/2/2024), I. Paulraj (Resigned w.e.f. 1/2/2024), S. Mahendrarajah (Resigned w.e.f. 1/2/2024), S. N. Alles (Resigned w.e.f. 1/2/2024)

### INDO-MALAY LIMITED

#### Directors:

H. Selvanathan - Chairman, M. Selvanathan, D.C.R. Gunawardena, Ahamed Rushdi Azeez (Appointed w.e.f. 1/2/2024), I. Paulraj, (Resigned w.e.f. 1/2/2024), S. Mahendrarajah, (Resigned w.e.f. 1/2/2024), S. N. Alles (Resigned w.e.f. 1/2/2024)

### GOOD HOPE LIMITED

#### Directors:

H. Selvanathan - Chairman, M. Selvanathan, D.C.R. Gunawardena, Ahamed Rushdi Azeez (Appointed w.e.f. 1/2/2024), I. Paulraj (Resigned w.e.f. 1/2/2024), S. N. Alles (Resigned w.e.f. 1/2/2024), D.P De Silva (Resigned w.e.f. 1/2/2024)

### AGRO HARAPAN LESTARI (PRIVATE) LIMITED

#### Directors:

C.A.V.S. Upasena, A.R. Azeez, A. Kanagasabai, A. Dudeja

### AHL BUSINESS SOLUTIONS (PRIVATE) LIMITED

#### Directors:

D.C.R. Gunawardena - Chairman, M.I.M. Amjad, C.A.V.S. Upasena, A. Kanagasabai

### GOODHOPE INVESTMENTS (PRIVATE) LIMITED

#### Directors:

H. Selvanathan - Chairman, M.I.M. Amjad, A. R. Azeez

### SHALIMAR DEVELOPMENTS SDN. BHD.

#### Directors:

H. Selvanathan, M. Selvanathan, D.C.R. Gunawardena, Ms. H.S. Lin

### PREMIUM OILS & FATS SDN.BHD.

#### Directors:

H. Selvanathan, M. Selvanathan, C.A.V.S. Upasena, Subash Chandra Pandian Chelliah

### PREMIUM VEGETABLE OILS SDN. BHD.

#### Directors:

Satish Selvanathan (Chairman), Ranveer Singh Chauhan, Takuyo Saito, M. A/L Murugiah (Appointed w.e.f. 10/11/2023)

### PREMIUM FATS SDN. BHD.

#### Directors:

Satish Selvanathan, Toru Nishino, Takuyo Saito, Atsushi Shibusani (Appointed w.e.f. 01/04/2023)

### PT AGRO INDOMAS

#### Commissioners:

H. Selvanathan - President Commissioner, M. Selvanathan, M. Ramachandran Nair, D.C.R. Gunawardena, A.S. Amaratunga

#### Directors:

A. Dudeja - President Director, C.A.V.S. Upasena (Vice President Director), B. C. S. T. I. Rodrigo, Edi Suhardi, T. Hendro, M.A.M. Ibrahim, Wahyu Budi Susetyo

\* Non-Executive Director

\*\* Non-Executive/Independent Director

\*\*\* Non-Executive/Non Independent Director

## Group Directorate

### PT AGRO BUKIT

Commissioners:

H. Selvanathan - President  
Commissioner, M. Selvanathan,  
I. Paulraj, D.C.R. Gunawardena,  
T. de Zoysa

Directors:

A. Dudeja - President Director,  
C.A.V.S. Upasena (Vice President  
Director), B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT AGRO HARAPAN LESTARI

Commissioners:

H. Selvanathan - President  
Commissioner, I. Paulraj, Ainkaran  
Kanagasabai (Appointed w.e.f. 1/1/2024)

Directors:

C.A.V.S. Upasena, E. Suhardi, A. Dudeja,  
B.C.S.T.I Rodrigo T. Hendro, M.A.M.  
Ibrahim, Wahyu Budi Susetyo

### PT RIM CAPITAL

Commissioners:

H. Selvanathan - President  
Commissioner, M. Selvanathan,  
D.C.R. Gunawardena, S.C.P. Chelliah

Directors:

A. Dudeja - President Director, C.A.V.S.  
Upasena (Vice President Director),  
B.C.S.T.I Rodrigo, T. Hendro, M.A.M.  
Ibrahim, Wahyu Budi Susetyo

### PT KARYA MAKMUR SEJAHTERA

Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

Directors:

A. Dudeja - President Director,  
C.A.V.S. Upasena (Vice President  
Director), Edi Suhardi,  
B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT AGRO ASIA PACIFIC

Commissioners:

H. Selvanathan - President  
Commissioner, M. Selvanathan,  
D.C.R. Gunawardena

Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT NABIRE BARU

Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT AGRAJAYA BAKTITAMA

Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT AGRO WANA LESTARI

Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

Directors:

A. Dudeja - President Director,  
C.A.V.S. Upasena (Vice President  
Director), Edi Suhardi, B.C.S.T.I  
Rodrigo, T. Hendro, M.A.M. Ibrahim,  
Wahyu Budi Susetyo

### PT BATU MAS SEJAHTERA

Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT SAWIT MAKMUR SEJAHTERA

Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT SUMBER HASIL PRIMA

Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

### PT SINAR SAWIT ANDALAN

Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo



## PT SARIWANA ADI PERKASA

### Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

### Directors:

C.A.V.S. Upasena - President Director,  
A. Dudeja, B.C.S.T.I Rodrigo, T. Hendro,  
M.A.M. Ibrahim, Wahyu Budi Susetyo

## PT AGRO BINA LESTARI

### Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

### Directors:

C.A.V.S. Upasena - President Director,  
E. Suhardi, A. Dudeja, B.C.S.T.I Rodrigo,  
T. Hendro, M.A.M. Ibrahim, Wahyu Budi  
Susetyo

## PT AGRO SURYA MANDIRI

### Commissioners:

H. Selvanathan - President  
Commissioner, D.C.R. Gunawardena,  
Ainkaran Kanagasabai (Appointed w.e.f.  
1/1/2024)

### Directors:

C.A.V.S. Upasena - President Director,  
E. Suhardi, A. Dudeja, B.C.S.T.I Rodrigo,  
T. Hendro, M.A.M. Ibrahim, Wahyu Budi  
Susetyo

## BEVERAGE

### CEYLON BEVERAGE HOLDINGS PLC

#### Directors:

D. A. Cabraal - Chairman \*\*NEI  
H. Selvanathan (Deputy Chairman \*NE  
w.e.f. 06/11/2023), M. Selvanathan  
(Director/Ceased to be Alternate  
Director to H. Selvanathan w.e.f.  
31/12/2023) \*NE w.e.f. 06/11/2023,  
D.C.R. Gunawardena \* NE,  
R.H. Meewakkala (CEO/Director)  
S. Clini\* NE, Ms. S.J.F. Evans\*\* NEI

### LION BREWERY (CEYLON) PLC

#### Directors:

D. A. Cabraal - Chairman \*\* NEI,  
H. Selvanathan (Deputy Chairman  
\*NE w.e.f. 06/11/2023), D.C.R.  
Gunawardena\* NE, D. R. P. Goonetilleke  
\*NE w.e.f. 01/01/2024,  
K. Selvanathan (Director/Ceased to be  
Alternate Director to H. Selvanathan  
w.e.f 31/12/2023) \*NE w.e.f. 06/11/2023,  
Ms. S.J.F. Evans\*\* NEI,  
R. H. Meewakkala (CEO/Director),  
S. Selvanathan \*NE w.e.f. 01/01/2024,  
S. S. Clini\* NE, Ms. V. Gun L.L.\*NE,  
A.B. Baliga \*\* NEI (Appointed w.e.f.  
02/02/2024), R. Rajagopal \*\* NEI  
(Appointed w.e.f. 12/07/2024)

### PUBS 'N PLACES (PRIVATE) LIMITED

#### Directors:

D.R.P. Goonetilleke (Resigned w.e.f.  
31/12/2023), S.W.M.K.N. Hulangamuwa,  
S.G.S. Atton (Resigned w.e.f.  
31/07/2023), R.H. Meewakkala,  
A. D. T. Silva (Appointed w.e.f.  
01/08/2023), J. N. Gooneratne  
(Appointed w.e.f. 01/01/2024)

### RETAIL SPACES (PRIVATE) LIMITED

#### Directors:

D.R.P. Goonetilleke (Resigned w.e.f.  
31/12/2023), S.G.S. Atton (Resigned  
w.e.f. 31/07/2023), R.H. Meewakkala,  
J. N. Gooneratne (Appointed w.e.f.  
01/01/2024)

### LUXURY BRANDS (PRIVATE) LIMITED

#### Directors:

D.R.P. Goonetilleke (Resigned w.e.f.  
31/12/2023), S.G.S. Atton (Resigned  
w.e.f. 31/07/2023), R.H. Meewakkala,  
S. Y. Mallya (Appointed w.e.f. 01/08/2023  
& resigned w.e.f. 15/07/2024),  
J. N. Gooneratne (Appointed w.e.f.  
01/01/2024)

### MILLERS BREWERY LIMITED

#### Directors:

D.R.P. Goonetilleke (Resigned w.e.f.  
31/12/2023), R.H. Meewakkala,  
M.R.B. Ranatunga, J. N. Gooneratne  
(Appointed w.e.f. 01/01/2024)

### LION BEER (CEYLON) PTE. LTD.

#### Directors:

S. Selvanathan, R. H. Meewakkala,  
D.R.P. Goonetilleke (Resigned w.e.f.  
31/12/2023), V. R. Wijesinghe,  
Ms. Chai Shiau Shan,  
J. N. Gooneratne (Appointed w.e.f.  
01/01/2024)

\* Non-Executive Director

\*\* Non-Executive/Independent Director

\*\*\* Non-Executive/Non Independent Director

## Group Directorate

### REAL ESTATE

#### EQUITY ONE LIMITED

Directors:

D.C.R. Gunawardena (Chairman)  
(Resigned w.e.f. 15/07/2023),  
K.C.N. Fernando, E.H. Wijenaikie  
(Chairman - appointed Chairman w.e.f.  
16/07/2023), A.P. Weeratunge,  
S. Mahendrarajah, P.D.D. Fernando,  
S.M. Marimuthu

#### EQUITY TWO PLC

Directors:

D.C.R. Gunawardena \*NE (Chairman)  
(Resigned w.e.f. 15/07/2023),  
E.H. Wijenaikie \*\*NEI (Chairman  
- appointed as Chairman w.e.f.  
16/07/2023), K.C.N. Fernando,  
A.P. Weeratunge, \*NE,  
P.D.D. Fernando \*\*NEI,  
S.M. Marimuthu\*\* NEI

#### EQUITY THREE (PRIVATE) LIMITED

Directors:

I. Paulraj, K. C. N. Fernando

### LEISURE

#### PEGASUS HOTELS OF CEYLON PLC

Directors:

D.C.R. Gunawardena \*NE (Chairman  
- Resigned w.e.f. 31/12/2023),  
M. Dayananda \*\*NEI (Chairman  
- appointed as Chairman w.e.f.  
01/01/2024), K. Selvanathan \*NE w.e.f.  
06/11/2023, S.R. Mather \*\*NEI,  
V.R. Wijesinghe, M.T.L. Elias\*\*NEI

#### EQUITY HOTELS LIMITED

Directors:

A.P. Weeratunge, V. R. Wijesinghe,  
T. Ganeshan, H. P. K. G. Gunathilaka

#### CARSONS AIRLINE SERVICES (PRIVATE) LIMITED

Directors:

H. Selvanathan - (Chairman),  
M. Selvanathan, D.C.R. Gunawardena

(in the process of being struck off from the  
Register of Companies under Section 394 of the  
Companies Act, No. 07 of 2007).

### PORTFOLIO & ASSET MANAGEMENT

#### CEYLON GUARDIAN INVESTMENT TRUST PLC

Directors:

Mrs. M.A.R.C. Cooray \*\*NEI  
(Chairperson), D.C.R. Gunawardena  
\*NE (Resigned w.e.f. 31/03/2024),  
V.M. Fernando \*\*NEI, K. Selvanathan,  
A.D. Pereira \*\*NEI, C. T. Knight \*\*NEI  
(Appointed w.e.f. 31/07/2023)

#### CEYLON INVESTMENT PLC

Directors:

Mrs. M.A.R.C. Cooray \*\* NEI  
(Chairperson), D.C.R. Gunawardena  
\*NE (Resigned w.e.f. 31/03/2024), A.P.  
Weeratunge \* NE, V.M. Fernando \*\*NEI,  
K. Selvanathan, S. M. Perera

#### RUBBER INVESTMENT TRUST LIMITED

Directors:

I. Paulraj (Chairman),  
D.C.R. Gunawardena (Resigned w.e.f.  
31/03/2024), A.P. Weeratunge,  
V. R. Wijesinghe (Appointed w.e.f.  
01/04/2024)

Alternate Director:

A.P. Weeratunge (for I. Paulraj and  
D.C.R. Gunawardena -Ceased to be  
Alternate Director to Mr. D. C. R.  
Gunawardena w.e.f. 31/03/2024)

#### GUARDIAN FUND MANAGEMENT LIMITED

Directors:

Mrs. M.A.R.C. Cooray (Appointed  
as Director & Chairperson w.e.f.  
24/01/2024), K. Selvanathan,  
A.P. Weeratunge, S. M. Perera,  
R.M.A.S.P.K. Jayasekara

#### GUARDIAN FUND MANAGEMENT LLC

Directors:

Mrs. O.A.I. Balladin (Resigned w.e.f. 04/  
12/2023), C.W. Knight, S. Thomas,  
K. Selvanathan, Mrs. A. Kadayer-Nojib  
(Resigned w.e.f.23/05/2023),  
M. R. H. Auliar (appointed w.e.f  
08/11/2023), N. M. A. A. Gowun  
(appointed w.e.f 19/03/2024)

#### GUARDIAN VALUE FUND LLC

Directors:

M.Z. Soopun, (Resigned  
w.e.f.18/10/2023),  
T. Parmessur(Resigned  
w.e.f.06/11/2023), C. W. Knight,  
S. Thomas, R.M.A.S.P.K. Jayasekera,  
M. Z. Peerum (Appointed w.e.f.  
21/11/2023), B. Z. E. Chady (Appointed  
w.e.f.24/11/2023)

#### LEECHMAN & COMPANY (PRIVATE) LIMITED

Directors:

H. Selvanathan, M. Selvanathan,  
S. Mahendrarajah, Mr. A. P. Weeratunga  
(Appointed w.e.f. 07/09/2023)

### MANAGEMENT SERVICES

#### CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED

Directors:

H. Selvanathan (Chairman),  
M. Selvanathan, K.C.N. Fernando,  
Mrs. K.D. De Silva, A.P. Weeratunge,  
K. Selvanathan, V.R. Wijesinghe,  
S. Selvanathan, D. R. P. Goonetilleke  
(Appointed w.e.f. 01/01/2024)

\* Non-Executive Director

\*\* Non-Executive/Independent Director

\*\*\* Non-Executive/Non Independent  
Director

# Risk Management

Carson Cumberbatch PLC is a leading diversified conglomerate in Sri Lanka, with a robust portfolio encompassing Oil Palm Plantations, Oils & Fats, Beverages, Portfolio and Asset Management, Real Estate, and Leisure. Our global reach extends across Sri Lanka, Indonesia, Malaysia, Singapore, Mauritius, and India.

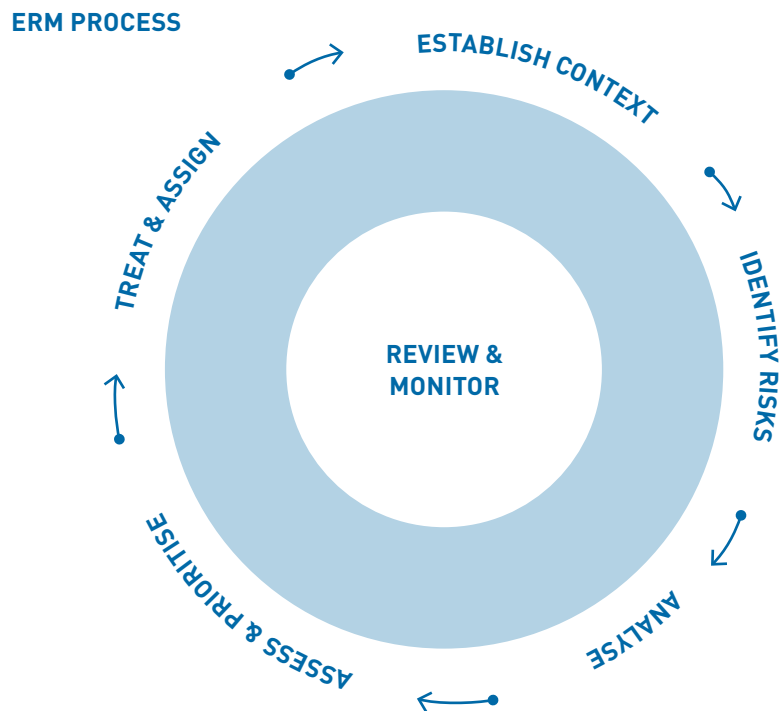
In recognition of the diverse array of risks—both general and industry/country-specific—that shape our business landscape, risk management forms an integral aspect of our corporate ethos and governance policies. At Carson Cumberbatch PLC, we recognise the paramount importance of Enterprise Risk Management (ERM) as a unifying process that paves the way for effective risk management initiatives across our diverse business activities.

As we strive to deliver value to our stakeholders and maintain operational resilience, our commitment to sound risk management practices remains unwavering. Through a comprehensive approach that encompasses operational, financial, economic, geopolitical, regulatory, and environmental risk protocols, we aim to ensure the stability and sustainability of our enterprises across the globe.

By managing risks within a framework that reflects our risk appetite, we strive to ensure that our potential exposure to adverse events is minimised, allowing us to seize opportunities and maximise value creation. This systematic approach underpins our commitment to operational excellence and long-term sustainability.

Our risk management process supports:

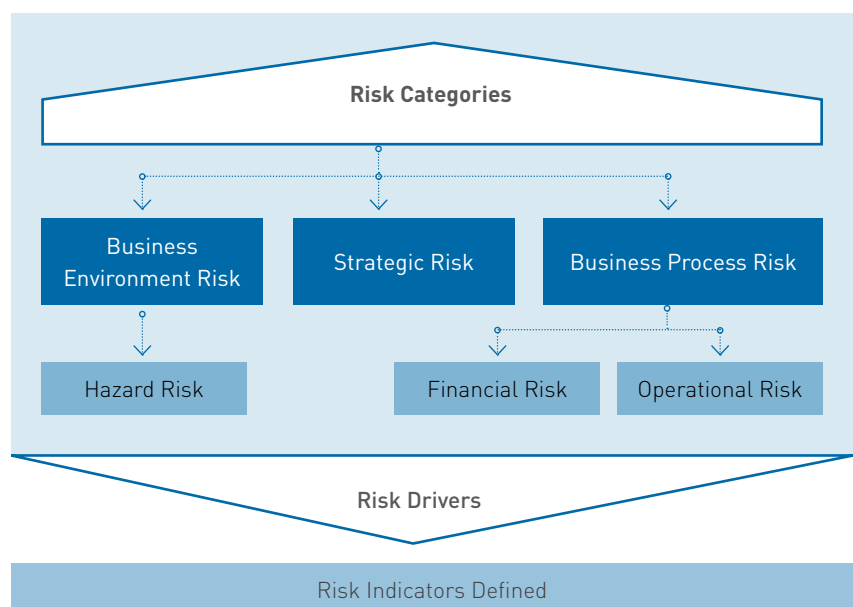
- Corporate Governance
- Quality of business planning
- Audit planning
- Project planning and implementation
- Building confidence across various stakeholder groups



Our ERM process provides assurance to our management and the Board of Directors that our internal control systems are robust and effective.

As part of the ERM process, the management categorises risk into three types to create a common language for better communication, knowledge-sharing and comparison.

Risk drivers are key factors that contribute to risk creation while risk indicators are deviations from set goals or KPIs which are promptly identified through ongoing reviews and monitoring conducted by the management. This process helps us to manage risk proactively and effectively.



## Risk Management

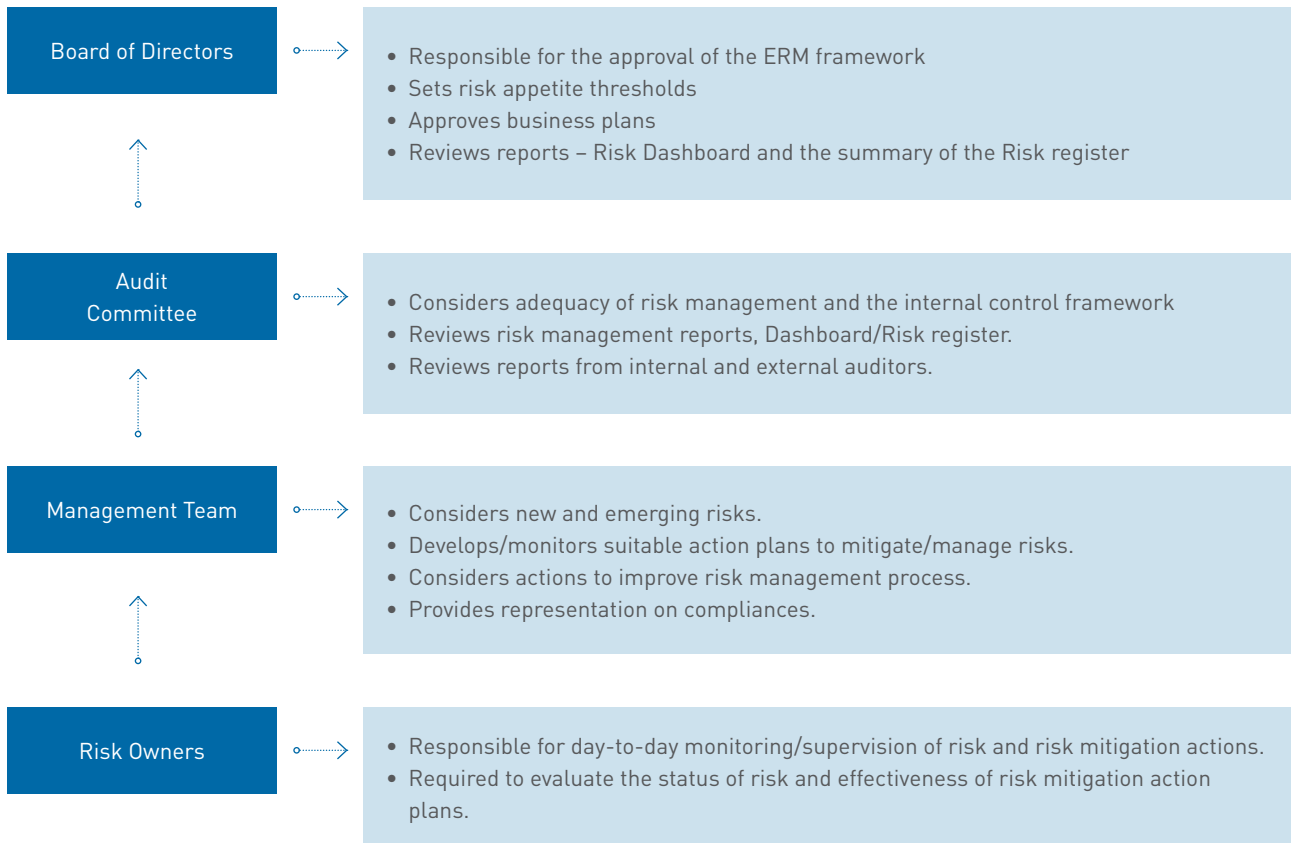
The likelihood of occurrence and the probability of the outcomes of the identified risks shown above are analysed using qualitative and quantitative methods. The management uses the Risk Grid to determine the contribution of each risk to the aggregate risk profile in terms of its impact on the achievement of the Company’s objectives and these risks are prioritised accordingly.

Once risk events are identified, the risk responses could involve:

- Risk Acceptance
- Risk Avoidance
- Risk Transfer/Share
- Risk Minimisation

The first line of defence involves timely supervision and monitoring of risk management by business managers. Action plans are reviewed and monitored by the management teams, with identified risks reassessed. The CEO, Audit Committee, and Board of Directors are updated on action plan status and outcomes accordingly.

The Risk Management Governance Structure includes a reporting framework for better Corporate Governance oversight by the Board.



Risk Management is a key factor in operational sustainability and the Group has identified the following risk profiles. The principal risks that are identified are continuously evaluated and reviewed at various stages of our business process and appropriate risk responses and strategies are implemented accordingly.

Risk	Impact	Risk Responses
<b>Commodity Price Risk</b>	<p><b>Oil Palm Plantations and Oils and Fats Sectors</b></p> <p>These sectors are susceptible to fluctuations in global Crude Palm Oil (CPO) prices, over which we have minimal control, being a price-taker.</p> <p>Key impacts on CPO prices are driven by the global demand for vegetable oil, the supply from the palm plantation industry as a whole, the supply and demand for substitute oils such as soy and rapeseed, global crude oil prices, the demand for biofuel and other factors which impact supply and demand.</p> <p><b>All Business Sectors</b></p> <p>The costs of other raw materials may also fluctuate due to changes in global economic conditions, weather patterns, government policies and developments in international trade.</p>	<p><b>Oil Palm Plantations Sector</b></p> <p>The sector manages the impact of price volatility and cash flows by entering into physical spot and forward sales contracts and manages the timing of sales and price hedging in an opportune manner.</p> <p>The sector continues to focus on becoming one of the lowest cost producers, as cost remains the area that lies within the control of the management.</p> <p><b>Oils and Fats Sector</b></p> <p>The sector sought to maintain a back-to-back cover on raw material purchases (Palm Kernel PK feedstock), to minimise price volatilities.</p> <p>The sector transfers the price fluctuations to the customer whenever possible.</p> <p><b>Beverage Sector</b></p> <p>The Beverage sector continuously monitors the prices of raw materials and where opportune, enters into forward contracts for buying major raw materials with the assistance of its international business partner or on its own.</p>
<b>General Securities Risk</b>	<p>Any trading in securities carries inherent investment risks associated with the entity issuing those securities. In particular, the price or value of any security can and does fluctuate and may even become valueless, resulting in possible losses not only of returns and profits, but also of all or part of the principal sums invested. These risks arise as a result of the overall risks faced by the issuing entity, which affect its ability to provide a return to the investors holding the securities issued by it. Particularly in the case of equities, the past performance of any investment is not necessarily indicative of its future performance. At Portfolio and Asset Management sector, our approach focuses on the fact that there is no substitute for fundamental individual security assessment.</p> <p>The largest components of assets remain with carefully selected quoted investments in the Colombo Stock Exchange (CSE).</p>	<p><b>Portfolio and Asset Management Sector</b></p> <ul style="list-style-type: none"> <li>• The sector has sound internal research processes and carefully evaluates all its investments, in light of prevailing challenging conditions.</li> <li>• Once an investment is made, the management adopts a continuous process for monitoring the performance of that investment.</li> <li>• We manage the concentration risk arising from over-exposure to one security by monitoring sector exposure and single company exposure as mitigation strategies. Further, private equity exposure limits at company and group levels are monitored, as another measure of managing risk. Loss limits are set to monitor stocks performing below their cost of acquisition to determine whether temporary capital erosion is a concern. This helps us mitigate the downside risk of any security in the portfolio.</li> <li>• Market risks affecting a particular class of security are mitigated by switching to asset classes that are assessed to be less risky in a particular scenario.</li> </ul>

## Risk Management

Risk	Impact	Risk Responses
<b>Human Resource Risk</b>	The difficulties in recruiting and retaining appropriately-skilled employees could adversely affect our ability to grow and maintain a competitive position in the marketplace.	<p>The Group has implemented the following initiatives:</p> <ul style="list-style-type: none"> <li>• Ensure that recruitments are carried out to hire employees with the required qualifications, knowledge and experience.</li> <li>• Identify and assess the key staff members crucial for successful operations.</li> <li>• Identify gaps in skills and capabilities of key roles and implement development programmes to facilitate career progression and succession planning.</li> <li>• Invest in organisation-wide training and development to enhance capability levels and maintain the motivation levels of the employees.</li> </ul>
<b>Foreign Exchange Risk</b>	<p>Foreign currency risk is the risk that the fair value of a financial instrument will fluctuate due to the changes in foreign exchange rates.</p> <p>Currently, the Plantations, Oils and Fats sector's impact from exchange rate movements mainly arises from the translation/revaluation of the Group's borrowings and supplier liabilities denominated in USD as required by IFRS and do not entail an actual cash transaction loss.</p>	<p>Assets, liabilities and other operational expenses which arise from daily operations are primarily denominated in the functional currencies within the Group.</p> <p>We minimise the cash flow impact by linking the Oil Palm Plantations sector revenue to the USD-linked CPO prices. We continue to monitor market volatilities, to anticipate and exploit favourable movements.</p>
<b>Business Environment Risks</b>	Unfavourable global and local weather patterns resulting in adverse weather conditions, natural and man-made disasters including fires and haze from fires, droughts, floods, pestilence and crop disease could reduce the amount or quality of FFB we can harvest in the palm oil plantation sector.	<p>Minimise fire risk through monitoring and maintaining adequate fire response resources. Invest in agronomy and plantation management practices to minimise the impact by any sudden up-rise of pest and diseases.</p> <p>The Group employs Business Continuity Planning as well as safeguards against perils through adequate insurance.</p>
<b>Liquidity Risk</b>	The risk that business sectors may not easily be able to meet its operational and financial obligations can result in an unavailability of sufficient funds, which may interrupt the smooth functioning of day-to-day operations.	<p>The Management closely monitors the Group companies' liquidity positions and ensures that funds are available for the settlement of all liabilities. Furthermore, the management ensures effective working capital management, maintains sufficient credit facilities and develop policies and procedures for liquidity management based on medium-term plans.</p> <p><b>Portfolio and Asset Management Sector</b></p> <p>We invest in companies with a reasonable free float and where securities are heavily traded. We also limit the portfolio's buy list to highly traded blue-chips, so that the risk of illiquidity can be mitigated. Good research enables the fund management team to identify changes in fundamentals and be proactive in investment decision-making.</p>



Risk	Impact	Risk Responses
<b>Credit Risk</b>	Each sector is exposed to credit risk, primarily from trade receivables, which arise from operating activities and deposits with banking institutions.	<p>Individual companies exercise some of the following controls to mitigate this risk:</p> <ul style="list-style-type: none"> <li>• Implementation of credit policies</li> <li>• Continuous and regular evaluation of customers' creditworthiness</li> <li>• Ongoing monitoring of receivable balances.</li> <li>• Covering credit exposure through a combination of bank guarantees and discounting of credit to banks with no recourse to the Company.</li> </ul>
<b>Interest Rate Risk</b>	The interest rates on most of our loans and borrowings are currently on a floating basis. As such, our financial performance may be affected by changes in prevailing interest rates in the financial market.	<p>The Group treasury uses Carson Group's financial strength to negotiate competitive interest rates.</p> <p>Carson Cumberbatch PLC's financial strength is used via the Group treasury, in negotiating the rates.</p> <p>As at the reporting dates, both the financial assets and financial liabilities of the Group consist of variable as well as fixed rate instruments.</p> <p>We have pursued the appropriate capitalisation of our businesses, ensuring the right balance between long and short term bank facilities, and obtaining a combination of loans linked to SLIBOR &amp; AWPLR</p>
<b>Systems and Process Risks</b>	<p>The risk of direct or indirect losses due to inadequate or failed internal processes and systems.</p> <p>Information technology is a vital component of Group operations.</p>	<p>The Group has enhanced IT systems via a secure VPN with no disruptions, together with virus upgrades, backups and monitoring of Disaster Recovery sites.</p> <p>We maintain detailed procedure manuals and provide training and guidelines for new recruits.</p> <p>The Internal Audit function of the Group carries out regular reviews of internal control systems and processes and recommends process improvements if shortcomings are noted.</p>

## Risk Management

Risk	Impact	Risk Responses
<b>Legal and Regulatory Compliance Risk</b>	Failure to comply with the regulatory and legal frameworks applicable to the Group.	<p>The management and the Carsons Group Legal division proactively identify and set up appropriate systems and processes for legal and regulatory compliance in respect of sector operations.</p> <p>We arrange training programmes and circulate updates for key employees on new/revised laws and regulations as required.</p> <p>The Group provides comments on draft laws to the government and regulatory authorities.</p> <p>We obtain comments and interpretations from external legal consultants on areas that require clarity.</p> <p>We also obtain compliance certificates from the management on a quarterly basis, on compliance with relevant laws and regulations.</p> <p>Where necessary, we use third-party specialists to review areas such as fire risk, food safety risk etc.</p>
<b>Reputational Risk</b>	As a Group which carries out business activities in different sectors and geographies, it is vital to safeguard the reputation of the businesses.	<p>The right values are communicated to all employees from inception, both through formal communication and by example. Our screening process at interviews is designed to select people of the right calibre and training them for higher responsibility is an ongoing process.</p> <p>The extensive compliance process also ensures that the Group does not take the risk of process failure that will lead to reputational risk.</p> <p>Maintaining good relationships with all stakeholders further helps manage any crisis situations that could damage our reputation.</p>

Risks arising from unforeseen events such as natural disasters, riots and civil commotions are covered by obtaining the appropriate insurance covers.

# Information to Shareholders & Investors

## 1 STOCK EXCHANGE LISTING

Carson Cumberbatch PLC is a Public Quoted Company, the ordinary shares of which are listed on the main board of the Colombo Stock Exchange of Sri Lanka (CSE). The CSE Code for Carson Cumberbatch PLC shares is "CARS".

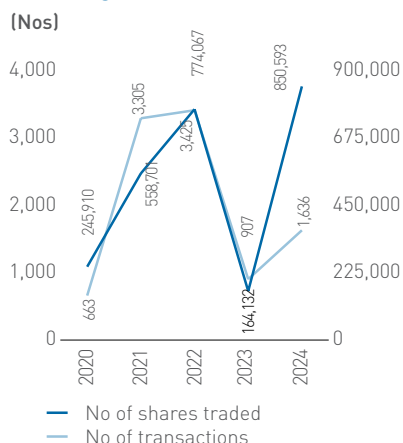
## 2 MARKET CAPITALISATION AND MARKET PRICE

Market Capitalisation of the Company's share, which is the number of ordinary share in issue multiplied by the market value of a share, was Rs. 50,864 Mn as at 31st March 2024. (Rs. 53,368 Mn as at 31st March 2023)

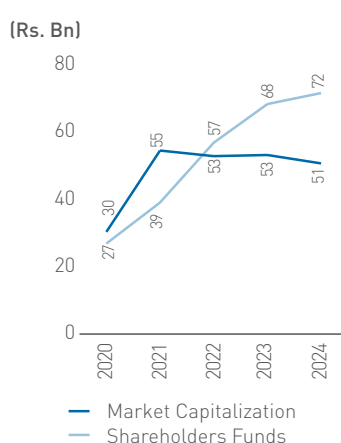
The Information on Market prices are set out below :

For the year ended 31st March	2024	Q4	Q3	Q2	Q1	2023
<b>Share Information</b>						
Highest price (Rs.)	310.00	286.00	269.00	300.00	310.00	310.00
Lowest price (Rs.)	235.00	241.00	235.00	262.00	245.00	225.00
As at periods end (Rs.)	259.00	259.00	242.25	268.25	275.00	271.75
<b>Trading Statistics</b>						
No of transactions	1,636	265	536	373	462	907
No of shares traded	850,593	83,305	646,025	49,398	71,865	164,132
Value of all shares Traded (Rs. Mn)	217	21	162	14	20	45
Market Capitalization (Rs. Mn)	50,864	50,864	47,575	52,681	54,006	53,368

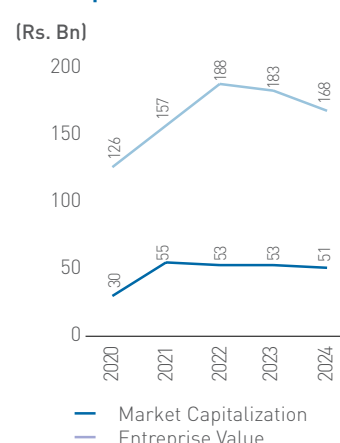
### Share Trading



### Shareholders Funds and Market Capitalization



### Market Capitalization and Enterprise Value



## Information to Shareholders & Investors

### 3 SHAREHOLDER BASE

The total number of ordinary shareholders as at 31st March 2024 was 1,996 compared to the 1,965 as at 31st March 2023.

### 4 DISTRIBUTION AND COMPOSITION OF SHAREHOLDERS

Distribution of Shares		Residents			Non-Residents			Total		
		No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1	1,000	1,532	233,265	0.12	16	4,493	0.002	1,548	237,758	0.12
1,001	10,000	288	1,018,542	0.52	13	65,807	0.03	301	1,084,349	0.55
10,001	100,000	97	2,586,984	1.32	16	614,517	0.31	113	3,201,501	1.63
100,001	1,000,000	15	4,423,588	2.25	7	2,505,079	1.28	22	6,928,667	3.53
Above	1,000,000	8	142,804,056	72.72	4	42,130,583	21.45	12	184,934,639	94.17
Total		1,940	151,066,435	76.92	56	45,320,479	23.08	1,996	196,386,914	100.00

### 5 COMPOSITION OF SHAREHOLDERS

Ordinary Shares	31st March, 2024			31st March, 2023		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individuals	1,856	20,000,432	10.18	1,828	20,391,165	10.38
Institutions	140	176,386,482	89.82	137	175,995,749	89.62
Total	1,996	196,386,914	100.00	1,965	196,386,914	100.00
Residents	1,940	151,066,435	76.92	1,908	151,095,961	76.94
Non Residents	56	45,320,479	23.08	57	45,290,953	23.06
Total	1,996	196,386,914	100.00	1,965	196,386,914	100.00

### 6 PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Main Board as per Rule 7.13.1.(i)(a). of the Listing Rules of the Colombo Stock Exchange, under Option 3, i.e. Float-adjusted Market Capitalization of Rs. 5 Billion with 500 Public Shareholders and a Public Holding percentage of 7.5%.

The Company's Public Holding as at 31st March 2024

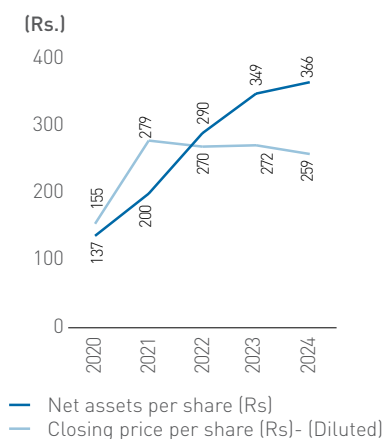
- Market Capitalization of the public holding – Rs. 7.16Bn
- Percentage of ordinary shares held by the public – 14.08% (March 2023 – 14.28%)
- The number of public shareholders – 1,981

### 7 INFORMATION ON RATIOS

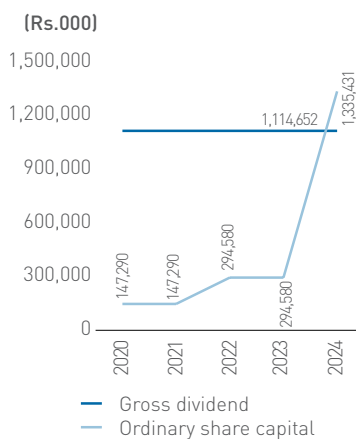
For the year ended 31st March	2024	2023
EPS (Rs.) - Group	54.84	69.91
Dividend payout ratio (%) - Company	92	52
Price/cash earnings (times)	1.52	1.02
Price to Book (times) - Group	0.71	0.78
Price Earnings Ratio - Group	4.72	3.89
Dividend Yield (%)	2.63	0.55
Enterprise Value(EV) (Rs. Bn)	168	183
EV/EBITDA (times)	2.88	2.57

## 8 INFORMATION ON DIVIDENDS

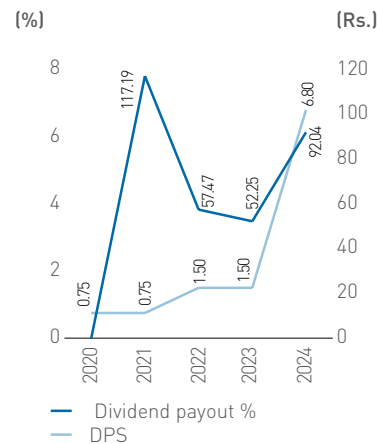
### Net Assets per Share and Closing Price per Share



### Gross Dividend and Ordinary Share Capital



### DPS to Shareholders and Payout Ratio



## 9 MATERIAL FORESEEABLE RISK FACTORS

[As per rule no. 7.6 (VI) of the Listing Rules of the Colombo Stock Exchange]

Information pertaining to the material foreseeable risk factors, that require disclosures as per the Rule No. 7.6 (vi) of the Listing Rules of the CSE are discussed in the Section on Risk Management on Pages 51 to 53.

## 10 MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS PERTAINING TO THE COMPANY

[As per Rule No. 7.6 (VII) of the Listing Rules of the Colombo Stock Exchange]

There were no material issues pertaining to employees and industrial relations pertaining to the company that occurred during the year under review which require disclosure.

## 11 THE DETAILS OF THE DIVIDENDS ARE AS FOLLOWS

For the year ended 31st March

Ordinary Shares	2024		2023	
	Per share Rs.	Amount Rs. '000	Per share Rs.	Amount Rs. '000
<b>Dividend Paid</b>				
First interim dividend	2.10	412,413	1.50	294,580
	2.10	412,413	1.50	294,580
<b>Dividend Proposed</b>				
Second interim dividend	4.70	923,018	-	-
	4.70	923,018	-	-
<b>Total Dividend</b>	<b>6.80</b>	<b>1,335,431</b>	<b>1.50</b>	<b>294,580</b>

## Information to Shareholders & Investors

### 12 ORDINARY DIVIDENDS DECLARED

Year ended 31st March	DPS (Rs.)	Dividends (Rs.'000)
2020	0.75	147,290
2021	0.75	147,290
2022	1.50	294,580
2023	1.50	294,580
<b>2024</b>	<b>6.80</b>	<b>1,335,431</b>

### 13 ORDINARY SHARES IN ISSUE

Year ended 31st March	Number of Shares
2020	196,386,914
2021	196,386,914
2022	196,386,914
2023	196,386,914
<b>2024</b>	<b>196,386,914</b>

### 14 HISTORY OF SCRIP ISSUES

Year ended 31st March	Issue	Basis	Number of Shares	Ex-date
2006	Bonus	5:1	5,093,550	06-Jul-05
2009	Sub-division	15:1	85,571,640	31-Jul-08
	Capitalisation	1:20	4,584,195	31-Jul-08
2011	Capitalisation/Sub-division	2:1	96,268,095	21-Dec-10
	Capitalisation	1:50	3,850,724	24-Dec-10

### 15 INFORMATION ON MOVEMENT IN NUMBER OF SHARES

Financial Year	Issue	Basis	Number of Shares issued	No. of Shares Cumulative Ordinary
2005/06	Bonus Issue	5 for 1	5,093,550	6,112,260
2008/09	Sub-division	15 for 1	85,571,640	91,683,900
	Capitalisation	1 for 20	4,584,195	96,268,095
2010/11	Sub-division	2 for 1	96,268,095	192,536,190
	Capitalisation	1 for 50	3,850,724	196,386,914



## 16 SHARE PRICE TREND OVER LAST FIVE YEARS

Year ended 31st March	2020	2021	2022	2023	2024
Highest Price (Rs.)	224.00	450.00	366.25	310.00	<b>310.00</b>
Lowest Price (Rs.)	150.00	136.50	265.00	225.00	<b>235.00</b>
As at period end (Rs.)	155.00	278.50	270.00	271.75	<b>259.00</b>

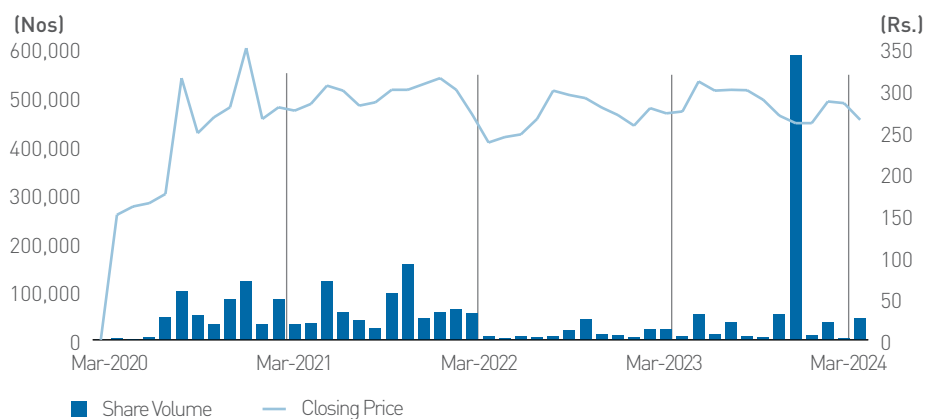
## 17 SHARE PRICE TREND OVER FINANCIAL YEAR 2023/24



## 18 INFORMATION ON SHAREHOLDERS' FUNDS AND MARKET CAPITALIZATION

As at 31st March	2020	2021	2022	2023	2024
Shareholders' Funds (Rs. Mn.)	26,964	39,198	57,028	68,548	<b>71,831</b>
Market Capitalization (Rs. Mn.)	30,440	54,694	53,024	53,368	<b>50,864</b>
Market Capitalization as % of CSE Total Mkt. Captl.	1.43%	1.76%	1.39%	1.37%	<b>1.12%</b>

## 19 PRICE AND SHARE VOLUME CHART



## Information to Shareholders & Investors

### 20 TEN YEAR SUMMARY - GROUP

For the year ended/as at 31st March	2024	2023
<b>OPERATING RESULTS</b>		
Revenue	277,076,515	330,458,690
Profit from operations	47,489,136	59,257,650
Net finance expenses	12,557,362	14,615,590
Profit/(loss) before taxation from continuing operations	37,378,454	42,433,522
Tax expenses	15,073,642	15,075,647
Profit/(loss) for the year	22,304,812	29,002,219
Profit/(loss) attributable to the non controlling interest	11,535,275	15,272,573
Profit/(loss) attributable to the owners of the company	10,769,537	13,729,646
<b>CAPITAL EMPLOYED</b>		
Stated capital	1,114,652	1,114,652
Reserves	70,715,876	67,433,231
	71,830,528	68,547,883
Non - controlling interest	71,788,203	71,689,009
Short - term and long - term borrowings	87,278,448	100,003,087
	230,897,179	240,239,979
<b>ASSETS EMPLOYED</b>		
Non - current assets	191,653,608	205,048,404
Current assets	96,135,621	94,469,626
	287,789,229	299,518,030
Current liabilities - excluding borrowings	(36,570,800)	(37,022,613)
Other financial payables	(87,399)	(2,181,674)
Deferred liabilities	(20,233,851)	(20,073,764)
	230,897,179	240,239,979
<b>CASH FLOW STATEMENTS</b>		
Net cash inflows from operating activities	33,553,915	52,519,931
Net cash generated from/(used in) investing activities	(19,036,905)	(17,288,585)
Net cash generated from/(used in) financing activities	(7,504,224)	(24,953,180)
Net (decrease)/increase in cash & cash equivalents	7,012,786	10,278,166
<b>OPERATIONAL RATIOS</b>		
Return on ordinary shareholders' funds (%)	14.99	20.03
Equity to total assets (%)	49.90	46.82
Revenue growth (%)	(16.15)	93.60
Asset growth (%)	(3.92)	6.52
Revenue to capital employed (times)	1.20	1.38
No. of employees	16,423	14,964
Revenue per employee	16,871	22,084
<b>DEBT &amp; GEARING RATIOS</b>		
Interest cover (times)	3.78	4.05
Total debts	87,278,448	100,003,087
Net debts	45,783,353	58,367,773
Debt equity ratio (%)	60.77	71.31
Gearing ratio (%)	37.80	41.63
Debt/total assets (%)	30.33	33.39
Current ratio (times)	1.49	1.30
<b>INVESTOR RATIOS</b>		
Dividend cover (times)	8.06	46.61
Dividends per share (Rs.)	6.80	1.50
Market value per share (Rs.)	259	272
Market capitalization (Rs. Mn)	50,864	53,368
Earnings/(loss) per share (Rs.)	54.84	69.91
Price earnings ratio (times)	4.72	3.89
Net assets per ordinary share (Rs.)	365.76	349.05

	2022	2021	2020	2019	2018	2017	2016	2015
	170,694,625	114,835,847	105,914,515	97,139,538	79,181,390	64,512,872	76,470,465	88,625,807
	26,768,696	20,464,702	6,180,558	9,946,501	11,120,626	4,032,256	6,222,991	10,851,837
	6,510,915	6,142,137	6,673,453	4,892,419	4,496,028	4,252,727	2,617,581	2,476,181
	22,373,967	14,303,789	(481,544)	5,060,992	7,387,888	139,094	3,610,229	8,375,195
	7,722,096	4,498,557	2,171,159	3,992,562	3,653,111	1,600,320	1,622,822	2,545,401
	14,933,314	9,710,614	(2,460,260)	908,265	3,835,184	2,939,314	1,626,695	5,981,894
	7,578,842	4,889,763	(932,452)	814,313	2,068,167	1,644,769	800,804	2,896,301
	7,354,472	4,820,851	(1,527,808)	93,952	1,767,017	1,294,545	825,891	3,085,593
	1,114,652	1,114,652	1,114,652	1,114,652	1,114,652	1,114,652	1,114,652	1,114,652
	55,913,525	38,083,692	25,849,847	31,193,768	30,387,273	30,113,024	29,945,232	35,676,040
	57,028,177	39,198,344	26,964,499	32,308,420	31,501,925	31,227,676	31,059,884	36,790,692
	59,034,863	39,882,181	28,221,465	31,585,445	29,148,484	28,225,711	27,230,412	29,469,854
	111,474,598	82,706,751	89,260,736	75,215,984	69,438,172	71,370,250	75,797,441	75,980,241
	227,537,638	161,787,276	144,446,700	139,109,849	130,088,581	130,823,637	134,087,737	142,240,787
	184,353,790	137,640,150	118,109,798	119,429,300	122,040,152	120,046,963	130,083,631	130,894,948
	96,831,616	59,434,062	54,777,876	46,238,017	37,970,193	36,363,828	30,612,691	30,993,726
	281,185,406	197,074,212	172,887,674	165,667,317	160,010,345	156,410,791	160,696,322	161,888,674
	(35,387,114)	(21,370,052)	(16,487,219)	(14,891,115)	(20,108,822)	(18,556,550)	(19,294,743)	(13,516,259)
	(2,100,090)	(2,013,397)	(1,300,771)	(87,368)	(87,695)	(77,607)	(63,559)	(55,818)
	(16,160,564)	(11,903,487)	(10,652,984)	(11,578,985)	(9,725,248)	(6,952,997)	(7,250,283)	(6,075,810)
	227,537,638	161,787,276	144,446,700	139,109,849	130,088,581	130,823,637	134,087,737	142,240,787
	21,591,399	16,105,913	5,315,946	7,334,846	9,160,094	2,140,797	12,613,686	5,053,389
	(9,736,149)	(6,831,015)	(7,959,375)	(5,123,036)	(6,599,663)	11,548,755	(8,848,557)	(21,876,166)
	(7,752,286)	(2,334,653)	375,453	(5,166,862)	4,553,882	(10,899,879)	(6,146,488)	9,897,091
	4,102,964	6,940,245	(2,267,976)	(2,955,052)	7,114,313	2,789,673	(2,381,359)	(6,925,686)
	12.90	12.30	(5.67)	0.29	5.61	4.15	2.66	8.39
	41.28	40.13	31.92	38.57	37.90	38.01	36.27	40.93
	48.64	8.42	9.03	22.68	22.74	(15.64)	(13.72)	15.26
	42.68	13.99	4.36	3.54	2.30	(2.67)	(0.74)	34.16
	0.75	0.71	0.73	0.70	0.61	0.49	0.57	0.62
	13,407	13,492	14,014	13,975	11,935	12,583	15,136	15,954
	12,732	8,511	7,558	6,951	6,634	5,127	5,052	5,555
	4.11	3.33	0.93	2.03	2.47	0.95	2.38	4.38
	111,474,598	82,706,751	89,260,736	75,215,984	69,438,172	71,370,250	75,797,441	75,980,241
	76,004,060	62,753,092	66,874,488	60,418,200	56,095,978	57,077,439	68,180,571	66,956,985
	96.05	104.59	161.75	117.72	114.49	120.04	130.03	114.67
	48.99	51.12	61.79	54.07	53.38	54.55	56.53	53.42
	39.64	41.97	51.63	45.40	43.40	45.63	47.17	46.93
	1.31	1.21	1.05	0.98	0.81	0.67	0.63	0.81
	24.97	32.73	(10.37)	0.48	4.50	-	2.81	5.24
	1.50	0.75	0.75	1.00	2.00	-	1.50	3.00
	270	279	155	160	168	163	270	366
	53,024	54,694	30,440	31,422	32,993	32,050	53,083	71,956
	37.45	24.55	(7.78)	0.48	9.00	6.59	4.21	15.71
	7.21	11.35	(19.92)	334.45	18.67	24.76	64.20	23.32
	290.39	199.60	137.30	164.51	160.41	159.01	158.16	187.34

## Information to Shareholders & Investors

(Amounts expressed in Sri Lankan Rs. '000)

### 21 GROUP QUARTERLY RESULTS

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY 2024
<b>INCOME STATEMENT</b>					
Revenue	64,737,579	69,896,223	69,611,387	72,831,326	277,076,515
Profit before tax from continuing operations	7,325,588	12,457,207	7,902,395	9,693,264	37,378,454
Net Profit after tax	4,510,411	8,598,617	3,899,012	5,296,772	22,304,812
Earnings per share	10.69	21.69	8.86	13.60	54.84
<b>CASH FLOW</b>					
Operating cash flows before working capital changes	12,128,518	27,660,610	42,931,461	54,481,947	54,481,947
Capital expenditure	3,139,172	7,298,257	12,533,453	16,919,433	16,919,433
Working capital changes	(1,745,048)	(2,692,636)	(5,398,937)	3,565,294	3,565,294
Cash flow from investing activities	(3,523,004)	(7,679,907)	(13,021,595)	(19,036,905)	(19,036,905)
Cash flow from financing activities	(1,651,841)	(5,026,231)	(5,590,026)	(7,504,224)	(7,504,224)
<b>BALANCE SHEET</b>					
Shareholders' funds	67,350,658	71,029,133	72,911,061	71,830,528	71,830,528
Non controlling interest	69,708,619	73,810,507	74,603,968	71,788,203	71,788,203
Total assets	287,904,550	295,240,936	301,514,599	287,789,229	287,789,229
Total liabilities	150,845,273	150,401,296	153,999,570	144,170,498	144,170,498
Intangible assets	11,696,815	12,021,982	12,024,621	11,091,877	11,091,877
Cash and cash equivalents	41,843,438	38,803,632	41,638,450	41,495,095	41,495,095
Loans and borrowings	95,662,823	94,870,122	98,782,365	87,278,448	87,278,448
Net gearing - %	28.20	27.91	27.92	24.17	24.17
Net assets value per share (Rs.)	342.95	361.68	371.26	365.76	365.76
Net tangible assets per share (Rs.)	283.39	300.46	310.03	309.28	309.28

# FINANCIAL INFORMATION

57	Financial Calendar	75	Independent Auditors' Report
58	Annual Report of the Board of Directors on the Affairs of the Company	83	Statement of Profit or Loss
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73	Audit Committee Report	88	Statement of Changes in Equity
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		93	Notes to the Financial Statements

## Financial Calendar

Financial Year end	-	31st March 2024
Announcement of results		
1st Quarter ended 30th June 2023	-	14th August 2023
2nd Quarter ended 30th September 2023	-	14th November 2023
3rd Quarter ended 31st December 2023	-	14th February 2024
4th Quarter ended 31st March 2024	-	31st May 2024
Dividend		
1st Interim Dividend of Rs.2/10 per share FY 2023/24	-	04th July 2023
2nd Interim Dividend of Rs.4/70 per share FY 2023/24	-	14th May 2024
Notice of Annual General Meeting	-	16th July 2024
111th Annual General Meeting	-	09th August 2024

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

The Board of Directors of Carson Cumberbatch PLC ("the Company") have pleasure in presenting to the Shareholders their Report, together with the Audited Financial Statements for the year ended 31st March 2024.

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

The Annual Report was approved by the Board of Directors on 16th July 2024.

## 1. GENERAL

Carson Cumberbatch PLC is a public limited liability Company incorporated in Sri Lanka in 1913. The shares of the Company have a primary listing on the Colombo Stock Exchange.

## 2. PRINCIPAL ACTIVITY OF THE COMPANY

The principal activities of the Company consist of investing in Oil Palm Plantation, Oils & Fats, Beverage, Portfolio and Asset Management, Real Estate, Leisure and Management Services sectors.

During the year, Carson Cumberbatch PLC incorporated a subsidiary "Baillie Street Holdings PTE. LTD." in Singapore on the 17th of August 2023.

The principal activities of the subsidiaries are set out in the Business Review section of this Annual Report.

There have been no significant changes in the nature of the activities of the Group and the Company during the financial year under review.

## 3. BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Chairman's Statement on pages 4 to 6 and Management Discussion and Analysis on pages 12 to 23 provides an overall assessment of the business performance of the Company and its future developments.

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

## 4. FINANCIAL STATEMENTS

The financial statements which comprise of the Statement of Profit or Loss and Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Equity and Notes to the financial statements of the Company for the year ended 31st March 2024 are set out on pages 97 to 216. These financial statements comply with the requirements of Section 151 of the Companies Act No. 07 of 2007.

The aforementioned Financial Statements for the year ended 31st March 2024, duly signed by the Director, Carsons Management Services (Private) Limited, the Secretariat together with two Directors of the Company, are given on page 101 which form an integral part of this Annual Report of the Board of Directors.

## 5. MATERIAL ACCOUNTING INFORMATION

Details of accounting policies have been discussed in Note 5 of the financial statements. There have been no significant changes in the accounting policies adopted by the Group during the year under review. Those are mentioned in the Note 5 For all periods up to and including the year ended 31

March 2024, the Group prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) which have materially converged with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

## 6. REVENUE

Revenue generated by the Company amounted to Rs. 1,883 Mn (2023 - Rs. 1,267 Mn), whilst group revenue amounted to Rs. 277,077 Mn (2023 - Rs. 330,459 Mn). Contribution to group revenue from the different business segments is provided in Note 9 to the financial statements.

## 7. RESULTS AND APPROPRIATIONS

The profit after tax of the holding Company was Rs. 1,451 Mn (2023 - Rs. 564 Mn) whilst the Group profit attributable to equity holders of the parent for the year was Rs. 10,770 Mn (2023 - Rs. 13,730 Mn). Results of the Company and of the Group are given in the Statement of Profit or Loss.

Detailed description of the results and appropriations are given overleaf.

For the year ended 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Results from operating activities	47,136,925	60,118,289	1,691,154	1,055,473
(Provision)/reversal of Impairment of business assets	291,063	(353,229)	-	-
Foreign exchange gain/(losses)	61,148	(507,410)	19,415	(8,364)
Net finance cost	(12,557,362)	(14,615,590)	(268,855)	(500,506)
Share of net results of equity accounted investee	(12,702)	(13,787)	-	-
Change in fair value of biological assets	188,414	(3,696,464)	-	-
Change in fair value of investment properties	390,581	578,712	-	-
Change in fair value of Financial assets - fair value through profit or loss	1,880,387	923,001	9,255	18,157
<b>Profit before tax</b>	<b>37,378,454</b>	<b>42,433,522</b>	<b>1,450,969</b>	<b>564,760</b>
Tax expenses	(15,073,642)	(15,075,647)	-	(945)
<b>Profit from continuing operations</b>	<b>22,304,812</b>	<b>27,357,875</b>	<b>1,450,969</b>	<b>563,815</b>
<b>Profit from discontinued operations, (net of tax)</b>	<b>-</b>	<b>1,644,344</b>	<b>-</b>	<b>-</b>
<b>Profit for the year</b>	<b>22,304,812</b>	<b>29,002,219</b>	<b>1,450,969</b>	<b>563,815</b>
Less: Profit attributable to non controlling interest	(11,535,275)	(15,272,573)	-	-
Profit attributable to owners of the company	10,769,537	13,729,646	1,450,969	563,815
Other adjustments	(1,957,189)	(3,003,284)	2,599	2,500
Balance brought forward from the previous year	48,774,448	38,342,666	7,790,353	7,518,618
Amount available for appropriation	57,586,796	49,069,028	9,243,921	8,084,933
<b>Dividend</b>				
Ordinary Share dividend				
Dividends paid	(412,413)	(294,580)	(412,413)	(294,580)
Balance to be carried forward to next year	57,174,383	48,774,448	8,831,508	7,790,353

## 8. RESERVES

A summary of the Group's reserves is given below:

For the year ended 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Capital Reserve	5,931,744	3,708,157	287,552	287,552
Revenue Reserve	64,784,132	63,725,074	15,607,736	13,264,488
<b>Total</b>	<b>70,715,876</b>	<b>67,433,231</b>	<b>15,895,288</b>	<b>13,552,040</b>

The movements are shown in the Statements of Changes in Equity given on pages 102 to 104 of the Annual Report.



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

### 9. CAPITAL EXPENDITURE

Details of the Group capital expenditure undertaken during the year by each sector are:

For the year ended 31st March

	2024 Rs.' 000	2023 Rs.' 000
<b>Portfolio and Asset Management</b>		
Property, plant & equipment	3,273	1,280
<b>Oil Palm Plantations</b>		
Property, plant & equipment	8,390,275	10,731,103
Bearer Plants	1,558,582	810,186
Intangible assets/prepaid lease payment for land	67,730	134,410
<b>Oils &amp; Fats</b>		
Property, plant & equipment	1,284,279	1,233,754
Intangible assets	3,602	6,838
<b>Beverage</b>		
Property, plant & equipment	5,490,222	4,371,975
Intangible assets	41,222	7,815
<b>Real Estate</b>		
Property, plant & equipment	-	2,548
Investments Properties	46,650	26,747
<b>Leisure</b>		
Property, plant & equipment	17,532	9,866
<b>Management Services</b>		
Property, plant & equipment	16,066	51,021
Intangible assets	-	354
	<b>16,919,433</b>	<b>17,387,897</b>

### 10. VALUE OF THE INVESTMENT PORTFOLIO

The market value/valuation of the Group's investment portfolio as at 31st March 2024 was Rs. 10,039 Mn (2023 - Rs. 9,050 Mn)

### 11. VALUE OF THE INVESTMENT PROPERTIES

Investment properties of business units, when significantly occupied by Group companies, are classified as property, plant and equipment in the consolidated financial statements in compliance with LKAS 40.

All properties classified as investment property were valued in accordance with the requirements of LKAS 40. The Group revalued all its investment properties as at 31st March 2024. The carrying value of investment property of the Group is Rs. 6,107 Mn (2023 - Rs. 5,670 Mn).

Details of the revaluation of property, plant and equipment and investment property are provided in notes 20 and 23 to the financial statements.

Details of Group properties as at 31st March 2024 are disclosed in the Group Real Estate Portfolio section of the Annual Report.

### 12. MARKET VALUE OF FREEHOLD PROPERTIES

Certain freehold properties (land and buildings) of the Group have been revalued based on the independent professional valuation and written-up in the books of account to conform to market value of such properties. Details of such revaluation are given in Note 20 (c) to the financial statements.

### 13. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of the Financial Statements of the Group and the Company which reflect a true and fair view of the state of its affairs. The Directors are of the view that the Statement of Profit or Loss, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes thereto appearing on pages 97 to 216 have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act, No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995 and amendments thereto and Listing Rules of the Colombo Stock Exchange. The "Statement of Directors' Responsibility" for the Financial Reporting is given on pages 86 to 87 which forms an integral part of this Report.

#### 14. INTERESTS REGISTER

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

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

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

#### 15. DIRECTORS' BENEFITS

The Directors' remuneration of the Company for the financial year ended 31st March 2024 are given in Note 15 (c) and Note 51 (v) to the Financial Statements as per the requirements of Section 168 (1) (f) of the Companies Act, No. 07 of 2007.

#### 16. DIRECTORS' INTEREST IN SHARES AS AT THE REPORTING DATE

The following table discloses the Directors' interest in shares of the Company

Directors	No of Ordinary Shares as at	
	31.03.2024	31.03.2023
Mr. T. de Zoysa (Chairman)	-	-
Mr. H. Selvanathan (Deputy Chairman)	76,852	76,852
Mr. M. Selvanathan	1,805,146	1,805,146
Mr. D. C. R. Gunawardena	-	-
Mr. S. K. Shah	-	-
Mr. R. Theagarajah	-	-
Mr. W. M. R. S. Dias	-	-
Mr. A. S. Amaratunga	1,156	1,156
Ms. Sharada Selvanathan	-	-
Mr. M. M. Murugappan	-	-
Mr. Y. H. Ong	-	-
<b>Alternate Directors</b>		
Mr. K. Selvanathan (For Mr. M. Selvanathan) (ceased to be an Alternate Director w.e.f. 31.12.2023)	-	-
Mr. S. Selvanathan (For Mr. D. C. R. Gunawardena) (ceased to be an Alternate Director w.e.f. 31.12.2023)	-	-

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

### 17. DIRECTORS' SHAREHOLDINGS IN GROUP'S QUOTED COMPANIES

Subsidiaries	No of Ordinary Shares as at	
	31.03.2024	31.03.2023
<b>Ceylon Guardian Investment Trust PLC</b>		
Mr. D. C. R. Gunawardena	257	257
<b>Ceylon Investment PLC</b>		
Mr. D. C. R. Gunawardena	2,157	2,157
<b>Ceylon Beverage Holdings PLC</b>		
Mr. H. Selvanathan	690	690
Mr. M. Selvanathan	690	690
Mr. D. C. R. Gunawardena	15	15
Mr. S. K. Shah	2,632	2,632
Mr. T. de Zoysa	690	690
<b>Lion Brewery (Ceylon) PLC</b>		
Mr. H. Selvanathan	1,579	1,579
Mr. M. Selvanathan	1,579	1,579
Mr. D. C. R. Gunawardena	34	34
Mr. S. K. Shah	6,016	6,016
Mr. M. M. Murugappan	10,000	10,000
<b>Equity Two PLC</b>		
Mr. S. K. Shah	9,300	9,300
Mr. W. M. R. S. Dias	200	200

### 18. DIRECTORS

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

#### 18.1 Changes in the Directorate

Mr. H. Selvanathan (Deputy Chairman) and Mr. M. Selvanathan who were Executive Directors of the Company were designated by the Board as Non-Executive Directors of the Company with effect from 06th November 2023.

Mr. S. Selvanathan ceased to be an Alternate Director of Mr. D. C. R. Gunawardena with effect from 31st December 2023 in terms of Section 9.9 of the Listing Rules of the Colombo Stock Exchange.

Mr. K. Selvanathan ceased to be an Alternate Director of Mr. M. Selvanathan with effect from 31st December 2023 in

terms of Section 9.9 of the Listing Rules of the Colombo Stock Exchange

#### 18.2 Directors to retire by rotation

In terms of Rule 9.11.5 (ii) of the Listing Rule of the Colombo Stock Exchange, the Nomination Committee recommended the re-election of Mr. M. M. Murugappan and Mr. Y. H. Ong who retire by rotation. Further, in terms of Rule 9.7.2 of the Listing Rules of the Colombo Stock Exchange the Board has ensured that Mr. M. M. Murugappan and Mr. Y. H. Ong are fit and proper based on the 'Fit and Proper Criteria' stipulated in the Listing Rules.

Accordingly, in terms of Articles 72, 73 & 74 of the Articles of Association of the Company, shareholder approval is sought to re-elect Mr. M. M. Murugappan and Mr. Y. H. Ong, who retire by rotation and, being eligible, offer themselves for re-election.

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

Messrs. T. de Zoysa, M. Selvanathan, H. Selvanathan and D. C. R. Gunawardena - Directors who were over 70 years of age were re-appointed as Directors of the Company in terms of Section 210 of the Companies Act, No. 07 of 2007 at the AGM held on 11th August 2023 for a period of one year commencing from the conclusion of the said AGM, i.e. till 10th August 2024.

Mr. W. M. R. S. Dias - Independent Non-Executive Director reached the age of 70 years on 16/07/2024.

In terms of Rule 9.11.5 (ii) of the Listing Rules of the Colombo Stock Exchange, the Nomination Committee recommended the re-election of Messrs. T. de Zoysa, M. Selvanathan, H. Selvanathan and D. C. R. Gunawardena who are over 70 years of age and

Mr. W. M. R. S. Dias who is 70 years of age. Further, in terms of Rule 9.7.2 of the Listing Rules of the Colombo Stock Exchange, the Board has ensured that Messrs. T. de Zoysa, M. Selvanathan, H. Selvanathan, W. M. R. S. Dias and D. C. R. Gunawardena are fit and proper based on the 'Fit and proper Criteria' stipulated in the Listing Rules.

Accordingly, Messrs. T. de Zoysa, M. Selvanathan, H. Selvanathan, D. C. R. Gunawardena who are over 70 years of age and Mr. W. M. R. S. Dias who is 70 years of age are to be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to them.

## 19. CORPORATE GOVERNANCE

The Board has ensured that the Company has complied with the Corporate Governance Rules as per the Listing Rules of the Colombo Stock Exchange (CSE).

### 19.1 Board of Directors

The following Directors held office as at the reporting date and their brief profiles are given on pages 7 to 9 of the Annual Report.

Name of the Director	Executive	Non-Executive	Independent
Mr. T. de Zoysa (Chairman) <sup>1</sup>		√	√
Mr. H. Selvanathan (Deputy Chairman) - (Executive/Non-Executive w.e.f 06th November 2023)		√	
Mr. M. Selvanathan (Executive/Non-Executive w.e.f 06th November 2023)		√	

Name of the Director	Executive	Non-Executive	Independent
Mr. D. C. R. Gunawardena		√	
Mr. S. K. Shah		√	
Mr. R. Theagarajah <sup>2</sup>		√	√
Mr. W. M. R. S. Dias <sup>3</sup>		√	√
Mr. A. S. Amaratunga		√	√
Ms. Sharada Selvanathan	√		
Mr. M. M. Murugappan		√	√
Mr. Y. H. Ong		√	√

### Alternate Directors

Mr. K. Selvanathan (For Mr. M. Selvanathan) (ceased to be an Alternate Director w.e.f. 31.12.2023)

Mr. S. Selvanathan (For Mr. D. C. R. Gunawardena) (ceased to be an Alternate Director w.e.f. 31.12.2023)

The Company obtained an annual declaration from the Directors as per Rule 9.7.3 and 9.7.4 of the Listing Rules of the Colombo Stock Exchange (CSE) confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria set out in the Rules during the Financial year and as at the reporting date. Therefore, no Director was identified as a person who has failed to fulfil the required assessment criteria during the year under review.

Each of the Independent Directors of the Company have submitted a signed declaration on Independence/ Non-Independence as per Rule 9.8.5 of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at a Board Meeting of the Board of Directors of the Company held on 05th July 2024, in order to enable the Board of Directors to determine the Independence/ Non-Independence of each of the Independent Directors, in terms of Rule 9.8.3 of the Listing Rules of the CSE.

- Mr. T. de Zoysa has served as a Director for over 9 aggregate years and the Board has determined that since he does not exert control over the Company and is able to make unfettered judgements and act impartially, he is nevertheless independent.
- Mr. R. Theagarajah has served as a Director for over 9 aggregate years and the Board has determined that since he does not exert control over the Company and is able to make unfettered judgements and act impartially, he is nevertheless independent.
- Mr. W. M. R. S. Dias has served as a Director for over 9 aggregate years and the Board has determined that since he does not exert control over the Company and is able to make unfettered judgements and act impartially, he is nevertheless independent.

### 19.2 Directors' Meeting Attendance

During the Financial year, the Board of Directors had 9 Board Meetings.

The attendance of the Directors at the Board Meetings were as follows;

Director	Meetings attended (out of 9)
Mr. T. de Zoysa (Chairman)	8/9
Mr. H. Selvanathan (Deputy Chairman)	9/9
Mr. M. Selvanathan	8/9
Mr. D. C. R. Gunawardena	9/9
Mr. S. K. Shah	5/9
Mr. R. Theagarajah	9/9
Mr. W. M. R. S. Dias	9/9
Mr. A. S. Amaratunga	8/9
Ms. Sharada Selvanathan	9/9
Mr. M. M. Murugappan	8/9
Mr. Y. H. Ong	9/9

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

### 19.3 Board Evaluation

Each Director individually appraises the Board's performance to ensure discharging its responsibilities satisfactorily. This process takes in to account and evaluates all aspects in relation to Board responsibilities.

Independent observations made by the Directors are collated and addressed by the Nomination Committee of the Company and recommended as relevant to the Board of Directors for consideration.

### 19.4 Board Sub - Committees

The Board, while assuming the overall responsibility and accountability for the management of the Company, has also appointed Board sub-committees to ensure more effective control over certain affairs of the Company, conforming to the Corporate Governance Standards of the Listing Rules of the CSE and industry best practices. Accordingly, the following Board sub-committees have been constituted by the Board.

- Audit Committee
- Remuneration Committee
- Nomination Committee
- Related Party Transactions Review Committee

#### 19.4.1 Audit Committee

The Audit Committee of the Company comprises of the following members;

Audit Committee Members	Executive	Non- Executive	Independent
Mr. A. S. Amaratunga (Chairman)	-	√	√
Mr. D. C. R. Gunawardena	-	√	
Mr. Y. H. Ong	-	√	√

#### Composition

The Audit Committee of the Company being the Parent/ultimate Parent Company of the undermentioned listed companies, functions as the Audit Committee to these companies;

#### Investment Sector

Ceylon Guardian Investment Trust PLC  
Ceylon Investment PLC

#### Real Estate Sector

Equity Two PLC

#### Beverage Sector

Lion Brewery (Ceylon) PLC  
Ceylon Beverage Holdings PLC

#### Leisure Sector

Pegasus Hotels of Ceylon PLC

#### Plantation Sector\*

Indo - Malay Limited  
Good Hope Limited  
Selinsing Limited  
Shalimar (Malay) Limited

\*Functioned as the Audit Committee of the said companies until they were Delisted from the Official List of the Colombo Stock Exchange w.e.f. 18/01/2024.

The Audit Committee Report is given on pages 90 to 91 of this Annual Report.

#### 19.4.2 Remuneration Committee

The Remuneration Committee of the Company comprises of the following members;

Remuneration Committee Members	Executive	Non- Executive	Independent
Mr. T. de Zoysa (Chairman)	-	√	√
Mr. D. C. R. Gunawardena	-	√	
Mr. R. Theagarajah	-	√	√
Mr. W. M. R. S. Dias	-	√	√

#### Composition

The Remuneration Committee of the Company being the Parent/ultimate Parent Company of the undermentioned listed companies, functions as the Remuneration Committee to these companies;

#### Investment Sector

Ceylon Guardian Investment Trust PLC  
Ceylon Investment PLC

#### Real Estate Sector

Equity Two PLC

#### Beverage Sector

Lion Brewery (Ceylon) PLC  
Ceylon Beverage Holdings PLC

#### Leisure Sector

Pegasus Hotels of Ceylon PLC

#### Plantation Sector\*

Indo - Malay Limited  
Good Hope Limited  
Selinsing Limited  
Shalimar (Malay) Limited

\*Functioned as the Remuneration Committee of the said companies until they were Delisted from the Official List of the Colombo Stock Exchange w.e.f. 18/01/2024.

#### Scope and Objective

The Remuneration Committee has established a formal and transparent procedure for the development of a remuneration policy which will be reviewed by the Committee when deemed necessary. The remuneration policy has been formulated based on market and industry factors with appropriate incentives to encourage enhanced performance and also in a fair and responsible manner for all group companies.

### Functions and Proceedings

The Remuneration Committee of CARS recommends to the Board of the Company as well as the subsidiary Companies the remuneration to be paid to Non-Executive Directors of the respective Companies. Based on the recommendation of the Remuneration Committee, the respective Boards approve the remuneration to the respective Non-Executive Directors.

The Chief Executive Officer, Director in-charge and other members of senior management may be invited to attend meetings to discuss the performance of the Executive Directors and make proposals as necessary. Non-Executive Directors are not involved in Remuneration Committee meetings when determinations are made in relation to the remuneration of the respective Directors.

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

The Remuneration Committee Charter requires the Committee to meet at least twice a year. During the Financial year, the Remuneration Committee held two (02) meetings and the attendance of the members are as follows;

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

### Reporting and Responsibilities

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

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

Aggregated remuneration paid to the Non-Executive Directors of the Company are disclosed under Note 15 (c) on page 141 of the Annual Report. Executive Directors are not compensated for their role on the Board.

### 19.4.3 Nomination Committee

The Nomination Committee of the Company comprises of the following members;

Nomination Committee Members	Executive		
	Executive	Non- Executive	Independent
Mr. T. de Zoysa (Chairman)	-	√	√
Mr. R. Theagarajah	-	√	√
Mr. D. C. R. Gunawardena	-	√	
Mr. W. M. R. S. Dias	-	√	√

### Composition

The Nomination Committee of the Company being the Parent/ultimate Parent Company of the undermentioned listed companies, functions as the Nomination Committee to these companies;

Equity Two PLC  
Ceylon Beverage Holdings PLC

### Scope and Objective

The primary objective of the Nomination Committee is to lead the process for appointments of new Directors to the

Board and the nominations of members to represent the Company in group companies/ investee companies.

### Functions and Proceedings

The Nomination Committee recommends new appointments to the Board. Based on the recommendation of the Nomination Committee, the Board approves the new appointments of Executive and Non-Executive Directors to the Board.

Any Director of the Board and the Chief Executive Officer/Director-in-Charge and other members of senior management may be invited to attend Meetings of the Nomination Committee. The Committee may also invite appointed external consultants to aid the Committee in the discharge of its duties.

The Committee is authorized by The Board to seek appropriate professional advice internally and externally as and when considered necessary.

The Nomination Committee Charter requires the Committee to meet at least twice a year. During the Financial Year, the Committee held two (02) meetings and the attendance of the members are as follows;

Nomination Committee	Meetings attended (out of 2)
Mr. T. de Zoysa (Chairman)	2/2
Mr. R. Theagarajah	1/2
Mr. D. C. R. Gunawardena	2/2
Mr. W. M. R. S. Dias	2/2

### 19.4.4 Related Party Transactions Review Committee

Related Party Transactions Review Committee of the Company comprises of the following members;

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

Related Party Transactions Review Committee Members	Executive	Non-Executive	Independent
Mr. W. M. R. S. Dias (Chairman)	-	✓	✓
Mr. R. Theagarajah	-	✓	✓
Mr. D. C. R. Gunawardena	-	✓	-
Mr. H. Selvanathan - (Executive/ Non-Executive w.e.f 06th November 2023)	-	✓	-
Mr. M. Selvanathan - (Executive/ Non-Executive w.e.f 06th November 2023)	-	✓	-
Mr. S. K. Shah	-	✓	-

### Composition

The Related Party Transactions Review Committee (RPTRC) of the Company being the Parent/ultimate Parent Company of the undermentioned listed companies, functions as the RPTRC to these companies;

### Investment Sector

Ceylon Guardian Investment Trust PLC  
Ceylon Investment PLC

### Real Estate Sector

Equity Two PLC

### Beverage Sector

Lion Brewery (Ceylon) PLC  
Ceylon Beverage Holdings PLC

### Leisure Sector

Pegasus Hotels of Ceylon PLC

### Plantation Sector\*

Indo - Malay Limited  
Good Hope Limited  
Selinsing Limited  
Shalimar (Malay) Limited

\*Functioned as the Related Party Transactions Review Committee of the said companies until they were Delisted from the Official List of the Colombo Stock Exchange w.e.f. 18/01/2024.

The Related Party Transactions Review Committee Report is given on pages 88 to 89 of this Annual Report.

### Declaration

The Directors have made self-declarations for the purpose of identifying parties related to them. The said declarations were noted at the Related Party Transactions Review Committee Meetings.

The Company is in compliance with Rule 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions, during the financial year.

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

The Directors declare in terms of the requirements of the Listing Rules of the Colombo Stock Exchange that the transactions carried out by the Company with its Related Parties during the year ended 31st March 2024, did not exceed 10% of Equity or 5% of the Total Assets of the Company as at 31st March 2024.

The details of the Related Party Transactions are given in Note 51 of the Financial Statements.

### Recurrent Related Party Transactions

All the Recurrent Related Party transactions which in aggregate value exceeded 10% of the revenue of the Company as per 31st March 2024 audited Financial Statements are disclosed under Note 51 to the Financial Statements, as required by Rule 9.14.8 (2) of the Listing Rules of the Colombo Stock Exchange and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

### Non-Recurrent Related Party Transactions

When the aggregate value of all Non-Recurrent Related Party Transactions exceeds 10% of the equity or 5% of the total assets of the Company, whichever is lower as per 31 March 2024 audited financial statements, disclosure has been made under Note 51 to the Financial Statements, as required by the Colombo Stock Exchange Listing Rule 9.14.8(1) and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.



## 20. COMPLIANCE WITH SECTION 9 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE ON CORPORATE GOVERNANCE AS AT DATE

Rule No.	Subject	Criteria	Compliance Status	Details
9.1.3.	Applicability of Corporate Governance Rules	All Listed Entities shall publish a statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual Report of the Entity	Compliant	Please refer to Corporate Governance point of page 71 of the Annual Report of the Board of Directors
9.2	Policies	Policies	Not Applicable	Considering the effective date of 01 October 2024, the Company is in the process of reviewing existing policies and establishing new policies to comply with the stipulated timeline.
9.3	Board Committees	Board Committees	Compliant	Please refer pages 72 to 74 of the Annual Report of the Board of Directors.
9.4.1.	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	Listed Entities shall maintain records of all resolutions and information pertaining to its adoption	Compliant	The Company Secretaries maintain records of all resolutions and requisite information. The Company Secretaries could provide extracts of such resolutions to the SEC and CSE if required.
9.4.2	Communication and relations with shareholders and investors	Communication and relations with shareholders and investors	Compliant	Please refer to page 84 of the Annual Report of the Board of Directors.  Considering the effective date of 01 October 2024, the Company is in the process of introducing policies to comply with the stipulated timeline.
9.5	Policy on matters relating to the Board of Directors	Policy on matters relating to the Board of Directors	Compliant	Considering the effective date of 01 October 2024, the Company is in the process of introducing policies to comply within the stipulated timeline.
9.6.1	Chairperson and CEO	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual.	Compliant	Chairman is an Independent Non-Executive Director

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

Rule No.	Subject	Criteria	Compliance Status	Details
9.6.2	Chairperson and CEO	Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement	Not Applicable	Chairman is an Independent Non-Executive Director and the positions of the Chairperson and CEO are not held by the same individual
9.6.3. and 9.6.4.	The Requirement for a SID	SID to be appointed in the following instances; i) The positions of the Chairperson and CEO are held by the same individual. ii) The Chairperson is an Executive Director. iii) The Chairperson and CEO are Close Family Members or Related Parties.	Not Applicable	Chairman is an Independent Non-Executive Director, the positions of the Chairperson and CEO are not held by the same individual and the Chairman and CEO are not Close Family Members or Related Parties.
9.7	Fitness of Directors and CEO	Fitness of Directors and CEO	Compliant	The Company obtained an annual declaration from the Directors confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria. All Directors met the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.
9.8.1	Board Composition	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Compliant	The Board comprises of 11 Directors.
9.8.2/9.8.3 and 9.8.5.	Independent Directors	Minimum no. of Independent Directors / Criteria for defining independence and declaration & disclosures relating to Directors	Compliant	Please refer page 71 of the Annual Report of the Board of Directors.
9.9	Alternate Director	Alternate Director	Compliant	No Alternate Directors were appointed to the Board throughout the reporting period. The Company has set out Special Resolutions in the Notice of Meeting to change the Articles of Association of the Company to align with the Listing Rule requirement.

Rule No.	Subject	Criteria	Compliance Status	Details
9.10.4.(a) and 9.10.4(b)	Disclosure relating to Directors	Company shall publish a brief resume in the Annual Report including expertise in relevant functional areas of each Director	Compliant	Please refer the Profile of the Directors on pages 07 to 09.
9.10.4.(c)	Disclosure relating to Directors	Whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity	Compliant	As at the conclusion of the last AGM and throughout the financial year, none of the Directors or Close Family Members have had any material business relationship with other Directors of the Company.
9.10.4.(d) /9.10.4.(e)/ 9.10.4.(f)/ 9.10.4.(g) and 9.10.4.(h)	Disclosure relating to Directors	Disclosure relating to Directors	Compliant	Please refer to pages 78 to 81 of the Annual Report of the Board of Directors
9.11	Nomination and Governance Committee	Nomination and Governance Committee	Compliant	Please refer to page 73 of the Annual Report of the Board of Directors.
9.12	Remuneration Committee	Remuneration Committee	Compliant	Please refer to page 72 of the Annual Report of the Board of Directors.
9.13	Audit Committee	Audit Committee	Compliant	Please refer to page 72 of the Annual Report of the Board of Directors.
9.14	Related Party Transaction Review Committee	Related Party Transaction Review Committee	Compliant	Please refer to page 73 of the Annual Report of the Board of Directors.
9.16.(i)	Additional Disclosures	The Board of Directors should declare all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested	Compliant	Directors declared at a board meeting that they have no material interests in contracts with the Company and there were no matters in which they were materially interested.
9.16.(ii)	Additional Disclosures	The Board of Directors should conduct a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith	Compliant	The Board, having reviewed the system of internal controls covering financial, operational and compliance controls and risk management, is satisfied with the Company's adherence to and effectiveness of these controls for the period up to the date of signing the Financial Statements.

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

Rule No.	Subject	Criteria	Compliance Status	Details
9.16(iii)	Additional Disclosures	The Board of Directors should make arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly of Listing Rules and Applicable capital market provisions	Compliant	The Board of Directors have declared that the Company and the Board of Directors have complied with applicable laws, rules and regulations and also are aware of changes particularly to the Listing Rules of the Colombo Stock Exchange including the new rules on Corporate Governance initially issued in October 2023 and all other applicable capital market provisions.
9.16(iv)	Additional Disclosures	The Board of Directors should disclose relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.	Compliant	The Board of Directors have no disclosures to be made of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Company has operations.

### 21. DISCLOSURES RELATING TO THE DIRECTORS AS PER SECTION 9.10.4 (E) OF THE LISTING RULES OF COLOMBO STOCK EXCHANGE

#### Bukit Darah PLC is the Parent Company of Carson Cumberbatch PLC.

Name of the Director	Name of the Company, functioning capacity, Listed/Unlisted
Mr. T. De Zoysa	<b>Carson Cumberbatch PLC Group of Companies</b>
(Total No. of Directorships – 13)	He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Company – Carson Cumberbatch PLC.
(Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. T. De Zoysa is a Key Management Personnel but not a Director – 06)	He is a Key Management Personnel in the mentioned Listed Companies – Ceylon Beverage Holdings PLC, Pegasus Hotels of Ceylon PLC and Ceylon Guardian Investment Trust PLC. He is a Key Management Personnel in other Unlisted companies within the Carson Cumberbatch PLC Group.
	<b>Other Companies</b>
	He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Companies – Nawaloka Hospitals PLC and TAL Lanka Hotels PLC. He is a Director and Key Management Personnel in the mentioned Unlisted Companies – Jetwing-Zinc Journeys Lanka (Pvt) Ltd, Associated CEAT (Pvt) Ltd, Associated Electrical Corporation Ltd, Bansei Royal Resorts Hikkaduwa Ltd, INOAC Polymer Lanka (Pvt) Ltd, Trinity Steel (Pvt) Ltd, Varun Beverages Lanka (Pvt) Ltd, Wipra International (Pvt) Ltd, Zinc Hospitality Lanka (Pvt) Ltd and CG Corp Global Sri Lanka.

Name of the Director	Name of the Company, functioning capacity, Listed/Unlisted
<p><b>Mr. H. Selvanathan</b></p> <p>[Total No. of Directorships - 26]</p> <p>[Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. H. Selvanathan is a Key Management Personnel but not a Director - 07]</p>	<p><b>Carson Cumberbatch PLC Group of Companies</b></p> <p>He is a Non-Executive Director and Key Management Personnel in the mentioned Listed Companies – Carson Cumberbatch PLC, Bukit Darah PLC, Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies - Ceylon Guardian Investment Trust PLC and Pegasus Hotels of Ceylon PLC.</p> <p>He is a Director and/or Key Management Personnel in other Unlisted Companies within the Carson Cumberbatch PLC Group.</p> <p><b>Other Companies</b></p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Companies - Riverside Resorts (Private) Limited, Hambros Investments (Pvt) Ltd, Interkrish Investment Co. (Pvt) Ltd, Ceylon Securities and Investments (Pvt) Ltd, Eskaycee Travels Limited, Krish Investment Co. (Pvt) Ltd, Korea Lanka Garments (Pvt) Ltd, S. Kanapathy Chetty (Pvt) Ltd, Sri Krishna Corporation (Pvt) Ltd, Skan Investments (Pvt) Ltd, Tower Investments (Pvt) Ltd, Bukit Investments (Pvt) Ltd, Fulcrum (Pvt) Limited, Goodhope Holdings (Pvt) Ltd, Goodhope Investment (Pvt) Ltd, Boutique Resorts (Pvt) Ltd.</p>
<p><b>Mr. M. Selvanathan</b></p> <p>[Total No. of Directorships - 22]</p> <p>[Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. M. Selvanathan is a Key Management Personnel but not a Director - 08]</p>	<p><b>Carson Cumberbatch PLC Group of Companies</b></p> <p>He is a Non-Executive Director and Key Management Personnel in the mentioned Listed Companies - Carson Cumberbatch PLC, Bukit Darah PLC and Ceylon Beverage Holdings PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies – Lion Brewery (Ceylon) PLC, Ceylon Guardian Investment Trust PLC and Pegasus Hotels of Ceylon PLC.</p> <p>He is a Director and/or Key Management Personnel in other Unlisted Companies within the Carson Cumberbatch PLC Group.</p> <p><b>Other Companies</b></p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Companies - Hambros Investments (Pvt) Ltd, Interkrish Investment Co. (Pvt) Ltd, Ceylon Securities and Investments (Pvt) Ltd, Eskaycee Travels Limited, Krish Investment Co. (Pvt) Ltd, Korea Lanka Garments (Pvt) Ltd, S. Kanapathy Chetty (Pvt) Ltd, Sri Krishna Corporation (Pvt) Ltd, Skan Investments (Pvt) Ltd, Tower Investments (Pvt) Ltd, Bukit Investments (Pvt) Ltd, Fulcrum (Pvt) Limited and Goodhope Holdings (Pvt) Ltd.</p>
<p><b>Mr. D.C.R. Gunawardena</b></p> <p>[Total No. of Directorships - 11]</p> <p>[Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. D.C.R. Gunawardena is a Key Management Personnel but not a Director - 09]</p>	<p><b>Carson Cumberbatch PLC Group of Companies</b></p> <p>He is a Non-Executive Director and Key Management Personnel in the mentioned Listed Companies - Ceylon Beverage Holdings PLC, Bukit Darah PLC, Carson Cumberbatch PLC and Lion Brewery (Ceylon) PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies – Ceylon Guardian Investment Trust PLC and Pegasus Hotels of Ceylon PLC.</p> <p>He is a Director and Key Management Personnel in other Unlisted Companies within the Carson Cumberbatch PLC Group.</p> <p><b>Other companies</b></p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Companies - Carino (Pvt) Ltd and Noorani Estates Limited</p>

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

Name of the Director	Name of the Company, functioning capacity, Listed/Unlisted
<p>Mr. S. K. Shah</p> <p>(Total No. of Directorships - 06)</p> <p>(Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. S. K. Shah is a Key Management Personnel but not a Director - 06)</p>	<p><b>Carson Cumberbatch PLC Group of Companies</b></p> <p>He is a Non-Executive Director and Key Management Personnel in the mentioned Listed Companies - Bukit Darah PLC and Carson Cumberbatch PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies – Ceylon Guardian Investment Trust PLC, Pegasus Hotels of Ceylon PLC and Ceylon Beverage Holdings PLC.</p> <p>He is a Key Management Personnel in other Unlisted companies within the Carson Cumberbatch PLC Group.</p> <hr/> <p><b>Other companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed companies – Ceylon Tobacco Company PLC, Hunters PLC and Hatton National Bank PLC.</p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Company – Lanka Canneries Pvt Ltd</p>
<p>Mr. R. Theagarajah</p> <p>(Total No. of Directorships - 08)</p> <p>(As at 16/07/2024, Total No. of Directorships - 09 Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. R. Theagarajah is a Key Management Personnel but not a Director - 06)</p>	<p><b>Carson Cumberbatch PLC Group of Companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed company – Carson Cumberbatch PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies – Ceylon Guardian Investment Trust PLC, Pegasus Hotels of Ceylon PLC and Ceylon Beverage Holdings PLC.</p> <p>He is a Key Management Personnel in other Unlisted companies within the Carson Cumberbatch PLC Group.</p> <hr/> <p><b>Other companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Companies – Orient Finance PLC and First Capital Holdings PLC.</p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Companies – BCAS Private Limited (British College of Applied Sciences), Colours of Courage (Private) Limited, Engenuity Ai Private Limited, PAYABLE (Pvt) Limited and Siam City Sri Lanka (Pvt) Ltd.</p>
<p>Mr. W. M. R. S. Dias</p> <p>(Total No. of Directorships - 10)</p> <p>(Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. W. M. R. S. Dias is a Key Management Personnel but not a Director - 06)</p>	<p><b>Carson Cumberbatch PLC Group of Companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Company – Carson Cumberbatch PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies – Ceylon Guardian Investment Trust PLC, Pegasus Hotels of Ceylon PLC and Ceylon Beverage Holdings PLC</p> <p>He is a Key Management Personnel in other Unlisted companies within the Carson Cumberbatch PLC Group.</p> <hr/> <p><b>Other companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Company – Tokyo Cement Company (Lanka) PLC.</p> <p>He was a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Company until 28th May 2024 - Seylan Bank PLC.</p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Companies – Tokyo Superfine Cement (Lanka) Pvt Ltd, Tokyo Cement Power (Lanka) Pvt Ltd, Tokyo Eastern Cement Company Pvt Ltd, Tokyo Supermix Pvt Ltd, Ceylon Tea Marketing (Pvt) Ltd, Superfine Teas (Pvt) Ltd, Jay-Cey-Tea (Pvt) Ltd.</p>

Name of the Director	Name of the Company, functioning capacity, Listed/Unlisted
<p><b>Mr. A. S. Amaratunga</b></p> <p>(Total No. of Directorships - 04)</p> <p>(Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. A. S. Amaratunga is a Key Management Personnel but not a Director - 06)</p>	<p><b>Carson Cumberbatch PLC Group of Companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Companies – Carson Cumberbatch PLC and Bukit Darah PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies – Ceylon Guardian Investment Trust PLC, Pegasus Hotels of Ceylon PLC and Ceylon Beverage Holdings PLC.</p> <p>He is a Key Management Personnel in other Unlisted companies within the Carson Cumberbatch PLC Group.</p> <hr/> <p><b>Other companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Company – Hemas Holdings PLC.</p> <p>He is a Director and Key Management Personnel in the mentioned Unlisted Company – SAARA LABs (Pvt) Ltd.</p>
<p><b>Ms. S. Selvanathan</b></p> <p>(Total No. of Directorships - 05)</p> <p>(Total No. of Companies within the Carson Cumberbatch PLC Group where Ms. S. Selvanathan is a Key Management Personnel but not a Director - 06)</p>	<p><b>Carson Cumberbatch PLC Group of Companies</b></p> <p>She is an Executive Director and Key Management Personnel in the mentioned Listed Company – Carson Cumberbatch PLC.</p> <p>She is a Key Management Personnel in the mentioned Listed Companies – Ceylon Guardian Investment Trust PLC, Pegasus Hotels of Ceylon PLC and Ceylon Beverage Holdings PLC</p> <p>She is a Key Management Personnel in other Unlisted companies within the Carson Cumberbatch PLC Group.</p> <hr/> <p><b>Other companies</b></p> <p>She is a Director and Key Management Personnel in the mentioned Unlisted Companies – Bukit Investments (Pvt) Ltd, Fulcrum (Pvt) Limited, Goodhope Holdings (Pvt) Ltd and Skan Investments (Pvt) Ltd.</p>
<p><b>Mr. M. M. Murugappan</b></p> <p>(Total No. of Directorships - 01)</p> <p>(Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. M. M. Murugappan is a Key Management Personnel but not a Director - 06)</p>	<p><b>Carson Cumberbatch PLC Group of Companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Company – Carson Cumberbatch PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies – Ceylon Guardian Investment Trust PLC, Pegasus Hotels of Ceylon PLC and Ceylon Beverage Holdings PLC.</p> <p>He is a Key Management Personnel in other Unlisted companies within the Carson Cumberbatch PLC Group.</p>
<p><b>Mr. Y. H. Ong</b></p> <p>(Total No. of Directorships - 01)</p> <p>(Total No. of Companies within the Carson Cumberbatch PLC Group where Mr. Y. H. Ong is a Key Management Personnel but not a Director - 06)</p>	<p><b>Carson Cumberbatch PLC Group of Companies</b></p> <p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Company – Carson Cumberbatch PLC.</p> <p>He is a Key Management Personnel in the mentioned Listed Companies – Ceylon Guardian Investment Trust PLC, Pegasus Hotels of Ceylon PLC and Ceylon Beverage Holdings PLC.</p> <p>He is a Key Management Personnel in other Unlisted companies within the Carson Cumberbatch PLC Group.</p>



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

### 20. INTERNAL CONTROL AND RISK MANAGEMENT

The ultimate responsibility to establish, monitor and review a company-wide internal control system rests with the Board of Directors. The intensity, depth and the tolerance limits for each component of the internal control system would be based on the weight of the elements of risk imposed on the sustenance of the business by the respective area of operation. Whilst a strong internal control system would mitigate the crystallization of risk elements to a greater extent, employment of external support structures would also be necessary based on the risk assessments made thereon.

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

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

This allows the Board to have total control of the fulfillment of governance requirements by providing opportunity to take timely preventive action in case of potential deterioration of status quo. A comprehensive description of the risk management strategies of the Company are given on pages 51 to 56 in the Annual Report.

### 21. INDEPENDENT AUDITORS

#### 21.1 Company

Company's Auditors during the year under review was Messrs KPMG, Chartered Accountants.

A sum of Rs. 1,900,000 was paid to them by the Company as audit fees for the year ended 31st March 2024 (2023 - Rs. 1,691,000 in addition they were paid Rs. 110,000 (2023 - Rs. 100,000) by the Company as fees for audit related services.

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

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

#### 21.2 Group

The group works with firms of Chartered Accountants in Sri Lanka and abroad, namely, KPMG and Ernst & Young. Details of audit fees are set out in Note 15 (a) of the financial statements.

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

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the Auditors do not have any interest with the Company that would impair their independence.

#### 21.4 Independent Auditor's Report

The independent Auditor's Report on the Financial Statements is given on pages 92 to 96 of this Annual Report.

### 22. DIVIDENDS

A First Interim Dividend of Rs. 2/10 per ordinary share amounting to Rs. 412,412,519/40 for the year ended 31st March 2024 was announced on 04th July 2023. Shareholders of the Company who had provided accurate bank account details were paid on 20th July 2023. Shareholders who had not provided accurate bank account details or had not provided any bank account details were paid dividends on 03rd August 2023 via cheques.

A Second Interim Dividend of Rs. 4/70 per ordinary share amounting to Rs. 923,018,495/80 for the year ended 31st March 2024 was announced on 14th May 2024. Shareholders of the Company who had provided accurate bank account details were paid on 03rd June 2024. Shareholders who had not provided accurate bank account details or had not provided any bank account details were paid dividends on 14th June 2024 via cheques.

The details of the said Dividend payments are given on page 148 of the Annual Report.

A final dividend was not recommended by the Board of Directors.

### 23. SOLVENCY TEST

As required by Section 56(3) of the Companies Act, No. 07 of 2007, the Directors had signed the Solvency Statements confirming that the Board has reasonable grounds to believe that the Company would satisfy the Solvency Test immediately after the distributions are made pertaining to the First Interim Dividend of Rs. 2/10 per Ordinary share and Second Interim Dividend of Rs. 4/70 per Ordinary Share for the year ended 31st March 2024.

As per Section 56(2) of the Companies Act, the Board has obtained certificates of Solvency from the Company's Auditors, KPMG, Chartered Accountants in relation to the said First Interim Dividend and Second Interim Dividend for the year ended 31st March 2024.

## 24. STATED CAPITAL

The Stated Capital of the Company as at 31st March 2024 was Rs.1,114,651,929/- consisting of 196,386,914 Ordinary shares. There was no change in the Stated Capital of the Company during the year.

## 25. STATUTORY PAYMENTS

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

## 26. OUTSTANDING LITIGATION

In the opinion of the Directors and in consultation with the Company lawyers, litigations currently pending against the Company will not have material impact on the reported financial results of future operations of the Company. Details of litigations pending against the Company and the Group are given in Notes 49 (ii) Material litigation and 43 (d) respectively.

## 27. GOING CONCERN

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that has the resources to continue in business for the foreseeable future. The Group's businesses recorded a strong growth in profitability compared to previous year owing to the positive consumer sentiment, global commodity pricing and the effectiveness of business strategies adopted by the management.

In determining the basis of preparing the financial statements for the year ended 31st March 2024, based on available information, the management has assessed the prevailing uncertain and Volatile macro –economic environment and its impact on the Group companies operating in Sri Lankan domain and the appropriateness of the use of the going concern basis.

Based on these proactive analyses and actions plans, our operating model consisting of diversified businesses both regionally and industry wise, Group is confident that we are well placed. Therefore Group envisages no impact on the Group business continuity and expects to manage the above challenges effectively.

Furthermore, with the information available as at present the 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.

## 28. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

### Delisting of four Malaysian subsidiaries

The ordinary voting shares of Indo-Malay PLC, Good Hope PLC, Selinsing PLC, and Shalimar (Malay) PLC have been delisted from the Official List of the Colombo Stock Exchange with effect from 18th January 2024.

## 29. CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The contingent liabilities and commitments made on account of capital expenditure as at 31st March 2024 are given in note 49 the financial statements.

## 30. RESEARCH AND DEVELOPMENT

The Group has an active approach to research and development and recognises the contribution that it can make to the Group's operations. Significant expenditure has taken place over the years and substantial efforts will continue to be made to introduce new products and processes

and develop existing products and processes to improve operational efficiency.

## 31. CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Carson Cumberbatch PLC and its subsidiaries have engaged in a variety of CSR initiatives on the fundamental premise of supporting sustainable and holistic socioeconomic development of the country, and also in the region where its business interests lie. The detailed report consisting of completed and ongoing initiatives are included in the sustainability section of the Annual Report.

## 32. HUMAN RESOURCE

The Group continued to invest in Human Capital Development and implementing effective Human Resource practices and policies to develop and build an efficient and effective workforce aligned around new business priorities and to ensure that its employees are developing the skills and knowledge required for the future success of the Group.

The number of persons employed by the Group as at 31st March 2024 was 16,423 (31st March 2023 - 14,964). The Company had no employees as at 31st March 2024 (2023 - Nil).

## 33. EQUITABLE TREATMENT TO SHAREHOLDERS

The Company ensures that the rights of all shareholders are preserved and has established procedures to ensure the fair and equitable treatment of all shareholders. An array of measures is also in place to ensure that shareholder views are identified and fully considered.

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

Shareholders' concerns are brought to the attention of the Board of Directors through the Company Secretaries who serve as a point of contact for all shareholders.

### 34. ENVIRONMENT PROTECTION

The Company is sensitive to the needs of the environment and makes every endeavour to comply with the relevant environmental laws, regulations and best practices applicable in the country. After making adequate inquiries from the Management, the Directors are satisfied that the Company operates

in a manner that minimizes the detrimental effects on the environment and provides services that have a beneficial effect on the customers and the communities within which the Company operates.

### 35. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen, which would require adjustments to or disclosures in the financial statements, other than those disclosed in Note 50 to the financial statements, if any.

### 37. SHARE INFORMATION

The details relating to earnings, net assets, market value per share and information on share trading is given on pages 57 and 61 of this Annual Report.

### 38. MAJOR SHAREHOLDERS

Twenty Major Shareholders - Ordinary Shares.

Name of Shareholder	31st March 2024		31st March 2023	
	No. of Shares	%	No. of Shares	%
1. Bukit Darah PLC A/C No 2	89,706,431	45.68	89,706,431	45.68
2. Tower Investments (Pvt) Ltd	21,025,903	10.71	20,927,425	10.66
3. Fulcrum (Private) Limited	19,231,059	9.79	19,231,059	9.79
4. Newgreens Limited	14,747,670	7.51	14,747,670	7.51
5. Portelet Limited	14,747,670	7.51	14,747,670	7.51
6. Mr. V. Nataraj	10,749,902	5.47	5,150,521	2.62
7. Employee's Provident Fund	5,602,586	2.85	5,602,586	2.85
8. Goodhope Holdings(Pvt) Limited.	2,265,665	1.15	2,167,187	1.10
9. GF Capital Global Limited	1,885,341	0.96	1,885,341	0.96
10. Mr. M. Selvanathan	1,805,146	0.92	1,805,146	0.92
11. Ceylon Securities and Investments (Private) Ltd	1,606,251	0.82	1,606,251	0.82
12. Skan Investments (Pvt) Limited.	1,561,015	0.79	1,462,537	0.74
13. Mrs. M.N.C. Pellizzari	939,801	0.48	939,801	0.48
14. Auerbach Grayson And Co.LLC	784,275	0.40	784,275	0.40
15. Mr. Satish Selvanathan	703,348	0.36	703,348	0.36
16. Interkrish Investment Company (Pvt) Limited.	552,966	0.28	454,488	0.23
17. Mr. K.C. Vignarajah	476,974	0.24	470,926	0.24
18. Krish Investment Company (Pvt) Ltd.	441,523	0.22	441,523	0.22
19. Bank of Ceylon No. 1 Account	313,352	0.16	313,352	0.16
20. Mrs. M. L. De Silva	298,809	0.15	298,809	0.15

### 39. AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY

The Board of Directors have proposed that the Articles 4(1), 16(1) & 16(2), 17, 47(2), 47(4), 74, 81, 87(1), 91 and 101 be amended and the requisite Special Resolutions to give effect to the above is set out in the Notice Convening the

Annual General Meeting on pages 224 to 226 of the Annual Report.

### 40. ANNUAL REPORT

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

The Board of Directors have approved the Financial Statements of the Company together with the Reviews which form part of the Annual Report on 16th July 2024. The appropriate number of copies of the Annual Report will be submitted to the Colombo Stock Exchange, the Sri Lanka Accounting and Auditing Standards Monitoring

Board and the Registrar General of Companies, within applicable time frames.

#### **41. ANNUAL GENERAL MEETING**

111th Annual General Meeting of the Company will be held on **Friday, the 09th August 2024 at 9.00 a.m.** at the Auditorium, the Institute of Chartered Accountants of Sri Lanka, Ground Floor, 30A, Malalasekera Mawatha, Colombo 07, Sri Lanka.

The Notice of the Annual General Meeting, setting out the business which will be transacted thereat is on pages 224 to 226 of the Annual Report.

Signed on behalf of the Board

(Sgd.)  
Mr. M. Selvanathan  
Director

(Sgd.)  
Mr. D. C. R. Gunawardena  
Director

(Sgd.)  
K.D. De Silva (Mrs.)  
Director  
Carsons Management Services  
(Private) Limited  
Secretaries

Colombo  
16th July 2024

# Statement of Directors' Responsibility

The Statement sets out the responsibility of the Board of Directors, in relation to the Financial Statements of Carson Cumberbatch PLC and the Consolidated Financial Statements of the Company and its Subsidiaries (the Group). The responsibilities of the External Auditors in relation to the Financial Statements are set out in the "Independent Auditors' Report" given on pages 92 to 96.

In terms of Sections 150 (1), 151, 152 and 153 (1) and (2) of the Companies Act No. 07 of 2007, the Board of Directors of the Company are responsible for ensuring that the Group and the Company keep proper books of account of all the transactions and prepare Financial Statements that give a true and fair view of the financial position of the Group and the Company as at end of each financial year and place them before a general meeting. The Financial Statements comprise of the Statement of Financial Position as at 31st March 2024, the Statement of Profit or Loss and Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes thereto.

Accordingly, the Board of Directors confirm that the Financial Statements of the Group and the Company give a true and fair view of the financial position of the Group and the Company as at March 31, 2024; and financial performance of the Group and the Company for the financial year then ended.

## COMPLIANCE REPORT

The Board of Directors also wishes to confirm that:

- (a) appropriate Accounting Policies have been selected and applied in preparing the Financial Statements exhibited on pages 107 to 127 based on the latest financial reporting framework on a consistent basis, while reasonable and prudent judgements have been made so that the form and substance of transactions are properly reflected and material departures, if any, have been disclosed and explained;
- (b) the Financial Statements for the year 2024, prepared and presented in this Annual Report are in agreement with the underlying books of account and are in conformity with the requirements of the following:
  - Sri Lanka Accounting Standards;
  - Companies Act, No. 07 of 2007 (Companies Act);
  - Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995;
  - Listing Rules of the Colombo Stock Exchange (CSE), and
- (c) proper accounting records which correctly record and explain the Company's transactions have been maintained as required by Section 148 (1) of the Companies Act to determine at any point of time the company's financial position, with reasonable accuracy, enabling preparation of the Financial Statements, in accordance with the Companies Act to facilitate proper audit of the Financial Statements;
- (d) they have taken appropriate steps to ensure that the Group and the Company maintain proper books of account and review the financial reporting system directly by them at their regular meetings and also through the Audit Committee. The Report of the said Committee is given on pages 90 to 91 The Board of Directors approves the Interim Financial Statements following a review and recommendation by the Audit Committee;
- (e) they accept responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report;
- (f) they have taken reasonable measures to safeguard the assets of the Group and the Company and to prevent and detect frauds and other irregularities. In this regard, the Board of Directors have instituted what they reasonably believe is an effective and comprehensive system of internal controls comprising internal checks, internal audit and financial and other controls required to carry on the business in an orderly manner and safeguard its assets and secure as far as practicable, the accuracy and reliability of the records.
- (g) to the best of their knowledge, all taxes, duties and levies payable by the Company and its Subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its Subsidiaries, and all other known statutory dues as they were due and payable by the Company and its Subsidiaries as at the reporting date have been paid or, where relevant, provided for.
- (h) as required by Section 56 (2) of the Companies Act, they have authorized distribution of the dividends paid upon being satisfied that the Company would satisfy the solvency test after such distributions are made in accordance with Section 57 of the Companies Act and have obtained in respect of dividends paid, necessary certificates of solvency from the External Auditors;
- (i) as required by Sections 166 (1) and 167 (1) of the Companies Act, they have prepared this Annual Report

in time and ensured that a copy thereof is sent to every shareholder of the Company as required by the Rule 7.5 (a) and (b) on Continuing Listing Requirements of the Listing Rules of the CSE;

- (j) that all shareholders in each category have been treated equitably in accordance with the original terms of issue;
- (k) that the Company has met all the requirements under Rule 7 on Continuing Listing Requirements of the Listing Rules of the CSE, where applicable;
- (l) that after considering the financial position, operating conditions, regulatory and other factors and such matters required to be addressed in the "Code of Best Practice on Corporate Governance" issued by the CA Sri Lanka, the Board of Directors have a reasonable expectation that the Company and its Subsidiaries possess adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing the Financial Statements;
- (m) the Financial Statements of the Group and the Company have been certified by the Director - Finance, Carsons Management Services (Pvt) Ltd, the Secretariat who is responsible for the preparation of accounts, as required by Sections 150 (1) (b) and 152 (1) (b) of the Companies Act and also have been signed by two Directors of the Company on 16th July 2024 as required by Sections 150 (1) (c) and 152 (1) (c) of the Companies Act and other regulatory requirements; and

(n) the Company's External Auditors, Messrs. KPMG who were appointed in terms of Section 158 of the Companies Act and in accordance with a resolution passed at the last Annual General Meeting, were provided with every opportunity to undertake the inspections they considered appropriate. They carried out reviews and sample checks on the system of internal controls as they considered appropriate and necessary for expressing their opinion on the Financial Statements and maintaining accounting records. They have examined the Financial Statements made available to them by the Board of Directors together with all the financial records, related data and minutes of shareholders' and Directors' meetings and expressed their opinion which appears as reported by them on pages 92 to 96.

Accordingly, the Board of Directors are of the view that they have discharged their responsibilities as set out in this Statement.

By Order of the Board,

(Sgd.)  
**K.D. De Silva (Mrs)**  
 Director  
 Carsons Management Services  
 (Private) Limited  
 Secretaries

Colombo  
 16th July 2024

# Report of the Related Party Transactions Review Committee

As allowed by the Listing Rules of the Colombo Stock Exchange, the Related Party Transactions Review Committee (RPTRC) of Carson Cumberbatch PLC (CCPLC) functions as the RPTRC of the Listed Companies of the Carsons Group.

## COMPOSITION OF THE COMMITTEE

The Members of the RPTRC are as follows:

RPTRC Members	Executive/Non-Executive/Independent
Mr.W.M.R.S. Dias (Chairman)	Non-Executive, Independent (CCPLC)
Mr.D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr.H. Selvanathan	Non-Executive (CCPLC)*
Mr.M. Selvanathan	Non-Executive (CCPLC)*
Mr.S.K. Shah	Non-Executive (CCPLC)
Mr.R. Theagarajah	Non-Executive, Independent (CCPLC)

\*Mr. H. Selvanathan – Non-Executive Director w.e.f. 6th November 2023

\*Mr. M. Selvanathan – Non-Executive Director w.e.f. 6th November 2023

The RPTRC is compliant with Rule 9.14.2(1) of the Listing Rules of the Colombo Stock Exchange.

## MEETINGS OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

CCPLC-RPTRC held One (01) Meeting in each calendar quarter and a total of Four (04) RPTRC Meetings were held during the financial year. In addition, the approval of the RPTRC Members were sought via 21 Circular Resolutions during the financial year.

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

RPTRC Members	Meetings (physical & virtual) attended (out of 04)
Mr.W.M.R.S. Dias (Chairman)	4/4
Mr.D.C.R. Gunawardena	4/4
Mr.H. Selvanathan	4/4
Mr.M. Selvanathan	4/4
Mr.S.K. Shah	3/4
Mr.R. Theagarajah	3/4

## PURPOSE OF THE COMMITTEE

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

## POLICIES AND PROCEDURES

- The RPTRC reviews the relevant Related Party Transactions of the Listed Companies of the Carsons Group and where the Committee decides that the approval of the Board of Directors of the respective Companies are necessary to approve a Related Party Transaction, such Board approval is obtained prior to entering into the relevant Related Party Transaction.
- When reviewing a transaction, the RPTRC would decide whether the proposed transaction is carried out on an arm's length basis irrespective of whether it is recurrent or non-recurrent in nature.

- Reviewing and approval would be either by meeting of members (subject to quorum being present) or by circulation.
- In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the RPTRC will take into account, among other factors it deems appropriate, whether the proposed RPTs pose a conflict of interest to the Directors.

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



The RPTRC in discharging its function endeavours to ensure that :

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

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

The Related Party Transactions of the Company for the period 1st April 2023 to 31st March 2024 have been reviewed by the Members of the RPTRC and the comments and observations of the Committee have been communicated to the Board of Directors of the Company.

In accordance with Rule 9.14.8 (1) of the Listing Rules of the Colombo Stock Exchange there were no Non-Recurrent Related Party Transactions entered into by the Company, where the aggregate value of the Non-Recurrent Related Party Transactions exceeded 10% of the equity or 5% of the total assets, whichever is lower, of the Company, as per the Audited Financial Statements as at 31st March 2024.

Further, as per Rule 9.14.8 (2) of the Listing Rules of the Colombo Stock Exchange there were no Recurrent Related Party Transactions entered into by the Company, where the aggregate value of the Recurrent Related Party Transactions exceeded 10% of the gross revenue/income of the Company as per the Audited Financial Statements as at 31st March 2024.

The Committee is aware of the new Colombo Stock Exchange Listing Rules which were initially released in October 2023 and had several deliberations on same and on its impact to the Company. The Company is in the process of taking necessary steps to ensure compliance with Section 9.14 of the said Rules with effect from 1st October 2024.

The Company is in compliance with the existing Rules pertaining to RPTs.

[Sgd.]

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

Chairman – Related Party Transactions Review Committee

**Carson Cumberbatch PLC**

Colombo

16th July 2024

# Audit Committee Report

As allowed by the Listing Rules of the Colombo Stock Exchange, the Audit Committee of Carson Cumberbatch PLC (CCPLC) being the Parent/ultimate Parent Company of the undermentioned listed companies, also functions as the Audit Committee to these companies:

#### Investment Sector:

Ceylon Guardian Investment Trust PLC  
Ceylon Investment PLC

#### Real Estate Sector:

Equity Two PLC

#### Beverage Sector:

Lion Brewery (Ceylon) PLC  
Ceylon Beverage Holdings PLC

#### Leisure Sector:

Pegasus Hotels of Ceylon PLC

CCPLC - Audit Committee also functioned as the Audit Committee of Selinsing PLC, Indo-Malay PLC, Good Hope PLC and Shalimar (Malay) PLC until these companies were delisted from the Official list of the Colombo Stock Exchange on 18th January 2024.

The Audit Committee consists of the following Members:

#### 1. Mr. A.S. Amaratunga (Chairman)

A Non-Executive, Independent Director of CCPLC, Bukit Darah PLC and Hemas Holdings PLC, Chairman of Hemas Holdings PLC - Audit Committee, Member of MAS Holdings Audit Committee and a Commissioner of PT Agro Indomas, Indonesia, a subsidiary of CCPLC.

#### 2. Mr. D.C.R. Gunawardena

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

#### 3. Mr. Y.H. Ong

A Non-Executive, Independent Director of CCPLC. He is also an Independent Non-Executive Director, Chairman of the Audit Committee and Member of the Nominating Committee of

Singapore Power Ltd. and Capitaland Group Pte Ltd. He has served as an Independent Director of United Overseas Bank Ltd., Singapore. Mr.Ong had also served at Ernst & Young, Singapore for 30 years and was involved in audit and financial advisory work.

## MEETINGS OF THE AUDIT COMMITTEE

CCPLC-Audit Committee held Eighteen (18) Meetings during the financial year and the attendance of the Members were as follows:

	Meetings (physical & virtual) attended (out of 18)
Mr.A.S. Amaratunga (Chairman)	18/18
Mr.D.C.R. Gunawardena	18/18
Mr.Y.H. Ong	18/18

Matters pertaining to the Company, as well as of the companies coming within the purview of CCPLC - Audit Committee were discussed at the Meetings. The Chief Executive Officer, Head of Finance, Chief Financial Officer and senior management staff members of the respective companies, internal auditors and senior management staff members of Carsons Management Services (Private) Limited, who provides secretariat services/Managers to Group Companies also attended the Audit Committee Meetings by invitation.

The Audit Committee met the External Auditors of the Company, as well as the External Auditors of the companies coming within the purview of the Audit Committee of CCPLC, twice during the year to discuss the audit plan, scope and outcomes from the review, including Key Audit Matters and to deliberate the draft Financial Report and Accounts of the Company/Sectors at the completion stage of the audit. Committee also provides the opportunity to the External Auditors of the Company, as well as the External Auditors of the companies coming within the purview of the Audit Committee

of CCPLC to provide matters of importance via a private audience.

Following the Audit Committee Meetings, the Chairman-Audit Committee issues a written update for circulation to the Company Board, and also to the Boards of the companies coming within the purview of the Audit Committee of CCPLC, as relevant, indicating the important matters discussed and decisions taken in respect of each Company. In addition, Minutes/extracts of the Minutes of Audit Committee Meetings are circulated to the Board of Directors of the Company/Companies coming within the purview of the Audit Committee of CCPLC.

## PURPOSE OF THE AUDIT COMMITTEE

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

To ensure that the internal audit activity is well managed, so that it adds value to the organization by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes. Also, to select the Company's External Auditors and implement a direct reporting relationship with them and ensuring their independence.

An Audit Committee Charter is in place.

## FINANCIAL STATEMENTS

The interim financial statements of both, the Company and of the companies coming within the purview of the Audit Committee of CCPLC have been reviewed at meetings of the Audit Committee, prior to approval by the Board of Directors and release of same to the Regulatory Authorities and to the shareholders.

The financial statements, audit opinion and external audit matters for the year ended

31st March 2024 which are incorporated in the Annual Report of the Company and of the companies coming within the purview of the Audit Committee of CCPLC, were reviewed at meetings of the Audit Committee, together with the External Auditors, Messrs. KPMG and were recommended for the approval of the Boards of the respective companies, prior to release of same to the Regulatory Authorities and to the shareholders. The Audit Committee was provided with confirmations and declarations as required, by Carsons Management Services (Private) Limited, Guardian Fund Management Limited, Chief Executive Officer, Head of Finance/Chief Financial Officer, Group Financial Controller and Senior Vice President-Finance of the respective companies that the said financial statements were prepared in accordance with the Sri Lanka Accounting Standards and the information required by the Companies Act, No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date.

### INTERNAL AUDIT

The objective of Group Internal Audit (GIA) is to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-à-vis objectives served and to determine the extent of adherence to the controls by staff responsible for a function and to take corrective action where necessary.

GIA carried out detailed audits in respect of the Beverage Sector, Investment Sector, Real Estate Sector and the Leisure Sector companies and the audits were based on the audit plans formulated and approved by the Audit Committee for the financial year.

The findings and contents of the GIA reports were discussed with relevant management staff and subsequently these audit reports were circulated to the Audit Committee and to senior management, providing an overview of the control environment and where relevant enabling visibility of corrective and preventive measures taken.

In the case of Overseas Indonesian Plantation companies coming under the purview of Goodhope Asia Holdings Limited (GAHL), the Plantation Sector Holding Company, the audit matters thereon are reported to the GAHL-Audit Committee. CCPLC-Audit Committee receives a summary of key matters discussed at the GAHL-Audit Committee.

### RISK MANAGEMENT

The Committee reviews the Risk Management Reports, Dash board/Risk Register and the activities of the risk management function, especially the processes adopted with management to identify, assess and mitigate risks through appropriate and timely action.

### EXTERNAL AUDIT

The Committee and Management reviewed and discussed with External Auditors' their Letter of Engagement prior to the commencement of the audit, and the Committee followed up on all matters raised by the External Auditors after the final review.

The Committee reviews the Non-audit services obtained from Messrs. KPMG and the fees paid to them for such services, at quarterly Audit Committee Meetings.

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

Messrs.KPMG have been the External Auditors of the Company since 1914 and the Audit Engagement Partner for the financial year ended 31st March 2024 is Mr. Rajesh Harsha Rajan, who was

appointed in 2022 following the rotation of the previous partner.

After deliberating the performance, independence and other matters relevant, the Members of the Audit Committee have concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG, Chartered Accountants, as Auditors for the financial year ending 31st March 2025, subject to the approval of the shareholders of Carson Cumberbatch PLC at the Annual General Meeting.

The Committee is aware of the new Colombo Stock Exchange Listing Rules which were initially released in October 2023 and had several deliberations on same and on its impact to the Company. The Company is in the process of taking necessary steps to ensure compliance with Section 9.13 of the said Rules by 1st October 2024.

### AUDIT COMMITTEE'S REPORTING STRUCTURE

Equity One Limited, Equity Hotels Limited, Rubber Investment Trust Limited, Guardian Fund Management Limited, Millers Brewery Limited, Carsons Management Services (Private) Limited, Equity Three (Private) Limited, Leechman & Company (Private) Limited, Pubs 'N Places (Private) Limited, Luxury Brands (Private) Limited, Retail Spaces (Private) Limited, Guardian Fund Management LLC, Mauritius, Guardian Value Fund LLC, Mauritius, Lion Beer (Ceylon) Pte Ltd, Singapore and Baillie Street Holdings Pte. Ltd, Singapore have not formed their own Audit Committees and audit aspects were covered under the direct jurisdiction of CCPLC - Audit Committee.

(Sgd.)

**A.S. Amaratunga**  
Chairman – Audit Committee  
Carson Cumberbatch PLC

16th July 2024

# Independent Auditor's Report



KPMG  
(Chartered Accountants)  
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## TO THE SHAREHOLDERS OF CARSON CUMBERBATCH PLC

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Carson Cumberbatch 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 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on pages 97 to 216 of this 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 of 31 March 2024, 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 for professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have

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

#### Key Audit Matters

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

#### Revenue Recognition

Risk Description	Our responses
Refer Note 5 (accounting policy) and Note 8 to the Financial statements.	<b>Our audit procedures included:</b>
The Company recorded revenues of Rs. 1,883 Mn for year ended 31 March 2024 and Group recorded revenue of Rs. 277,077 Mn for the year ended 31 March 2024.	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.
Whilst revenue recognition and measurement is not complex for the Company, the subsidiaries operate in markets which are affected by different customer behaviour and the various discounts and locally imposed duties and fees in regard to revenue recognition introduce an inherent risk to the revenue recognition process. This, together with the focus on volumes and revenue as key performance measures resulted in revenue being selected as a key audit matter.	Testing the operating effectiveness of key IT application controls over revenue, in addition to evaluating the integrity of the general IT control environment with the assistance of IT specialists.
	Obtaining an understanding and testing design, implementation and operating effectiveness of controls over journal entries and post-closing adjustments.
	Comparing revenue transactions recorded during the current year, on a sample basis, with invoices, sales contracts, underlying goods delivery and acceptance notes, where appropriate, to assess whether the related revenue was recognized in accordance with the Company's revenue recognition accounting policies.
	Agreeing the monthly sales system reports to the general ledger to ensure that the revenue is accounted accurately and completely in the general ledger.
	On a sample basis, testing that sales have been recognized in the correct accounting period and evaluating whether there are any significant product returns after the year end.

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C. P. Jayatilake FCA  
Ms. S. Joseph FCA  
G. A. U. Karunaratne FCA  
R. H. Rajan FCA  
A.M.R.P. Alahakoon ACA

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

W. W. J. C. Perera FCA  
S. T. D. L. Perera FCA  
Ms. B.K.D.T.N. Rodrigo FCA  
Ms. C.T.K.N. Perera ACA  
R.W.M.O.W.D.B. Rathnadiwakara FCA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R.Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA(UK)

## Carrying value of investments in financial instruments

Risk Description	Our responses
<p>Refer Note 5 (accounting policy) and Note 28- 29 to the Financial statements.</p> <p>The financial investments of the Group as at 31 March 2024 comprises FVTPL financial assets amounting to Rs. 10,039 Mn and FVOCI financial assets amounting to Rs. 10,878 Mn. As at the reporting date, the Group's FVTPL portfolio is made up of listed equity investments amounting to Rs.8,934 Mn, unlisted equity investments amounting to Rs.131 Mn, investment in Treasury Bonds Rs. 583 Mn and unit trust investments amounting to Rs. 391 Mn.</p> <p>Investment in listed equity and unit trust investments are measured based on quoted market prices. Unlisted equity instruments require the exercise of judgment and the use of estimates and assumptions as observable market prices or market parameters are not available. For such instruments, the fair value is determined through the use of valuation techniques or models applied by the Group.</p> <p>As a result of the prevailing uncertain and volatile macro-economic environment, volatility in the financial markets has increased. The Group has recorded a fair value gain of Rs.1,880 Mn, compared to the fair value gain of Rs.923 Mn recorded in the previous year.</p> <p>Due to the materiality of the FVTPL and FVOCI financial instruments in the context of the financial statements, degree of judgement involved in making assumptions in arriving at valuations and measurement uncertainty created due to the prevailing uncertain macro-economic environment, we considered valuation of FVTPL and FVOCI financial instruments as a Key Audit Matter.</p>	<p>Our audit procedures included:</p> <p>Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key controls in relation to the investment valuation process.</p> <p>Checking the Central Depository Systems (CDS) statements to verify the existence, completeness and accuracy of the number of quoted shares and agreeing the market price as of 31 March 2024 with the Colombo Stock Exchange (CSE) prices.</p> <p>Checking the number of units and the unit price as at 31 March 2024 with the external confirmations received from the Unit Trust Management Company to verify the existence, accuracy and completeness;</p> <p>Assessing the appropriateness of the valuation techniques used by the Group in valuing the unquoted equity instruments as at 31 March 2024;</p> <p>Assessing and challenging the key assumptions, inputs and judgments used in the valuation of the unquoted equity instruments by;</p> <p>Comparing the assumptions to expectations based on current trends and investee industry knowledge.</p> <p>Challenging the management on key assumptions used to generate forward looking cash flow and revenue estimates and other key assumptions used in the valuation process such as discount rates, liquidity adjustments etc;</p> <p>Assessing the adequacy of disclosure in the financial statements in relation to the fair valuation of the financial investments as required by the accounting standards.</p>

## Independent Auditor's Report



### Valuation of Land and Buildings

Risk Description	Our Response
<p>Refer Note 5 (accounting policy) Note 20 and Note 23 to the Financial statements.</p> <p>As at the reporting date, Land and buildings carried at the fair value, classified as Property, Plant and equipment and Investment Properties amounted to Rs. 49,631 Mn and Rs. 6,107 Mn respectively. The fair value of these properties were determined by the professional external valuer engaged by the Group management.</p> <p>The valuation of Land and buildings is considered as a significant audit risk due to the materiality of the carrying amount and the subjective nature of property valuations using level 3 assumptions which depend on the nature of property, its location, expected future net rental values, market yields, capitalization rates, per perch price, value for square foot and comparable market transactions. A change in the key assumptions will have a significant impact to the valuation.</p>	<p>Our audit procedures included:</p> <p>Assessing the objectivity, independence, competence and professional qualifications of the external valuer.</p> <p>Assessing the appropriateness of the valuation techniques used by the external valuer, taking into account the profile of the investment properties.</p> <p>Compare with alternative valuation methods in order to determine the highest and best use of the property.</p> <p>Discussions with management and the external valuer and comparing the key assumptions used against externally published market comparable or industry data where available and challenging the reasonableness of key assumptions in particular rental rates, capitalization rates, occupancy rates, based on our knowledge of the business and industry and internal benchmarks.</p> <p>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. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.</p>

### Carrying value of Brands acquired

Risk Description	Our Response
<p>Refer Note 5 (accounting policy) and Note 24 to the Financial statements.</p> <p>The subsidiary, Lion Brewery (Ceylon) PLC has recognized an intangible asset relating to Brands acquired with a carrying value of Rs. 612 Mn as at the reporting date.</p> <p>The annual impairment testing relating to the brand which is an indefinite life intangible asset is considered to be a key audit matter due to the significant judgment required in determining the assumptions to be used to estimate the recoverable amount.</p> <p>The recoverable amount of the CGU, which is based on the higher of the value in use or fair value less costs of disposal, has been derived from a discounted forecast cash flow model. This model uses several key assumptions, including estimates of future sales volumes, contribution growth rate, terminal value growth rates and the cost of equity (discount rate).</p>	<p><b>Our audit procedures included:</b></p> <p>Evaluating the appropriateness of the impairment testing methodology and consistency of underlying assumptions via corroborating estimates of future cash flows and discussing whether they are reasonable and supported by the most recent approved management budgets, including expected future performance of the CGUs, and discussing whether these are appropriate in light of future macro-economic expectations in the markets including prevailing uncertain and volatile macro-economic conditions within the country and our own assessment based on the knowledge of the Subsidiary and the industry.</p> <p>Recomputing and comparing the data used in the forecasted cash flow model with information maintained by management and historical trends.</p> <p>Assessing the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgments.</p>

## Impairment assessment of bearer plants and valuation of biological assets

Risk Description	Our Response
<p>Refer Note 5 (accounting policy) and Note 21 and 22 to the Financial statements.</p> <p>The carrying values of bearer plants of the Plantation sector subsidiaries were tested for impairment based on internal valuations. The recoverable values of the Plantation Assets have been established based on their cash generating potential over their useful economic life on a 'Going Concern' basis. Significant risk has been identified due to the significant judgment required in determining the assumptions to be used to estimate the recoverable amount.</p> <p>As at 31 March 2024, the fair value of biological assets amounted to Rs.3,749 Mn. The biological assets are related to agricultural produce growing on bearer plant which referred as Fresh Fruit Bunches (FFB). The fair value of biological assets was based on market prices and the estimated yield, net of maintenance and harvesting costs, and estimated cost to sell. The estimated yield is dependent on the age of the oil palm trees, the location of the plantations, soil type and infrastructure. The market price of the FFB is largely dependent on the prevailing market prices of crude palm oil and palm kernel. Point-of-sale costs include all costs that would be necessary to sell the assets. Significant risk has identified due to judgemental nature involves in determination of fair values.</p>	<p><b>Our audit procedures included:</b></p> <p>Communicating with the component auditors on audit approach in respect of bearer plant and biological assets to ensure cover following;</p> <p>Evaluating reasonableness of cash flows and related assumptions associated with deriving the fair value of biological assets and impairment assessment of bearer plant.</p> <p>Assessing the key assumptions and methodology used in the valuation, in particular the discount rate, and average market price by comparing with industry norms that are generally accepted.</p> <p>Assessing the adequacy of the related disclosures in the financial statements and consistency with the accounting policies.</p> <p>Reviewing component auditors workpapers where necessary</p>

### 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.

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.



## Independent Auditor’s Report



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 relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where

applicable, actions taken to eliminate threats or safeguards applied.

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

### Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor’s report is 3707.

CHARTERED ACCOUNTANTS  
Colombo, Sri Lanka

16th July 2024

# Statement of Profit or Loss

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Note	Group		Company	
		2024	2023	2024	2023
<b>Continuing operations</b>					
Revenue	8	277,076,515	330,458,690	1,882,615	1,267,173
Direct operating expenses		(199,834,154)	(237,472,167)	-	-
<b>Gross profit</b>		<b>77,242,361</b>	<b>92,986,523</b>	<b>1,882,615</b>	<b>1,267,173</b>
Other income	10	3,839,221	3,731,665	-	-
Administrative expenses		(19,935,966)	(21,118,866)	(191,461)	(211,700)
Distribution expenses		(13,432,932)	(14,700,515)	-	-
Other operating expenses	11	(575,759)	(780,518)	-	-
(Provision)/reversal of impairment of business assets	12	291,063	(353,229)	-	-
Foreign exchange gains/(losses)	13	61,148	(507,410)	19,415	(8,364)
<b>Profit from operations</b>		<b>47,489,136</b>	<b>59,257,650</b>	<b>1,710,569</b>	<b>1,047,109</b>
Net finance costs	14	(12,557,362)	(14,615,590)	(268,855)	(500,506)
Change in fair value of investment properties	23	390,581	578,712	-	-
Change in fair value of biological assets	22	188,414	(3,696,464)	-	-
Change in fair value of Financial assets - fair value through profit or loss	28	1,880,387	923,001	9,255	18,157
Share of net results of equity accounted investee	27	(12,702)	(13,787)	-	-
<b>Profit before tax</b>	15	<b>37,378,454</b>	<b>42,433,522</b>	<b>1,450,969</b>	<b>564,760</b>
Current taxation	16	(13,284,212)	(14,494,960)	-	(945)
Deferred taxation	16	(1,789,430)	(580,687)	-	-
Tax expense		(15,073,642)	(15,075,647)	-	(945)
<b>Profit from continuing operations</b>		<b>22,304,812</b>	<b>27,357,875</b>	<b>1,450,969</b>	<b>563,815</b>
<b>Discontinued operations</b>					
Loss from discontinued operations, (net of tax)	34	-	(649,745)	-	-
Gain on disposal of a joint venture	34	-	5,001	-	-
Gain on disposal of subsidiary	34	-	2,289,088	-	-
Net impact from discontinued operations, (net of tax)		-	1,644,344	-	-
<b>Profit for the year</b>		<b>22,304,812</b>	<b>29,002,219</b>	<b>1,450,969</b>	<b>563,815</b>
<b>Profit Attributable to:</b>					
Owners of the Company					
Profit from continuing operations, (net of tax)		10,769,537	12,852,418	1,450,969	563,815
Profit from discontinued operations, (net of tax)		-	877,228	-	-
		<b>10,769,537</b>	<b>13,729,646</b>	<b>1,450,969</b>	<b>563,815</b>

## Statement of Profit or Loss

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Note	Group		Company	
		2024	2023	2024	2023
<b>Non controlling interest</b>					
Profit from continuing operations, (net of tax)		11,535,275	14,505,457	-	-
Profit from discontinued operations, (net of tax)		-	767,116	-	-
		11,535,275	15,272,573	-	-
Basic earnings per share (Rs.)	17	54.84	69.91	7.39	2.87
Basic earnings per share - Continuing operations (Rs.)	17	54.84	65.44	7.39	2.87
Basic earnings per share - Discontinued operations (Rs.)	17	-	4.47	-	-
Dividend Per ordinary share (Rs.)	19	6.80	1.50	6.80	1.50
Earnings before interest, tax, depreciation and amortisation (EBITDA)	18	58,425,212	71,246,699	-	-

The Notes from pages 107 to 216 form an integral part of these financial statements.

Figures in brackets indicate deductions.

# Statement of Comprehensive Income

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Note	Group		Company	
		2024	2023	2024	2023
<b>Profit for the year</b>		<b>22,304,812</b>	29,002,219	<b>1,450,969</b>	563,815
<b>Other Comprehensive Income</b>					
<b>Items that are or may be reclassified subsequently to profit or loss:</b>					
Exchange differences on translation of foreign operations		(14,963,706)	(400,094)	-	-
Gain on effective portion of changes in fair value of cash flow hedge		-	707,553	-	-
Share of other comprehensive income of equity accounted investee, (net of tax)	27	(113,121)	58,224	-	-
<b>Items that will not be reclassified to profit or loss:</b>					
Revaluation Surplus on Property, Plant & Equipment	20	1,836,413	-	-	-
Deferred tax on revaluation surplus	16	(674,877)	(293,906)	-	-
Remeasurements of defined benefit obligation	44	332,804	(63,954)	-	-
Related tax on actuarial gain/(losses)	16	(58,739)	21,330	-	-
Equity investments at FVOCI – net change in fair value	28	(580,945)	1,796,252	1,302,093	1,538,770
<b>Other comprehensive income/(expenses) for the year, (net of tax)</b>		<b>(14,222,171)</b>	1,825,405	<b>1,302,093</b>	1,538,770
<b>Total Comprehensive Income for the year</b>		<b>8,082,641</b>	30,827,624	<b>2,753,062</b>	2,102,585
Total Comprehensive Income Attributable to:					
Owners of the Company		4,366,250	14,583,961	2,753,062	2,102,585
Non controlling interest		3,716,391	16,243,663	-	-
		<b>8,082,641</b>	30,827,624	<b>2,753,062</b>	2,102,585
<b>Attributable to:</b>					
<b>Owners of the Company</b>					
Total comprehensive income from continuing operations, (net of tax)		4,366,250	14,470,164	2,753,062	2,102,585
Total comprehensive income from discontinued operations, (net of tax)		-	113,797	-	-
		<b>4,366,250</b>	14,583,961	<b>2,753,062</b>	2,102,585
<b>Non controlling interest</b>					
Total comprehensive income from continuing operations, (net of tax)		3,716,391	16,144,077	-	-
Total comprehensive income from discontinued operations, (net of tax)		-	99,586	-	-
		<b>3,716,391</b>	16,243,663	-	-

The Notes from pages 107 to 216 form an integral part of these financial statements.

Figures in brackets indicate deductions.

# Statement of Financial Position

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Note	Group		Company	
		2024	2023	2024	2023
<b>ASSETS</b>					
<b>Non - Current Assets</b>					
Property, plant & equipment	20	98,749,259	100,396,730	-	-
Bearer plants	21	41,806,827	49,139,580	-	-
Investment properties	23	6,107,100	5,669,869	-	-
Intangible assets	24	11,091,877	12,325,234	-	-
Investments in subsidiaries	25	-	-	9,640,268	9,434,800
Investments in equity accounted investee	27	753,203	879,026	-	-
Investment in equity and debt securities	28	10,877,713	11,458,659	8,904,397	6,898,101
Deferred tax assets	39	3,627,926	5,357,490	-	-
Other financial receivables	32	4,920,860	4,084,317	-	-
Other non financial receivables	32	13,718,843	15,737,499	-	-
<b>Total non - current assets</b>		<b>191,653,608</b>	<b>205,048,404</b>	<b>18,544,665</b>	<b>16,332,901</b>
<b>Current Assets</b>					
Inventories	30	20,280,105	17,763,393	-	-
Trade receivables	31	11,259,347	8,541,283	228,500	275,660
Other financial receivables	32	1,877,210	2,022,466	23,215	-
Other non financial receivables	32	7,428,142	11,338,027	13,408	13,302
Investment in equity and debt securities	28	9,648,262	8,808,313	119,332	110,077
Investment in Unit trust	29	390,765	242,173	-	-
Derivative financial instruments	38	8,194	33,044	-	-
Biological assets	22	3,748,501	4,085,613	-	-
Cash and cash equivalents	33	41,495,095	41,635,314	514,240	215,468
<b>Total current assets</b>		<b>96,135,621</b>	<b>94,469,626</b>	<b>898,695</b>	<b>614,507</b>
<b>Total assets</b>		<b>287,789,229</b>	<b>299,518,030</b>	<b>19,443,360</b>	<b>16,947,408</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Stated capital	35	1,114,652	1,114,652	1,114,652	1,114,652
Capital reserves	36	5,931,744	3,708,157	287,552	287,552
Revenue reserves	37	64,784,132	63,725,074	15,607,736	13,264,488
<b>Equity attributable to owners of the Company</b>		<b>71,830,528</b>	<b>68,547,883</b>	<b>17,009,940</b>	<b>14,666,692</b>
Non-controlling interest	26	71,788,203	71,689,009	-	-
<b>Total equity</b>		<b>143,618,731</b>	<b>140,236,892</b>	<b>17,009,940</b>	<b>14,666,692</b>

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Note	Group		Company	
		2024	2023	2024	2023
<b>LIABILITIES</b>					
<b>Non - Current Liabilities</b>					
Loans and borrowings	41	59,038,044	63,648,270	141,668	335,417
Lease liabilities	42	457,857	654,022	-	-
Other financial payables	43	87,399	104,479	-	-
Other non financial liabilities	43	406,257	301,906	-	-
Employee Benefits	44	3,701,222	3,941,252	-	-
Derivative financial instruments	38	-	2,077,195	-	-
Deferred tax liabilities	39	16,126,372	15,830,606	-	-
<b>Total non - current liabilities</b>		<b>79,817,151</b>	<b>86,557,730</b>	<b>141,668</b>	<b>335,417</b>
<b>Current Liabilities</b>					
Trade payables	43	7,617,547	5,906,650	-	-
Other financial payables	43	21,382,739	22,209,212	323,706	321,056
Other non financial payables	43	4,879,734	4,137,860	-	-
Current tax liabilities	40	2,690,780	4,768,891	-	-
Loans and borrowings	41	27,410,843	35,061,209	1,968,046	1,624,243
Lease liabilities	42	371,704	639,586	-	-
<b>Total current liabilities</b>		<b>64,353,347</b>	<b>72,723,408</b>	<b>2,291,752</b>	<b>1,945,299</b>
<b>Total liabilities</b>		<b>144,170,498</b>	<b>159,281,138</b>	<b>2,433,420</b>	<b>2,280,716</b>
<b>Total equity and liabilities</b>		<b>287,789,229</b>	<b>299,518,030</b>	<b>19,443,360</b>	<b>16,947,408</b>
Net assets per ordinary share	45	365.76	349.05	86.61	74.68

The Notes from pages 107 to 216 form an integral part of these financial statements.

I certify that these financial statements are in compliance with the requirements of Companies Act No. 7 of 2007.

(Sgd.)

V. R. Wijesinghe

Director-Finance

Carsons Management Services (Private) Limited

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were approved by the Board on 16th July 2024.

(Sgd.)

M. Selvanathan

Director

(Sgd.)

D.C.R. Gunawardena

Director

# Statement of Changes in Equity

(Amounts expressed in Sri Lankan Rs. '000)

	Stated Capital	Capital Accretion Reserve	Revaluation Reserve	Other Capital Reserve
<b>Group</b>				
<b>Balance as at 31st March 2022</b>	1,114,652	287,552	2,085,100	1,477,484
Surcharge tax for the year of assessment 2020/21 (Note 16 (f) (v))	-	-	-	-
<b>Balance as at 1st April 2022 (adjusted)</b>	1,114,652	287,552	2,085,100	1,477,484
<b>Total comprehensive income</b>				
Profit for the year	-	-	-	-
Other Comprehensive Income/(expense) for the year	-	-	-	-
<b>Total comprehensive Income/(expense) for the year</b>	-	-	-	-
<b>Transactions with owners of the Company</b>				
<b>Contributions and Distributions</b>				
Dividends on ordinary shares (Note 19)	-	-	-	-
Dividends paid to Non-controlling Shareholders	-	-	-	-
Forfeiture of unclaimed dividends	-	-	-	-
Other reserves adjustments and transfers	-	-	(143,488)	-
Rights issues of shares by Subsidiaries	-	-	-	-
<b>Total Contributions by and distributions to owners</b>	-	-	(143,488)	-
<b>Changes in ownership interests</b>				
Change in equity interest in a subsidiary without change in control	-	-	-	1,509
Dilution of equity interest in a subsidiary with change in control	-	-	-	-
<b>Total changes in ownership interests</b>	-	-	-	1,509
<b>Balance as at 31st March 2023</b>	1,114,652	287,552	1,941,612	1,478,993
<b>Total comprehensive income</b>				
Profit for the year	-	-	-	-
Other Comprehensive Income/(expense) for the year	-	-	729,337	-
<b>Total comprehensive Income/(expense) for the year</b>	-	-	729,337	-
<b>Transactions with owners of the Company</b>				
<b>Contributions and Distributions</b>				
Dividends on ordinary shares (Note 19)	-	-	-	-
Dividends paid to Non-controlling Shareholders	-	-	-	-
Forfeiture of unclaimed dividends	-	-	-	-
Other reserves adjustments and transfers	-	-	1,469,517	-
Rights issues of shares by Subsidiaries (Note 25)	-	-	-	-
<b>Total Contributions by and distributions to owners</b>	-	-	1,469,517	-
<b>Changes in ownership interests</b>				
Change in ownership in subsidiaries without change in control (Note 25)	-	-	24,733	-
<b>Total changes in ownership interests</b>	-	-	24,733	-
<b>Balance as at 31st March 2024</b>	1,114,652	287,552	4,165,199	1,478,993
The Notes from pages 107 to 216 form an integral part of these financial statements.				
Figures in brackets indicate deductions.				



(Amounts expressed in Sri Lankan Rs. '000)

	Revenue Reserves	Currency Translation Reserves	FVOCI Reserve	Cash flow hedging Reserve	Retained Earnings	Attributable to Owners of the Company	Non-Controlling Interest	Total Equity
	328,597	7,129,396	6,510,968	(248,240)	38,342,666	57,028,175	59,034,863	116,063,038
	-	-	-	-	(685,026)	(685,026)	(686,163)	(1,371,189)
	328,597	7,129,396	6,510,968	(248,240)	37,657,640	56,343,149	58,348,700	114,691,849
	-	-	-	-	13,729,646	13,729,646	15,272,573	29,002,219
	-	(453,229)	1,216,231	377,338	(286,025)	854,315	971,090	1,825,405
	-	(453,229)	1,216,231	377,338	13,443,621	14,583,961	16,243,663	30,827,624
	-	-	-	-	(294,580)	(294,580)	-	(294,580)
	-	-	-	-	-	-	(2,062,897)	(2,062,897)
	-	-	-	-	6,991	6,991	2,810	9,801
	-	-	-	-	(75,194)	(218,682)	(6,892)	(225,574)
	-	-	-	-	-	-	8,163	8,163
	-	-	-	-	(362,783)	(506,271)	(2,058,816)	(2,565,087)
	-	1,920	21,597	-	33,559	58,585	(65,714)	(7,129)
	-	66,048	-	-	(1,997,589)	(1,931,541)	(778,824)	(2,710,365)
	-	67,968	21,597	-	(1,964,030)	(1,872,956)	(844,538)	(2,717,494)
	328,597	6,744,135	7,748,796	129,098	48,774,448	68,547,883	71,689,009	140,236,892
	-	-	-	-	10,769,537	10,769,537	11,535,275	22,304,812
	-	(6,855,383)	(393,353)	-	116,112	(6,403,287)	(7,818,884)	(14,222,171)
	-	(6,855,383)	(393,353)	-	10,885,649	4,366,250	3,716,391	8,082,641
	-	-	-	-	(412,413)	(412,413)	-	(412,413)
	-	-	-	-	-	-	(2,513,287)	(2,513,287)
	-	-	-	-	8,033	8,033	3,526	11,559
	-	-	-	(129,098)	(1,450,643)	(110,224)	(73,603)	(183,827)
	-	-	-	-	-	-	20,041	20,041
	-	-	-	(129,098)	(1,855,023)	(514,604)	(2,563,323)	(3,077,927)
	2,441	34,516	-	-	(630,691)	(569,001)	(1,053,874)	(1,622,875)
	2,441	34,516	-	-	(630,691)	(569,001)	(1,053,874)	(1,622,875)
	331,038	(76,732)	7,355,443	-	57,174,383	71,830,528	71,788,203	143,618,731

## Statement of Changes in Equity

(Amounts expressed in Sri Lankan Rs. '000)

	Stated Capital	Capital Accretion Reserve	FVOCI Reserve	Retained Earnings	Total Equity
<b>Company</b>					
<b>Balance as at 31st March 2022</b>	1,114,652	287,552	3,935,365	7,518,618	12,856,187
<b>Total comprehensive income</b>					
Profit for the year	-	-	-	563,815	563,815
Other Comprehensive income for the year	-	-	1,538,770	-	1,538,770
<b>Total comprehensive income for the year</b>	-	-	1,538,770	563,815	2,102,585
Ordinary dividends paid (Note 19)	-	-	-	(294,580)	(294,580)
Forfeiture of unclaimed dividends	-	-	-	2,500	2,500
<b>Total Contributions by and distributions to owners</b>	-	-	-	(292,080)	(292,080)
<b>Balance as at 31st March 2023</b>	1,114,652	287,552	5,474,135	7,790,353	14,666,692
<b>Total comprehensive income</b>					
Profit for the year	-	-	-	1,450,969	1,450,969
Other Comprehensive income for the year	-	-	1,302,093	-	1,302,093
<b>Total comprehensive income for the year</b>	-	-	1,302,093	1,450,969	2,753,062
Ordinary dividends paid (Note 19)	-	-	-	(412,413)	(412,413)
Forfeiture of unclaimed dividends	-	-	-	2,599	2,599
<b>Total Contributions by and distributions to owners</b>	-	-	-	(409,814)	(409,814)
<b>Balance as at 31st March 2024</b>	1,114,652	287,552	6,776,228	8,831,508	17,009,940

The Notes from pages 107 to 216 form an integral part of these financial statements.

Figures in brackets indicate deductions.

# Statement of Cash Flows

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Note	Group		Company	
		2024	2023	2024	2023
<b>Cash flows from operating activities</b>					
Profit before tax from continuing operations		37,378,454	42,433,522	1,450,969	564,760
Loss before tax from discontinued operations		-	(645,124)	-	-
		37,378,454	41,788,398	1,450,969	564,760
<b>Adjustments for:</b>					
Change in fair value of biological assets	22	(188,414)	3,696,464	-	-
Changes in fair value of investment properties	23	(390,581)	(578,712)	-	-
Changes in fair value of FVTPL financial assets	28	(1,880,387)	(923,001)	(9,255)	(18,157)
(Reversals)/provision of impairments	12	(291,063)	353,229	-	-
Share of net results of equity accounted investee	27	12,702	13,787	-	-
Depreciation of property, plant & equipment	20	8,233,164	7,673,188	-	-
Depreciation of Bearer Plants	21	2,632,834	2,932,241	-	-
Amortization of intangible assets/prepaid lease payment	24	422,289	522,981	-	-
Provision for retiring gratuity	44	1,062,210	2,313,228	-	-
Finance expenses		12,557,362	14,613,556	268,855	500,506
Profit on disposal of property, plant & equipment	10	(479,692)	(72,410)	-	-
Profit from repurchased shares by a subsidiary		-	-	(67,805)	-
Net unrealised fair value gain on RCPS derivative financial instruments	10	-	(165,473)	-	-
Unrealized loss on Derivative financial instruments	11	20,316	63,375	-	-
Provision/(Reversal) for Inventories		13,450	(926,628)	-	-
Exchange impact on translation of foreign operations		(4,620,697)	4,121,437	(19,415)	8,364
		17,103,493	33,637,262	172,380	490,713
Operating profit before working capital changes		54,481,947	75,425,660	1,623,349	1,055,473
<b>Changes in working capital:</b>					
Inventories		(2,530,162)	4,194,485	-	-
Trade and other receivables		3,527,878	(991,586)	(20,104)	(6,978)
Amounts due from related companies		-	-	44,784	(56,492)
Trade and other payables		1,713,569	423,954	20,378	17,067
		57,193,232	79,052,513	1,668,407	1,009,070
Net cash movement in investments		854,009	737,604		
<b>Cash generated from operations</b>		58,047,241	79,790,117	1,668,407	1,009,070
Interest paid		(9,500,509)	(12,794,775)	(272,901)	(495,652)
Income tax paid		(14,516,786)	(14,067,887)	(841)	(1,278)
Employee benefits paid	44	(476,031)	(407,524)	-	-
<b>Net cash generated from operating activities</b>		33,553,915	52,519,931	1,394,665	512,140

## Statement of Cash Flows

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Note	Group		Company	
		2024	2023	2024	2023
<b>Cash flows from investing activities</b>					
Additions to property, plant & equipment/investment property	20	(14,929,543)	(15,276,665)	-	-
Additions to bearer plants	21	(1,558,582)	(810,186)	-	-
Additions to intangible assets (including land rights)	24	(112,554)	(149,417)	-	-
Advance for capital expenditure		(1,017,682)	(799,884)	-	-
Acquisition of additional interest in subsidiaries	25	(1,644,964)	(20,215)	(210,155)	(88,583)
Proceeds from shares repurchased by a subsidiary		-	-	72,493	-
Acquisition of additional Interest in FVOCI equity investment	28	-	-	(704,203)	-
Investment in fixed deposits		(836,543)	(4,059,558)	-	-
Net cash Inflow from disposal of a subsidiary	34	-	3,010,932	-	-
Proceeds from disposal of property, plant & equipment		1,062,963	816,408	-	-
<b>Net cash used in investing activities</b>		<b>(19,036,905)</b>	<b>(17,288,585)</b>	<b>(841,865)</b>	<b>(88,583)</b>
<b>Cash flows from financing activities</b>					
Proceeds from long - term loans	41	70,125,501	7,034	-	-
Settlement of borrowings	41	(73,771,427)	(19,501,782)	(224,999)	(225,000)
Payment of finance lease creditors	42	(802,460)	(930,532)	-	-
Dividends paid to non - controlling shareholders by subsidiaries		(2,513,287)	(2,062,897)	-	-
Effects of changes in non - controlling interests		(130,138)	(2,170,423)	-	-
Dividends paid by the Company		(412,413)	(294,580)	(408,128)	(292,356)
<b>Net cash used in financing activities</b>		<b>(7,504,224)</b>	<b>(24,953,180)</b>	<b>(633,127)</b>	<b>(517,356)</b>
<b>Net Increase/(decrease) in cash &amp; cash equivalents</b>		<b>7,012,786</b>	<b>10,278,166</b>	<b>(80,327)</b>	<b>(93,799)</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	33	<b>15,400,910</b>	<b>5,122,744</b>	<b>(1,175,491)</b>	<b>(1,081,692)</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	33	<b>22,413,696</b>	<b>15,400,910</b>	<b>(1,255,818)</b>	<b>(1,175,491)</b>

The Notes from pages 107 to 216 form an integral part of these financial statements.

Figures in brackets indicate deductions.

# Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

## 1. REPORTING ENTITY

Carson Cumberbatch PLC is a limited liability company incorporated and domiciled in Sri Lanka. The shares of the Company have a primary listing on the Colombo Stock Exchange.

The Company's registered office and principal place of business is located at No. 61, Janadhipathi Mawatha, Colombo 01.

The consolidated financial statements as of and for the year ended 31 March 2024 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

In the opinion of the Directors, Bukit Darah PLC, incorporated and domiciled in Sri Lanka, is the ultimate parent and controlling entity of Carson Cumberbatch PLC.

The Group is a diversified conglomerate and one of the foremost business establishments in Sri Lanka, backed by a heritage of well over 100 years. Today, it is positioned as a group whose outlook is regional and focused on a future that is technology-oriented, results-driven, and world-class.

The businesses range from oil palm plantations and related oils & fats industry in Indonesia and Malaysia to brewing, importing and distributing alcoholic beverages, investment holdings, portfolio management, real estate and leisure in Sri Lanka. The Group has offices in Malaysia, Singapore and Indonesia.

The Group has ten subsidiaries listed on the Colombo Stock Exchange; out of the 50 subsidiaries, one Associate entity is set out in Note 25 and 27 in the financial statements.

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

The Group had 16,423 (2023 - 14,964) employees at the end of the financial year. The Company had no employees at the reporting date (2023 - Nil).

The consolidated financial statements were authorised for issue by the Board of Directors on 16th July 2024.

## 2. BASIS OF PREPARATION

### Statement of compliance

The consolidated financial statements of the Group and separate financial statements of the Company comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes to the financial statements.

The consolidated financial statements have been prepared in accordance with Sri Lanka Accounting Standards (LKAS / SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of Companies Act, No. 7 of 2007.

### Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis and applied consistently with no adjustments made for inflationary factors affecting the financial statements, except for the following material items in the statement of financial position;

- Derivative financial assets are measured at fair value;

- Non- derivative financial instruments classified as fair value through profit or loss are measured at fair value;
- Fair value through OCI financial assets are measured at fair value;
- Biological assets are measured at fair value;
- Land and buildings are measured at revalued amounts;
- Defined benefit obligations are measured at their present value, based on an actuarial valuation as explained in Note 44;
- Investment properties are measured at fair value.

### Functional and Presentation Currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entities operate ('the functional currency'). The consolidated financial statements are presented in Sri Lankan Rupees, the Company's functional and presentation currency.

### Rounding

All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand (Rs'000), except when otherwise indicated.

### Materiality and aggregation

Each material class of similar items is presented in aggregate in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

### Going Concern

Financial Statements of the Group and the Company are prepared on a going-concern basis.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with LKAS/SLFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### 3.1. Judgements made in applying accounting policies

In applying the Group's accounting policies, management made the following judgements, which significantly affect the amounts recognised in the consolidated financial statements.

##### (a) Determination of owner-occupied properties and investment properties.

In determining whether a property qualifies as an investment property, the Group makes a judgment on whether the property generates independent cash flows rather than cash flows that are attributable not only to the property but also to other assets. Judgment is also applied to determine if ancillary services provided are significant so that a property does not qualify as an investment property.

##### (b) Determination of functional currency

The Group measures foreign currency transactions using the functional currencies of the respective Group

entities. In determining the functional currencies of the Group entities, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services. The functional currencies of the Group entities are determined based on management's assessment of the economic environment in which the entities operate and their capital structure.

##### (c) Current taxation

Current tax liabilities arise in various jurisdictions where the Group entities operate. These liabilities are provided in the financial statements by applying the relevant tax statutes and regulations that the management believes reflect the actual liability.

There can be instances where revenue authorities contest the stand taken by the Group on transactions.

Any additional costs incurred due to these issues are accounted for as a tax expense when the liability is confirmed on any group entity.

#### 3.2. Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

##### (a) Assessment of Impairment -

Key assumptions used in discounted cash flow projections.

The Group assesses at each reporting date whether there is objective evidence that an asset or portfolio of assets is impaired. The recoverable amount of an

Asset or Cash Generating Unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using appropriate discount rates that reflect the current market assessments of the time value of money and risks specific to the asset. The carrying value of goodwill is reviewed at each reporting date and is written down to the extent that probable future benefits no longer support it. Goodwill is allocated to CGU for impairment testing.

##### (b) Fair value of free hold land

Where the fair value of freehold land recorded on the statement of financial position cannot be derived from active markets, it is determined using valuation techniques, including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgements include considerations of liquidity and model inputs regarding the investee's future financial performance, risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of freehold land. The valuation of freehold land is described in more detail in Note 20.

##### (c) Defined benefit plans

The assessment of the liability of defined benefit obligations involves a significant element of assumptions, including discount rates, future salary increases, mortality rates and future pension increases and due to the long-term nature of these plans, such estimates are subject to uncertainty.

(Amounts expressed in Sri Lankan Rs. '000)

**(d) Biological assets valuation - Fair value of biological assets (FFB)**

Biological assets are measured at fair value, less estimated costs to sell. The fair value of FFB is measured by reference to estimated FFB quantities and publicly available index prices set by the government of Indonesia. In determining the fair value of the FFB, the Company considers the estimated yield of the biological assets, which depends on the age of the oil palm tree, the location, soil type and infrastructure

**(e) Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies. In determining the timing and level of future taxable profits and future tax planning strategies, the Group assessed the probability of future cash inflows based on expected revenues from existing orders and contracts for the next five years.

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised on the unused tax losses.

**(f) Collectively assessed allowance for expected credit losses**

Due to the economic crisis and its aftermath, there could be a possible increase in credit risk due to the loss of income by some of the businesses and the individuals who are our customers, which would delay the settlements of

customer dues whilst the possibility of default also exists.

This uncertainty is reflected in the Group's assessment of expected credit losses from its credit portfolio, which are subject to several management judgements and estimates. Judgements relevant to expected credit loss computations are further discussed in Notes 31 and 47 of these financial statements.

**4. DETERMINATION OF FAIR VALUES**

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.

A number of the Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, the notes specific to that asset or liability disclose further information about the assumptions made in determining fair values.

When measuring the fair value of an asset or a liability, the Group uses market observable 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 identifiable assets and liabilities.
- Level 2 - Inputs other than the quoted price included in Level 1 that are observable from the asset or liability

either directly (as prices) or indirectly (derived prices)

- Level 3 - Inputs from the assets 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 might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety at the same fair value hierarchy level as the lowest level input, which is significant to the entire measurement

**5. MATERIAL ACCOUNTING POLICIES**

The Group adopted following Changes to accounting policies with effect from 01 April 2023.

**Changes in material accounting policies**

Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Deferred tax related assets and liabilities arising from a single transaction (amendment LKAS 12) from 01 April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that arise to equal and offsetting temporary differences. Eg: Leases.

**Material Accounting Policy Information**

The Group adopted Disclosure of Accounting Policies (Amendments to LKAS 01) from 01 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.



## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

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

Management reviewed the accounting policies and made updates to the information disclosed in certain instances inline with the amendments.

Except for the above, the following accounting policies have been applied consistently to all periods presented in these financial statements of the Group and Company unless otherwise indicated.

### Basis of consolidation and business combinations

The consolidated financial statements comprise the Group's and its subsidiaries' financial statements as of 31st March 2024. Control is achieved when the Group is exposed or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee;
- Exposure, or rights, variable returns from its involvements with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that majority voting rights result in control. To support this presumption and when the Group has less than a

majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee;
- Right arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate changes to one or more of the three control elements. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full for the consolidation.

A change in the ownership interest of a subsidiary, without a loss of

control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other equity components, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### Merger accounting for common control combination

The Group adopted the Statement of Recommended Practice (SoRP) for Merger Accounting for Common Control Combinations approved by the Council of the Institute of Chartered Accountants of Sri Lanka on 19 December 2012, applicable for annual periods beginning on or after 1st April 2012. The SoRP applies to Consolidated Financial Statements. Due to the absence of clear guidance on accounting for amalgamation in the separate Financial Statements, the Group adopted the SoRP for Merger Accounting for Common Control Combinations in preparing the Company's separate Financial Statements.

### Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at the acquisition date fair value and the amount of any non-controlling interests in the target entity (acquiree). For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquirer's identifiable net assets. Costs related to the acquisition are expensed as incurred and included in administrative expenses.

(Amounts expressed in Sri Lankan Rs. '000)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the acquiree separating embedded derivatives in host contracts. If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value, and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent considerations are remeasured at fair value on each reporting date, and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests, and any previous interest held over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is more than the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date.

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposal operation and the portion of the cash-generating unit retained.

### Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The cost of an acquisition is measured at the fair value of the consideration, including contingent consideration.

The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair value at the date of acquisition. After the acquisition, the Company continues to recognise the investment in the subsidiary at cost.

The consolidated financial statements are prepared for a common financial year at the end of 31st March.

### Loss of control

When the Group loses control of a subsidiary, it derecognises the subsidiary's assets and liabilities, any non-controlling interests, and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Any interest retained in the former subsidiary is measured at fair value;
- Recognises any surplus or deficit in profit or loss;

### Non-controlling interest (NCI)

NCI are measured initially at their proportionate share of the acquirer's identifiable net assets at the date of acquisition. Changes in the Group's interest in the subsidiary that do not result in a loss of control are accounted for as equity transactions.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### Financial year end

All Group entities have a common financial year ending on 31st March.

### Interest in equity- accounted investee.

The Group's interest in equity-accounted investees comprises interest in an associate. Associates are those entities in which the Group has significant influence but not control or joint control over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. After initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees until significant influence or joint control ceases.

### Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intragroup transactions are eliminated when preparing the consolidated financial statements. 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.

### Foreign currency

#### Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates on the dates of

the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate as of 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 exchange rate on the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to a functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the retranslation of the following items are recognised in other comprehensive income:

- on investment in equity securities designated as at fair value through other comprehensive income, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and
- qualifying cash flow hedges to the extent the hedge is effective.

### Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from the acquisition, are translated to Sri Lanka Rupees at exchange rates on the reporting date. The income and expenses of foreign operations are translated to Sri Lanka Rupees at exchange rates on the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in equity in the foreign currency translation reserve.

However, if the foreign operation is not a wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

### Financial Instruments

#### Recognition and initial measurement

A financial instrument is any contract that gives rise to one entity's financial asset and another's financial liability or equity instrument.

(Amounts expressed in Sri Lankan Rs. '000)

Trade receivables and debt securities issued are initially recognised when they originate. All other financial assets and 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.

#### Financial assets

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at:

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

Financial assets are not reclassified after 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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 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.:

#### Financial assets - Business model assessment

The Group assesses 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 derecognition 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.

Financial assets - Assessment of whether contractual cash flows are solely principal and interest payments.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

For this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as the consideration for the time value of money and the credit risk associated with the principal amount outstanding during a particular period and for other primary lending risks and costs (e.g. liquidity risk and administrative expenses), 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 evaluating 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. non-recourse features).

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

### Financial assets – Subsequent measurement and gains and losses

#### Financial assets at Fair Value Through Profit or Loss (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. However, see Note 38 for derivatives designated as hedging instruments.

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 or losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### Debt investments at Fair Value Through Other Comprehensive Income (FVOCI)

measured at fair value. Interest income is calculated using the effective interest method, and foreign exchange gains, losses, and impairment are recognised in the 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 investment's cost. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

### Financial liabilities

Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is held-for-trading, is a derivative or 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 as 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.

### Derecognition

#### Financial assets

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

(Amounts expressed in Sri Lankan Rs. '000)

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired. The Group also derecognises 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 derecognition 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.

### 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.

### Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. After initial recognition, derivatives are measured at fair value, and the fair value changes are generally recognised in the profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At the inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

### Cash flow hedges

The hedging instrument's effective portion of the gain or loss is recognised in OCI in the cash flow hedge reserve. In contrast, any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses commodity swap contracts for its exposure to volatility in the commodity prices. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur if the hedged future cash flows are still expected to occur or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

### Impairment

#### Financial Assets

The Group recognises loss allowances for Expected Credit Loss (ECL) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables is always measured at an amount equal to lifetime ECLs.

When determining whether a financial asset's credit risk has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and



## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

qualitative information and analysis based on the Group's historical experience and informed credit assessment, including forward-looking information.

The Group assumes that a financial asset's credit risk has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the instrument's expected life is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

### Credit-impaired financial assets

The Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired at each reporting date. 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 180 days past due;
- the restructuring of a loan or advance by the Group on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation or
- the disappearance of an active market for a security because of financial difficulties

### Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

### Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a

policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually assesses the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Group's procedures to recover amounts due.

### Non-financial assets

The carrying amounts of the Group's non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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. For impairment testing, assets are grouped into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test,



(Amounts expressed in Sri Lankan Rs. '000)

CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs 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 concerning 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.

### Non-current assets held for sale

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the classification date.

Comparatives in the statement of the financial position are not re-presented when a non-current asset is classified as held for sale. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

### Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which;

- represent a separation of a major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is represented as if the operation had been discontinued from the start of the comparative year.

### Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its

intended use or sale are in progress, and the expenditures and borrowing costs are incurred.

Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs when borrowing funds.

### Stated capital

#### Ordinary shares

Ordinary shares are classified as equity. Costs attributable to the issue of ordinary shares are recognised as an expense.

### Property, plant and equipment

#### Recognition and measurement

All items of property, plant equipment are initially recorded at cost. Where items of property, plant & equipment are subsequently revalued, the entire class of such assets is revalued. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the reporting date. After the initial recognition of the asset at cost, the revalued property, plant & equipment are carried at revalued amounts less accumulated depreciation and impairment losses.

The Group applies the revaluation model to freehold properties and the cost model to the remaining assets under property, plant, and equipment. These are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

- The cost of materials and direct labour;
- Any other cost directly attributable to bringing the assets to a working condition for their intended use;
- When the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing cost;
- Cost also includes transfers from the equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.
- When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

### Revaluation of freehold properties

The freehold properties of the Group are carried at revalued amounts. These assets are revalued at least once every two (2) years to ensure their book value every year reflects their realisable value and is depreciated over their remaining useful lives, wherever applicable.

When an asset is revalued, any increase in the carrying amount is recognised in other comprehensive income and accounted in equity under revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances, the increase is recognised as income to the extent of the previous write-down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense

unless it reverses a previous increment relating to that asset, in which case it is charged in other comprehensive income to the extent that the decrease does not exceed the amount held in the Revaluation surplus in respect of that same asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the revaluation reserve. Any balance remaining in the revaluation surplus on retirement or disposal of assets is transferred directly to retained earnings.

### 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 reclassified 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 recognised immediately in the profit or Loss.

### Subsequent costs

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

### Depreciation

Items of property, plant, and equipment are depreciated from the date they are available for use or, with respect to self-constructed 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 minus their estimated residual values using a 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. Lands are not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows;

Property, Plant and Equipment	Oil Palm Plantation & Oils and fats	Beverage	Leisure		Other sectors
			No of Years		
Leasehold land	36 to 42	-	Over the lease period		-
Land improvements	30	-	-	-	-
Buildings	20 – 42	2 – 50	2 – 50	-	-
Plant & machinery	5 – 27	3 – 22	3 – 15	5 – 27	-
Heavy equipment	10	-	-	-	-
Motor vehicles	4 – 6	4 – 5	4 – 5	4 – 5	-
Furniture, fittings & office Equipment	5 – 16	3 – 10	5 – 20	5 – 16	-
Computers	3 – 5	2 – 5	3 – 5	3 – 5	-
Returnable Containers	-	5	-	-	-
Cutlery, Crockery and glassware	-	-	5	-	-

(Amounts expressed in Sri Lankan Rs. '000)

Depreciation begins when an asset is available for use and ceases at the earliest date the asset is classified as held for sale and when the asset is derecognised. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

#### Disposal

The gains or losses arising on disposal or retirement of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment are recognized net within Other Income in the Statement of Income. When revalued assets are sold, the related revaluation reserve balance is transferred to retained earnings.

#### Returnable containers

Returnable containers of subsidiary Lion Brewery (Ceylon) PLC are classified under Property, Plant and Equipment. All purchases of returnable containers are recognised at cost and depreciated over five years. If a returnable container breaks within the premises of the Company, the written down value, on a First in First out (FIFO) basis, is charged to the Profit or Loss.

Empty bottles used for exports are recognised as an expense in the Profit or Loss when the export takes place.

Deposits are collected from the agents for the returnable containers in their possession and are classified under current liabilities as explained in Note 43. The said deposit will be refunded to the agent only upon returning these returnable containers due to cessation of their operation or a contraction in sales.

#### Capital Work-in-Progress

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital in progress is transferred to the respective asset accounts when they are substantially completed and ready for their intended use.

#### Bearer Plants

Bearer plants are living plants used in the production or supply of agricultural produce. They are expected to bear produce for more than one period and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer plants comprise mature and immature oil palm plantations.

Immature plantations are stated at acquisition cost, which includes the cost of field preparation, planting, fertilising, and maintenance, capitalisation of borrowing costs incurred on loans used to finance the development of immature plantations, and allocation of other indirect costs based on planted hectares.

No depreciation is provided during the immature period. The carrying values of the Immature Plantations are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recovered.

Mature plantations are measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis over the estimated useful life of 25 years of the Mature Plantations and recognised in profit or loss. Carrying values of the Mature Plantations are reviewed for impairment when events or changes

in circumstances indicate that the carrying value may not be recovered.

The residual value, useful life and depreciation method are reviewed at each reporting date and adjusted prospectively, if appropriate.

Bearer plants are de-recognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss on the de-recognition of the bearer plant is included in the profit or loss in the year the asset is de-recognised.

#### Plasma advances

Costs incurred during the development of the Plasma oil palm plantation area up to the productive stage of the oil palm plantation are capitalised as Plasma development costs in the Advances to Plasma account.

Once the Plasma oil palm plantation area reaches its productive stage, that will be transferred to the Plasma farmers based on the agreed conversion amounts, generally determined at the inception date of the Plasma arrangement. The Plasma arrangement is based on an agreement between the relevant plantation company and a cooperative representing the Plasma farmers. The difference between the accumulated development costs of Plasma oil palm plantations and their conversion values is charged to the Income Statement.

#### Lease land rights

Land rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and impairment losses. Land use rights are amortised throughout the lease.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### Intangible assets and goodwill

#### Recognition and measurement

##### Goodwill

Goodwill arising from the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see Note 24.

##### Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. With respect to 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.

Goodwill is tested for impairment annually.

#### Research and development

Expenditure on research activities undertaken to gain new scientific or technical knowledge and understanding is recognised in profit or loss as incurred. Development activities involve a plan or design to produce new or substantially improved products and processes.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The capitalised expenditure includes the cost of materials, direct labour, overhead costs directly attributable to preparing the asset for its intended use, and capitalised borrowing costs.

Other development expenditure is recognised in profit or loss as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

#### Software

Costs incurred for computer software licensed for use by the Group are not integrally related to the associated hardware, which can be clearly identified and reliably measured and will probably lead to future economic benefits, are included in the Statement of Financial Position under the category of intangible assets and carried at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised to the Statement of profit or loss using the straight-line method over 3 to 10 years.

#### Brands

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

#### Other intangible assets

Other intangible assets acquired by the Group and having finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

#### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset it relates to. All other

expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

#### Amortisation

Except for goodwill and brand intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows;

	No of Years
Land rights	30
Software development cost and licenses	3 – 10

Amortisation methods, useful lives and residual value are reviewed at each reporting date and adjusted if appropriate.

#### Impairment

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

#### Investment property

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

(Amounts expressed in Sri Lankan Rs. '000)

Investment properties are measured initially at cost, including transaction costs.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

After initial recognition, investment properties are measured at fair value, which reflects market conditions as of the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the Statement of profit or loss in the year they arise.

Investment properties are derecognised when either they have been disposed of or when the Investment property is permanently withdrawn from use, and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Statement of profit or loss in the year of retirement or disposal.

Transfers are made to/from investment property when, and only when, there is a change in use, evidenced by the commencement/end of owner-occupation, the commencement of development with a view to sale, the commencement of an operating lease to another party or the completion of construction or development.

For a transfer from investment property to owner-occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change

in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant & equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is of income.

When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Statement of profit or loss.

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 the statement of profit or loss. When an investment property previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

### Biological assets

Biological assets comprise fresh fruit bunches ("FFB") of oil palm plantations, measured at fair value net of estimated selling costs. The fair value

of the FFB is measured by reference to estimated FFB quantities and publicly available index prices set by the Indonesian government. In determining the estimated FFB production quantities, the Group considers the estimated yield of the biological assets, which depends on the age of the oil palm trees, the location, soil type and infrastructure.

### Inventories

Inventories are measured at cost or net realisable value, whichever is lower, after making due allowance for obsolete and slow-moving items, except for fresh fruit bunches valued at realised values.

The cost of inventories of the group;

Raw Material and Containers	Cost of purchase together with any incidental expenses
Work - in - progress	Raw material cost and a proportion of manufacturing expenses
Finished Goods	Raw material cost and manufacturing expenses in full
Food Items	Weighted average cost basis
Linen Stock	In the year of purchase at the cost of purchase and the second year in use at 25% of the Cost of purchase

### Employee benefits

#### Short-term employee benefits

Short-term employee benefit obligations are measured undiscounted and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation due to past service provided by the employee, the obligation can be estimated reliably.

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions

## Notes to the Financial Statements

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to defined contribution plans are recognised as an employee benefit expense in the statement of profit or loss when employees render related services.

### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets (if applicable) are deducted. All actuarial gain/(loss) are recognised in the Other Comprehensive Income.

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

The discount rate is the yield at the reporting date on high-quality corporate bonds with maturity dates approximating the terms of the Group's obligations and denominated in the currency in which the benefits are expected to be paid.

The defined benefit plans are regulated at each of the geographical locations the Group operates in, and the salient features of each of such plans are tabulated below;

### Sri Lankan Subsidiaries

The subsidiaries are liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983.

The liability recognised in the Financial Statements in respect of defined benefit plans are the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated by a qualified actuary as at the reporting date using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'. Such actuarial valuations will be carried out once in every year. The liability is not externally funded. All Actuarial gains or losses are recognised immediately in other comprehensive income.

Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

### Indonesian Subsidiaries

The subsidiaries recognize an unfunded retirement benefits liability, relating to the settlement of termination, gratuity, compensation and other benefits set forth in Labour Law No. 13 year 2003 (Law No. 13/2003) based on an actuarial calculation by an independent actuary using the 'Projected Unit Credit Method'. All actuarial gain or losses are recognised immediately in other comprehensive income.

### Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal,

to a formal, detailed plan to terminate employment before the normal retirement date or to provide termination benefits due to an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy; it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

### 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. The unwinding of the discount is recognised as a finance cost.

### Derivative financial instrument and hedge accounting

Derivatives are initially recognised at fair value when a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.



(Amounts expressed in Sri Lankan Rs. '000)

The Group classifies its hedges as cash flow hedges, which hedges the exposure to variability in cash flows that is attributable to a highly probable forecast transaction. At inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting, as well as the risk management objective and strategy for undertaking the hedge.

The documentation includes the identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as described below:

### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve. In contrast, any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until future cash flows occur if the hedged future cash flows are still expected to occur or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

### Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in rare cases where liability cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses their existence where inflows of economic benefits are probable but not virtually certain.

When the Group acquires entities under business combinations, the assumed contingent liabilities are initially measured at their fair value on the acquisition date, irrespective of the extent of any minority interest.

### Leases

At the 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. The new definition is applicable for agreements entered after 1st April 2019.

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of



## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	No of Years
Buildings	2 - 6
Motor vehicles	1 - 6
Heavy equipment	1 - 6

If the ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in the Notes 5. The Group's right-of-use assets are presented within property, plant and equipment (Note 20).

### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index

or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease if the lease term reflects the Group's exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are in (Note 42).

### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases with a term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition

exemption to leases considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

## Revenue

### Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. Determining the timing of the transfer of control at a point in time or over time requires judgment.

The Group revenue represents sales to customers outside the Group and sales within the Group, which are intended for internal consumption.

The following specific criteria are used to recognise revenue according to the timing of the performance obligations being met.

### Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume rebates and sales taxes. Revenue is recognised at the point in time when the control of goods and products is transferred to the customer with a right of return within a specified period; the Group considers the timing of recognition. Revenue from contracts with customers is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

(Amounts expressed in Sri Lankan Rs. '000)

### Rendering of services

Revenue from a contract to provide services is recognised by reference to the contract's completion stage. The stage of completion of the contract is determined as follows;

- Servicing fees included in the price of the products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

### Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

### Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income over the lease term. Rental income from other property is recognised as other income.

### Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis throughout the agreement. Royalty arrangements that are based on production, sales and other measures

are recognised by reference to the underlying arrangement.

### Dividend income

Dividend income is recognised in the statement of income on the date the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

### Gain on disposal of financial assets (categorised as fair value through profit or loss)

Profits or losses on disposal of investments are accounted for in the Statement of Income based on realised net profit.

### Other Income - on an accrual basis

Net gains and losses of a revenue nature resulting from the disposal of property, plant & equipment have been accounted for in the Income Statement.

### Expenditure recognition

#### Operating expenses

All expenses incurred in the business's day-to-day operations and in maintaining the property, plant, and equipment efficiently have been charged to revenue in arriving at the profit or loss for the year. Provision is made for bad and doubtful debts, all known liabilities, and depreciation on property, plant, and equipment.

### Finance income and finance costs

Finance income comprises interest income on funds invested, gains on the re-measurement to fair value of any pre-existing interest in an acquiree in a business combination, gains on hedging instruments that are recognised in the statement of profit or loss and

reclassifications of net gains previously recognised in other comprehensive income. Interest income is recognised as it accrues in the profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration, dividends on preference shares classified as liabilities, contingent consideration, losses on hedging instruments that are recognised in the profit or loss, and reclassifications of net losses previously recognised in other comprehensive income.

Borrowing costs not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost, depending on whether foreign currency movements are in a net gain or net loss position.

### Income tax expense

Income Tax expense comprises current and deferred tax. Current and deferred tax are recognised in the income statement except to the extent that they relate to a business combination or items recognised directly in equity or other comprehensive income.

The Group has concluded that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore, they are accounted for under LKAS 37 Provisions, Contingent liabilities, and Contingent Assets.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### Current taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable for previous years. Current tax payable may also include any tax liability arising from the declaration of dividends. Current tax assets and liabilities are offset if certain criteria are met.

### Deferred taxation

Deferred tax is recognised for 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 in 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 investment 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.

Temporary differences in relation to right-of-use assets and lease liability are regarded as a net package (leased asset) to recognise deferred tax.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle

the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

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

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 realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that future taxable profits will probably be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised based on the level of future taxable profit forecasts and tax planning strategies.

### Tax exposures

In determining the current and deferred tax amount, the Group considers the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information

may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense when such a determination is made.

### Sales tax

Revenues, expenses and assets are recognised net of sales tax except:

- Where the sales taxes incurred in a purchase of assets or services are not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amounts of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

### Earnings per share

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

### Related party transactions

Disclosure has been made with respect to transactions in which one party has the ability to control or exercise significant influence over the other's financial and operating policies/decisions, regardless of whether a price is charged.

(Amounts expressed in Sri Lankan Rs. '000)

### Events after the reporting period

All material and important events that occurred after the reporting period have been considered and disclosed in Note 50.

### Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when the Company's shareholders approve them. Interim dividends are deducted from equity when declared and are no longer at the discretion of the Company.

### Presentation

Assets and liabilities are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern. Where appropriate, the significant accounting policies are disclosed in the succeeding notes.

### Offsetting Income and Expenses

Income and expenses are not offset unless required or permitted by accounting standards.

### Offsetting Assets and Liabilities

Assets and liabilities are offset, and the net amount reported in the statement of financial position only where there is;

- A current enforceable legal right to offset the assets and the liability; and
- An intention to settle the liability simultaneously

### Director's responsibility

The Board of Directors is responsible for the preparation and presentation of the Financial Statements. This is more fully described in the Directors' Report.

### Comparative Information

The presentation and classification of the Financial Statements of the previous years are amended, where relevant, for better presentations and to be comparable with the current year's.

### Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances at the bank and in hand. Cash and bank balances are stated at recoverable values. The group entities held no cash and cash equivalents that were not available for use.

Bank overdrafts and short-term borrowings that are repayable on demand, which form an integral part of the Group's cash management, are included as a component of cash and cash equivalents for the Statement of Cash Flows.

## 6. OPERATING SEGMENTS

For management purposes, the Group is organised into operating segments based on their products and services, which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group, who regularly review the segment results to allocate resources to the segments and to assess the segment performance.

Additional disclosures are made on each segment, including the factors used to identify the reportable segments and the measurement basis of segment information.

## 7. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

The following amendments have been made to the Accounting Standards from annual periods beginning on or after 1 January 2024. However, the Company did not adopt the amended standards early in preparing these financial statements.

- LKAS 1 Presentation of Financial Statements-Classification of Liabilities as Current or Non-current
- LKAS 1 Presentation of Financial Statements-Non-current Liabilities with Covenants
- LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instrument Disclosures-Supplier Finance Arrangements
- LKAS 12 Income Taxes-International Tax Reform-Pillar Two Model Rule
- SLFRS 16 Leases-Lease Liability in a Sale and Leaseback
- General Requirements for Disclosure of Sustainability-related Financial Information (SLFRS S1)
- Climate-related Disclosures (SLFRS S2)

The Directors do not expect that adopting the Standards listed above will have a material impact on the Company's financial statements.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 8 REVENUE

#### (i) Revenue streams

The Group generates revenue primarily from Oil palm plantation, Beverage and Oils and fats segments. (Note 9)

#### (ii) Revenue Analysis

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
<b>Gross Revenue</b>	<b>355,084,515</b>	396,248,690	<b>1,882,615</b>	1,267,173
Taxes to the Government of Sri Lanka	(78,008,000)	(65,790,000)	-	-
<b>Net Revenue</b>	<b>277,076,515</b>	330,458,690	<b>1,882,615</b>	1,267,173
<b>Revenue from contract with customers</b>				
Sale of Goods	302,294,745	349,680,698	-	-
<b>Revenue from other revenue sources</b>				
Investment income	10,439,808	15,967,032	1,882,615	1,267,173
Property rental income	381,466	326,860	-	-
Support services fees & royalty fees	10,184,831	20,025,425	-	-
Hospitality services	927,369	719,766	-	-
	21,933,474	37,039,083	1,882,615	1,267,173
	324,228,219	386,719,781	1,882,615	1,267,173
Elimination of internal revenue	(47,151,704)	(56,261,091)		
<b>Total external revenue</b>	<b>277,076,515</b>	330,458,690	<b>1,882,615</b>	1,267,173

#### Disaggregation of revenue from contract with customers.

Revenue from contracts with customers (including revenue related to the discontinued operations) is disaggregated by primary geographical market (Note 9) and major products and services.

### 9 SEGMENTAL INFORMATION

#### (i) Operating Segments

##### Basis of segmentation

The Group reports its segmental information primarily on its business segments and then on geographical segments as a secondary basis. The risks and returns of the Group's operations are primarily determined by the nature of the operations of its business segments rather than their geographical location. Each segment is separately managed as it requires different management strategies, as underscored by the Group's organizational structure.

The Group's business operations are classified into eight segments based on the products or services rendered, namely, Investment Holdings, Portfolio and Asset Management, Oil palm plantations, Oils & fats, Beverages, Real Estate, Leisure, and Management Services. The following table describes the operations of each segment.

Inter segmental sales are made at prices that approximate the market prices. Segment revenue, expenses, and results include transactions between segments. On consolidation, these transactions and any unrealised profits and losses are eliminated. Segmental expenses are directly attributed to a relevant segment or a portion of expenses that can be allocated reasonably as determined by the management.

(Amounts expressed in Sri Lankan Rs. '000)

## 9 SEGMENTAL INFORMATION (Contd.)

Reportable Segment	Description of Operations
Investment Holdings	- Holding of strategic investments
Portfolio and Asset Management	- Investment and management of listed, private equity, fixed income and unit trust investments
Oil Palm Plantations	- Production and sale of palm oil, palm kernel and fresh fruit bunches to the Indonesian domestic and international markets
Oils & Fats	- Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate and confectionery, ice creams and creamer industries and cooking oil products to end consumers
Beverage	- Production and sale of Beer, Import & distribution of alcoholic beverages
Real Estate	- Letting office and warehouse premises on rent for commercial purposes
Leisure	- Hoteliering
Management Services	- Providing support services to the Carsons Group entities in Sri Lanka

### (ii) Geographical Segments

The Group define its geographical segments based on the location of its assets and business operations. The Group operates in five geographical regions: Sri Lanka, Malaysia, Indonesia, Singapore, and Mauritius. Sales made to external customers are attributed to the relevant geographical segment where the transaction originated. The principal operations of each geographical segment are as follows:

Reportable Segment	Description of Operations
Sri Lanka	- Investment holding, portfolio and assets management, production & sale of Beer, Import and distribution of alcoholic beverages, letting of office and warehouse premises for commercial purposes, hoteliering and management services.
Malaysia	- Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate & confectionery, ice creams and creamer industries and cooking oil products to end consumers and management services.
Indonesia	- Production and sale of palm oil and palm kernel to the domestic and international markets, production and sale of FFB and providing Management Services.
Singapore	- Investment holding
Mauritius	- Portfolio and assets management

### (iii) Principal categories of customers

The principal categories of customers for goods and services are corporate customers, government customers, wholesale customers and retail customers. The group's reportable segments are therefore as follows:

Investment Holding	- corporate customers
Portfolio and Asset Management	- corporate customers, retail customers
Oil Palm Plantations	- corporate customers
Oils & Fats	- corporate customers, retail customers
Beverage	- wholesale & retail customers
Real Estate	- corporate customers
Leisure	- corporate customers, retail customers
Management Services	- corporate customers

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 9 SEGMENTAL INFORMATION (Contd.)

#### (iv) Operating segments - Information about reportable segments

##### (a) Primary/Business segmentation

Financial information related to each reportable segment is set out below.

The management uses profit / (loss) before tax to measure the segmental performance and it is used as the most relevant measure in evaluating the results of the respective segments relative to other entities operating in the same industry.

For the year ended 31st March	Investment Holding		Portfolio & Asset Management		Oil Palm Plantations	
	2024	2023	2024	2023	2024	2023
<b>Total revenue</b>	1,882,615	1,267,173	2,774,011	1,370,446	147,175,093	201,002,323
Intra segment revenue	-	-	(484,014)	(260,334)	(39,995,342)	(50,623,767)
<b>Segment revenue</b>	1,882,615	1,267,173	2,289,997	1,110,112	107,179,751	150,378,556
Inter segment revenue	(1,853,243)	(1,173,452)	-	-	(416,323)	(870,493)
<b>External Revenue</b>	29,372	93,721	2,289,997	1,110,112	106,763,428	149,508,063
<b>Segment results - profit/(loss) from operations before material non cash items</b>	(162,062)	(117,979)	1,884,525	816,340	27,372,366	41,976,820
<b>Other material non-cash items</b>						
Foreign exchange gains / (losses)	19,415	(8,364)	(632)	500	605,273	(469,251)
Impairment/(write back) of business assets	-	-	-	-	-	-
<b>Profit/(loss) from operations</b>	(142,647)	(126,343)	1,883,893	816,840	27,977,639	41,507,569
Change in fair value of business assets	9,255	18,157	1,870,451	898,843	188,414	(3,696,464)
Net finance cost	(268,855)	(500,506)	(82,452)	(130,473)	(9,987,777)	(10,835,535)
Share of net results of equity accounted investee	-	-	-	-	-	-
<b>Profit/(loss) before Income tax expenses</b>	(402,247)	(608,692)	3,671,892	1,585,210	18,178,276	26,975,570
<b>Tax expenses</b>						
Current taxation	(61,614)	(5,250)	(279,455)	(149,020)	(6,866,930)	(10,194,822)
Deferred taxation	-	-	722	1,707	(1,215,463)	779,875
	(61,614)	(5,250)	(278,733)	(147,313)	(8,082,393)	(9,414,947)
<b>Profit/(loss) from continuing operations</b>	(463,861)	(613,942)	3,393,159	1,437,897	10,095,883	17,560,623
<b>Discontinued operations</b>						
Profit/(loss) from discontinued operations, net of tax	-	-	-	729	-	-
<b>Profit/(loss) for the year</b>	(463,861)	(613,942)	3,393,159	1,438,626	10,095,883	17,560,623
<b>Attributable to:</b>						
Owners of the Company	(463,861)	(613,942)	1,982,983	848,179	4,803,808	8,525,045
Non controlling interest	-	-	1,410,176	590,447	5,292,075	9,035,578
	(463,861)	(613,942)	3,393,159	1,438,626	10,095,883	17,560,623
Earnings/(loss) per ordinary share (Rs.)	(2.36)	(3.13)	10.10	4.32	24.46	43.41
<b>(b) Summarised statement of cash flows</b>						
Cash flows from/(used in) operating activities	1,394,665	512,140	1,576,764	(2,504,350)	16,921,092	40,352,832
Cash flows from/(used in) investing activities	(841,865)	(88,583)	(1,768)	(753)	(8,712,101)	(7,377,590)
Cash flows from/(used in) financing activities	(633,127)	(517,356)	342,681	165,956	(9,393,965)	(23,218,218)
Net increase/(decrease) in cash and cash equivalents	(80,327)	(93,799)	1,917,677	(2,339,147)	(1,184,974)	9,757,024
<b>(c) Other Information</b>						
Total cost incurred during the year to acquire Property, plant & equipment, Bearer Plants, Investments properties	-	-	3,273	1,280	9,948,857	11,541,289
Intangible assets (including land rights)	-	-	-	-	67,730	134,410
Depreciation	-	-	1,433	1,344	7,437,068	7,779,837
Amortization of intangible assets (including land rights)	-	-	-	2,593	407,138	457,984
Salaries, fees, wages and related expenses	47,296	48,155	130,738	94,973	19,707,861	22,159,715
Defined benefit plan expenses/Gratuity	-	-	2,450	2,441	968,011	2,249,677



(Amounts expressed in Sri Lankan Rs. '000)

	Oils & Fats		Beverage		Real Estate		Leisure		Management Services		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
		54,478,750	81,843,699	115,536,800	99,464,675	381,466	326,860	927,369	719,766	1,072,115	724,839	324,228,219
	-	-	(3,300,961)	(2,423,321)	-	-	-	-	-	-	(43,780,317)	(53,307,422)
	54,478,750	81,843,699	112,235,839	97,041,354	381,466	326,860	927,369	719,766	1,072,115	724,839	280,447,902	333,412,359
	-	(148,607)	-	-	(57,877)	(52,502)	-	-	(1,043,944)	(708,615)	(3,371,387)	(2,953,669)
	54,478,750	81,695,092	112,235,839	97,041,354	323,589	274,358	927,369	719,766	28,171	16,224	277,076,515	330,458,690
	2,533,048	3,822,830	15,376,696	13,664,781	173,873	143,690	(79,660)	(143,613)	38,139	(44,580)	47,136,925	60,118,289
	(365,665)	2,320	(190,972)	(31,251)	-	-	(6,271)	(1,364)	-	-	61,148	(507,410)
	-	-	291,063	(353,229)	-	-	-	-	-	-	291,063	(353,229)
	2,167,383	3,825,150	15,476,787	13,280,301	173,873	143,690	(85,931)	(144,977)	38,139	(44,580)	47,489,136	59,257,650
	-	-	5,000	163,100	386,262	421,613	-	-	-	-	2,459,382	(2,194,751)
	(802,049)	(985,081)	(1,458,148)	(2,182,499)	78,353	41,936	(31,026)	(23,994)	(5,408)	562	(12,557,362)	(14,615,590)
	(12,702)	(13,787)	-	-	-	-	-	-	-	-	(12,702)	(13,787)
	1,352,632	2,826,282	14,023,639	11,260,902	638,488	607,239	(116,957)	(168,971)	32,731	(44,018)	37,378,454	42,433,522
	(318,237)	(800)	(5,654,753)	(4,091,459)	(88,898)	(64,233)	-	-	(14,325)	10,624	(13,284,212)	(14,494,960)
	(89,242)	(636,432)	(392,916)	(423,376)	(107,543)	(374,288)	12,168	72,765	2,844	(937)	(1,789,430)	(580,687)
	(407,479)	(637,232)	(6,047,669)	(4,514,835)	(196,441)	(438,521)	12,168	72,765	(11,481)	9,687	(15,073,642)	(15,075,647)
	945,153	2,189,050	7,975,970	6,746,067	442,047	168,718	(104,789)	(96,206)	21,250	(34,331)	22,304,812	27,357,875
	-	1,643,615	-	-	-	-	-	-	-	-	-	1,644,344
	945,153	3,832,665	7,975,970	6,746,067	442,047	168,718	(104,789)	(96,206)	21,250	(34,331)	22,304,812	29,002,219
	401,857	1,838,509	3,696,942	3,092,730	420,847	160,023	(94,289)	(86,566)	21,250	(34,331)	10,769,537	13,729,646
	543,296	1,994,156	4,279,028	3,653,337	21,200	8,695	(10,500)	(9,640)	-	-	11,535,275	15,272,573
	945,153	3,832,665	7,975,970	6,746,067	442,047	168,718	(104,789)	(96,206)	21,250	(34,331)	22,304,812	29,002,219
	2.05	9.36	18.82	15.75	2.14	0.81	(0.48)	(0.44)	0.11	(0.17)	54.84	69.91
	1,712,518	7,504,847	11,197,867	1,406,818	69,575	75,893	(7,665)	(30,745)	69,101	95,270	33,553,915	52,519,931
	(1,248,014)	(1,224,921)	(3,836,136)	(2,450,913)	(45,629)	(155,294)	(59,450)	22,279	(10,914)	(39,028)	(19,036,905)	(17,288,585)
	(494,391)	(5,241,746)	(6,660,123)	(1,167,299)	(17,808)	(43,961)	91,837	(25,368)	(31,413)	(24,941)	(7,504,224)	(24,953,180)
	(29,887)	1,038,180	701,608	(2,211,394)	6,138	(123,362)	24,722	(33,834)	26,774	31,301	7,012,786	10,278,166
	1,284,279	1,233,754	5,490,222	4,371,975	46,650	29,295	17,532	9,866	16,066	51,021	16,806,879	17,238,480
	3,602	6,838	41,222	7,815	-	-	-	-	-	354	112,554	149,417
	883,657	845,190	2,422,956	1,862,462	8,160	7,955	85,269	87,509	27,455	21,132	10,865,998	10,605,429
	1,141	49,771	13,463	12,101	-	-	336	336	211	196	422,289	522,981
	1,976,827	2,376,377	2,198,411	1,495,284	82,732	76,917	205,074	202,753	708,490	574,474	25,057,429	27,028,648
	-	-	71,785	41,658	770	671	3,746	3,782	15,448	14,999	1,062,210	2,313,228

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 9 SEGMENTAL INFORMATION (Contd.)

#### (d) Segments assets / liabilities are as follows:

For the year ended 31st March	Investment Holding		Portfolio & Asset Management		Oil Palm Plantations	
	2024	2023	2024	2023	2024	2023
<b>SEGMENT ASSETS</b>						
<b>Non - Current Assets</b>						
Fixed assets*	-	-	4,522	2,682	98,604,911	110,851,377
Intangible assets (Including land rights)	-	-	182,740	182,740	8,523,628	10,012,682
Financial assets measured at FVOCI/Equity accounted investee	2,554,235	2,690,648	8,323,478	8,768,011	-	-
Deferred tax assets	-	-	4,997	2,345	3,544,505	5,313,819
Other financial receivables	-	-	4,607,101	3,770,558	-	-
Other non financial receivables	-	-	-	-	13,718,843	15,737,499
<b>Total non - current assets</b>	<b>2,554,235</b>	<b>2,690,648</b>	<b>13,122,838</b>	<b>12,726,336</b>	<b>124,391,887</b>	<b>141,915,377</b>
<b>Current Assets</b>						
Inventories/biological assets	-	-	-	-	9,394,938	9,224,066
Trade debtors and other financial assets	769	74	24,361	47,694	3,583,889	2,668,927
Other non financial receivables	11,287	12,022	23,966	9,600	4,588,889	5,916,848
Financial assets measured at FVTPL	119,332	110,077	9,881,517	8,940,449	-	-
Cash and cash equivalents	514,240	215,468	3,508,642	1,534,173	22,985,931	27,130,714
<b>Total current assets</b>	<b>645,628</b>	<b>337,641</b>	<b>13,438,486</b>	<b>10,531,916</b>	<b>40,553,647</b>	<b>44,940,555</b>
<b>Total segmental assets</b>	<b>3,199,863</b>	<b>3,028,289</b>	<b>26,561,324</b>	<b>23,258,252</b>	<b>164,945,534</b>	<b>186,855,932</b>
<b>SEGMENT LIABILITIES</b>						
<b>Non - Current Liabilities</b>						
Loans and borrowings	141,668	335,417	-	-	55,437,568	59,638,152
Other financial payables	-	-	-	-	-	2,077,195
Other non financial liabilities	-	-	16,244	7,891	3,664,134	3,910,219
Deferred tax liabilities	-	-	-	-	5,831,000	6,514,849
<b>Total non - current liabilities</b>	<b>141,668</b>	<b>335,417</b>	<b>16,244</b>	<b>7,891</b>	<b>64,932,702</b>	<b>72,140,415</b>
<b>Current Liabilities</b>						
Trade and other financial liabilities	323,706	321,056	172,368	205,825	16,354,929	19,893,081
Loans and borrowings	1,968,046	1,624,243	1,302,714	526,566	11,343,638	18,344,251
<b>Total current liabilities</b>	<b>2,291,752</b>	<b>1,945,299</b>	<b>1,475,082</b>	<b>732,391</b>	<b>27,698,567</b>	<b>38,237,332</b>
<b>Total segmental liabilities</b>	<b>2,433,420</b>	<b>2,280,716</b>	<b>1,491,326</b>	<b>740,282</b>	<b>92,631,269</b>	<b>110,377,747</b>

\*Fixed assets include Property, Plant and Equipments, Bearer Plants, Right of use Assets and Investment Properties.

(Amounts expressed in Sri Lankan Rs. '000)

	Oils & Fats		Beverage		Real Estate		Leisure		Management Services		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	11,047,800	12,462,499	28,200,237	24,016,599	6,034,011	5,438,703	2,720,117	2,363,279	51,588	71,040	146,663,186	155,206,179
	1,343,537	1,397,376	1,013,752	703,670	27,584	27,584	336	672	300	510	11,091,877	12,325,234
	753,203	879,026	-	-	-	-	-	-	-	-	11,630,916	12,337,685
	-	-	46,715	26,378	-	-	-	-	31,709	14,948	3,627,926	5,357,490
	-	-	-	-	289,000	289,000	24,759	24,759	-	-	4,920,860	4,084,317
	-	-	-	-	-	-	-	-	-	-	13,718,843	15,737,499
	13,144,540	14,738,901	29,260,704	24,746,647	6,350,595	5,755,287	2,745,212	2,388,710	83,597	86,498	191,653,608	205,048,404
	5,428,000	5,027,040	9,166,557	7,555,505	-	-	38,866	41,987	245	408	24,028,606	21,849,006
	5,095,915	6,435,738	4,229,377	1,298,054	94,571	77,361	107,244	35,901	431	-	13,136,557	10,563,749
	865,207	1,008,951	1,759,482	4,232,385	135,635	125,103	8,966	9,014	34,710	24,104	7,428,142	11,338,027
	8,193	33,004	-	-	38,179	-	-	-	-	-	10,047,221	9,083,530
	1,427,175	1,072,680	12,569,326	11,348,047	231,865	173,214	151,713	81,589	106,203	79,429	41,495,095	41,635,314
	12,824,490	13,577,413	27,724,742	24,433,991	500,250	375,678	306,789	168,491	141,589	103,941	96,135,621	94,469,626
	25,969,030	28,316,314	56,985,446	49,180,638	6,850,845	6,130,965	3,052,001	2,557,201	225,186	190,439	287,789,229	299,518,030
	2,183,613	2,917,798	1,607,368	1,266,500	-	-	125,684	144,425	-	-	59,495,901	64,302,292
	-	-	-	-	87,399	104,479	-	-	-	-	87,399	2,181,674
	-	-	293,934	257,729	5,412	2,984	22,365	13,192	105,390	51,143	4,107,479	4,243,158
	1,581,835	1,760,785	6,581,795	5,687,985	1,559,580	1,407,386	572,162	459,601	-	-	16,126,372	15,830,606
	3,765,448	4,678,583	8,483,097	7,212,214	1,652,391	1,514,849	720,211	617,218	105,390	51,143	79,817,151	86,557,730
	4,559,643	5,573,382	14,616,264	10,607,032	199,983	168,235	173,922	141,437	169,985	112,565	36,570,800	37,022,613
	7,190,445	7,045,851	5,849,413	8,044,551	18,143	-	110,148	115,333	-	-	27,782,547	35,700,795
	11,750,088	12,619,233	20,465,677	18,651,583	218,126	168,235	284,070	256,770	169,985	112,565	64,353,347	72,723,408
	15,515,536	17,297,816	28,948,774	25,863,797	1,870,517	1,683,084	1,004,281	873,988	275,375	163,708	144,170,498	159,281,138

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

<b>9 SEGMENTAL INFORMATION (Contd.)</b>				
<b>(v) Operating segments - Information about reportable segments</b>				
<b>(a) Secondary/Geographical segments</b>				
	Sri Lanka		Malaysia	
For the year ended 31st March	2024	2023	2024	2023
Revenue	115,807,187	99,245,270	54,480,664	81,699,088
Segment results - profit/(loss) from operations before material non cash items	17,360,451	14,410,350	3,344,352	4,463,183
<b>Other material non-cash items</b>				
Foreign exchange gains/(losses)	(225,671)	(16,434)	(252,713)	107,285
Impairment of business assets	291,063	(353,229)	-	-
<b>Profit/(loss) from operations</b>	<b>17,425,843</b>	<b>14,040,687</b>	<b>3,091,639</b>	<b>4,570,468</b>
Change in fair value of business assets	2,270,968	1,572,529	-	-
Net finance cost	(1,728,114)	(2,725,361)	(804,166)	(983,214)
Share of net results of equity accounted investee	-	-	(12,702)	(13,787)
<b>Profit/(loss) before Income tax expenses</b>	<b>17,968,697</b>	<b>12,887,855</b>	<b>2,274,771</b>	<b>3,573,467</b>
<b>Tax expenses</b>				
Current taxation	(6,104,941)	(4,312,449)	(497,098)	(160,622)
Deferred taxation	(484,724)	(724,130)	(122,225)	(693,502)
	(6,589,665)	(5,036,579)	(619,323)	(854,124)
<b>Profit/(loss) from continuing operations</b>	<b>11,379,032</b>	<b>7,851,276</b>	<b>1,655,448</b>	<b>2,719,343</b>
<b>Discontinued operations</b>				
Profit/(loss) from discontinued operations, net of tax	-	729	-	-
<b>Profit/(loss) for the year</b>	<b>11,379,032</b>	<b>7,852,005</b>	<b>1,655,448</b>	<b>2,719,343</b>
<b>(b) Other Information</b>				
Total cost incurred during the year to acquire Property, plant & equipment, Bearer Plants, Investments properties	5,597,894	4,521,432	1,284,279	1,271,964
Intangible assets (including land rights)	41,222	16,715	3,602	6,838
Depreciation	2,562,884	1,992,926	883,657	875,157
Amortization of intangible assets (including land rights)	25,001	26,287	1,142	49,771
Salaries, fees, wages and related expenses	3,929,738	3,134,182	2,333,533	3,361,731
Defined benefit plan expenses/Gratuity	108,323	75,111	-	-

(Amounts expressed in Sri Lankan Rs. '000)

	Indonesia		Singapore		Mauritius		Discontinued operations India		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
		106,760,278	147,293,703	10,236	2,198,973	18,150	21,656	-	-	277,076,515
	25,919,033	37,032,051	546,998	4,231,336	(33,909)	(18,631)	-	-	47,136,925	60,118,289
	(1,219,383)	(599,495)	1,758,915	1,258	-	(24)	-	-	61,148	(507,410)
	-	-	-	-	-	-	-	-	291,063	(353,229)
	24,699,650	36,432,556	2,305,913	4,232,594	(33,909)	(18,655)	-	-	47,489,136	59,257,650
	188,414	(3,696,464)	-	-	-	(70,816)	-	-	2,459,382	(2,194,751)
	(2,713,410)	(4,402,307)	(7,311,672)	(6,504,708)	-	-	-	-	(12,557,362)	(14,615,590)
	-	-	-	-	-	-	-	-	(12,702)	(13,787)
	22,174,654	28,333,785	(5,005,759)	(2,272,114)	(33,909)	(89,471)	-	-	37,378,454	42,433,522
	(6,138,872)	(8,153,824)	(541,253)	(1,867,452)	(2,048)	(613)	-	-	(13,284,212)	(14,494,960)
	(1,182,481)	836,945	-	-	-	-	-	-	(1,789,430)	(580,687)
	(7,321,353)	(7,316,879)	(541,253)	(1,867,452)	(2,048)	(613)	-	-	(15,073,642)	(15,075,647)
	14,853,301	21,016,906	(5,547,012)	(4,139,566)	(35,957)	(90,084)	-	-	22,304,812	27,357,875
	-	-	-	2,289,088	-	-	-	(645,473)	-	1,644,344
	14,853,301	21,016,906	(5,547,012)	(1,850,478)	(35,957)	(90,084)	-	(645,473)	22,304,812	29,002,219
	9,924,706	11,445,084	-	-	-	-	-	-	16,806,879	17,238,480
	67,730	111,878	-	13,986	-	-	-	-	112,554	149,417
	7,372,087	7,682,820	47,370	54,526	-	-	-	-	10,865,998	10,605,429
	394,513	446,923	1,633	-	-	-	-	-	422,289	522,981
	16,574,758	17,354,325	2,219,400	3,178,410	-	-	-	-	25,057,429	27,028,648
	953,887	2,238,117	-	-	-	-	-	-	1,062,210	2,313,228

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

<b>9 SEGMENTAL INFORMATION (CONTD.)</b>				
<b>(c) Segments Assets/Liabilities are as follows:</b>				
	Sri Lanka		Malaysia	
For the year ended 31st March	2024	2023	2024	2023
<b>SEGMENT ASSETS</b>				
<b>Non - Current Assets</b>				
Fixed assets*	37,066,196	31,946,737	11,111,243	12,560,360
Intangible assets (Including land rights)	1,255,899	957,914	1,363,424	1,420,670
Financial assets measured at FVOCI/Equity accounted investee	10,877,713	11,458,659	753,203	879,026
Deferred tax assets	83,421	43,670	-	17,665
Other financial receivables	4,920,860	4,084,317	-	-
Other non financial receivables	-	-	-	-
<b>Total non - current assets</b>	<b>54,204,089</b>	<b>48,491,297</b>	<b>13,227,870</b>	<b>14,877,721</b>
<b>Current Assets</b>				
Inventories/biological assets	9,194,273	7,597,900	5,428,000	5,027,040
Trade debtors and other financial assets	4,446,519	1,459,983	5,096,001	6,439,876
Other non financial receivables	2,027,146	4,476,288	878,392	1,030,976
Financial assets measured at FVTPL	9,157,277	8,166,935	8,193	33,004
Cash and cash equivalents	17,311,788	13,681,998	2,294,831	1,404,201
<b>Total current assets</b>	<b>42,137,003</b>	<b>35,383,104</b>	<b>13,705,417</b>	<b>13,935,097</b>
<b>Total segmental assets</b>	<b>96,341,092</b>	<b>83,874,401</b>	<b>26,933,287</b>	<b>28,812,818</b>
<b>SEGMENT LIABILITIES</b>				
<b>Non - Current Liabilities</b>				
Loans and borrowings	1,874,720	1,746,342	2,188,725	2,929,738
Other financial payables	87,399	104,479	-	-
Other non financial liabilities	478,757	375,736	-	-
Deferred tax liabilities	8,713,538	7,554,970	1,599,271	1,760,785
<b>Total non - current liabilities</b>	<b>11,154,414</b>	<b>9,781,527</b>	<b>3,787,996</b>	<b>4,690,523</b>
<b>Current Liabilities</b>				
Trade and other financial liabilities	15,932,465	11,828,760	4,668,012	5,750,772
Loans and borrowings	9,248,465	10,310,693	7,205,304	7,074,414
<b>Total current liabilities</b>	<b>25,180,930</b>	<b>22,139,453</b>	<b>11,873,316</b>	<b>12,825,186</b>
<b>Total segmental liabilities</b>	<b>36,335,344</b>	<b>31,920,980</b>	<b>15,661,312</b>	<b>17,515,709</b>

\*Fixed assets include Property, Plant and Equipments, Bearer Plants, Right of use Assets and Investment Properties.

(Amounts expressed in Sri Lankan Rs. '000)

	Indonesia		Singapore		Mauritius		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
	98,432,960	110,591,712	52,787	107,370	-	-	146,663,186	155,206,179
	8,458,778	9,929,972	13,776	16,678	-	-	11,091,877	12,325,234
	-	-	-	-	-	-	11,630,916	12,337,685
	3,544,505	5,296,155	-	-	-	-	3,627,926	5,357,490
	-	-	-	-	-	-	4,920,860	4,084,317
	13,718,843	15,737,499	-	-	-	-	13,718,843	15,737,499
	124,155,086	141,555,338	66,563	124,048	-	-	191,653,608	205,048,404
	9,394,938	9,224,066	11,395	-	-	-	24,028,606	21,849,006
	3,583,801	2,663,890	10,236	-	-	-	13,136,557	10,563,749
	4,503,784	5,775,437	17,325	53,894	1,495	1,432	7,428,142	11,338,027
	-	-	-	-	881,751	883,591	10,047,221	9,083,530
	19,263,420	18,418,318	2,152,631	7,553,560	472,425	577,237	41,495,095	41,635,314
	36,745,943	36,081,711	2,191,587	7,607,454	1,355,671	1,462,260	96,135,621	94,469,626
	160,901,029	177,637,049	2,258,150	7,731,502	1,355,671	1,462,260	287,789,229	299,518,030
	42,178,472	37,710,343	13,253,984	21,915,869	-	-	59,495,901	64,302,292
	-	-	-	2,077,195	-	-	87,399	2,181,674
	3,628,722	3,867,422	-	-	-	-	4,107,479	4,243,158
	5,813,563	6,514,851	-	-	-	-	16,126,372	15,830,606
	51,620,757	48,092,616	13,253,984	23,993,064	-	-	79,817,151	86,557,730
	14,130,861	16,840,578	1,831,819	2,507,063	7,643	95,440	36,570,800	37,022,613
	4,561,510	3,866,428	6,767,268	14,449,260	-	-	27,782,547	35,700,795
	18,692,371	20,707,006	8,599,087	16,956,323	7,643	95,440	64,353,347	72,723,408
	70,313,128	68,799,622	21,853,071	40,949,387	7,643	95,440	144,170,498	159,281,138



## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

10 OTHER INCOME	Group	
	2024	2023
For the year ended 31st March		
<b>Gain/(Loss) on disposal of fixed assets:</b>		
Beverage	189,520	26,163
Oil Palm Plantations	290,132	34,478
Management Services	40	11,769
	479,692	72,410
Net unrealised fair value gain on RCPS derivative financial instruments	-	165,473
Plasma management fee	220,637	208,027
Plasma interest income	1,132,677	1,412,666
Premium from sale of RSPO	115,087	5,013
Fee income	134,162	148,949
Scrap sales	63,584	90,587
Bulking rental income	171,359	213,398
Sale of palm kernel shell	730,898	655,231
Income from Co2 Sale	120,936	94,393
Sundry income	670,189	665,518
	3,839,221	3,731,665
<b>11 OTHER OPERATING EXPENSES</b>		
For the year ended 31st March		
Unrealised fair value loss on derivative financial instruments	20,316	63,375
Other operating expenses	555,443	717,143
	575,759	780,518
<b>12 IMPAIRMENT OF BUSINESS ASSETS</b>		
For the year ended 31st March		
(Provision)/Reversal of impairment (Note 24 (d))	291,063	(353,229)
	291,063	(353,229)

(Amounts expressed in Sri Lankan Rs. '000)

### 13 FOREIGN EXCHANGE GAINS/(LOSSES)

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Foreign exchange gains/(losses)	61,148	(507,410)	19,415	(8,364)

#### (a) Company

As at 31st March 2024, the Company incurred a foreign exchange gain of Rs. 19.42 Mn (2023 - loss of Rs. 8.36 Mn), from the translation of Sterling Pound denominated liability (Note 43 (d)).

#### (b) Oil Palm plantations and Oils and fats sectors

The foreign exchange gain/(loss) relating to Goodhope Asia Holdings Limited and its subsidiaries whose certain transactions and balances are recorded in different currencies other than presentation currency of each such subsidiary is given below.

For the year ended 31st March 2024, Goodhope Asia Holding Limited group recorded a foreign exchange gain of Rs.239.61 Mn (2023 - loss Rs. 466.93 Mn).

The closing exchange rate of IDR against USD as of 31st March 2024 was IDR 15,853 which is a 5 % Depreciation compared to the closing exchange rate that prevailed as of 31st March, 2023 which was IDR 15,062.

#### (c) Beverage Sector

The foreign exchange gain/(loss) relating to Beverage sector whose certain transactions and balances are recorded in different currencies other than presentation currency of each such subsidiary is given below.

For the year ended 31st March 2024 Beverage sector recorded a foreign exchange loss Rs. 190.97 Mn (2023 - Rs. 31Mn). The unrealized exchange loss mainly arose from the translation of US dollar denominated deposits and cash balances as at the reporting date consequent to appreciation of the Sri lankan Rupee against the US dollar (USD) throughout the year.

### 14 NET FINANCE COSTS

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
<b>Finance income from:</b>				
Interest income - Fixed Deposits	1,505,513	1,675,096	-	-
Interest income - Other Deposits	662,409	379,711	-	-
Total finance income	2,167,922	2,054,807	-	-
<b>Finance Costs on:</b>				
Bank borrowings	(14,628,689)	(16,509,977)	(268,855)	(500,506)
Unwinding of interest on refundable deposits	(11,455)	(8,182)	-	-
Interest expenses on lease liabilities (Note 42)	(85,140)	(152,238)	-	-
Total finance costs	(14,725,284)	(16,670,397)	(268,855)	(500,506)
<b>Net Finance costs</b>	<b>(12,557,362)</b>	<b>(14,615,590)</b>	<b>(268,855)</b>	<b>(500,506)</b>

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

15 PROFIT BEFORE INCOME TAX EXPENSES	Group		Company	
	2024	2023	2024	2023
For the year ended 31st March				
<b>Profit before tax has been arrived at after charging</b>				
Auditors' remuneration and other professional services (Note (a))	142,207	160,552	2,010	1,791
Professional services (Note (b) )	732,377	737,136	29,077	91,597
Personnel costs (Note (c) )	26,119,639	29,341,876	47,296	48,155
Audit committee fees	1,680	1,680	1,680	1,680
Remuneration committee Fees	200	200	200	200
Nomination committee Fees	325	250	200	200
Related Party Transactions Review Committee fees	1,200	1,200	1,200	1,200
Royalty paid to the Carlsberg A/S	415,474	271,469	-	-
Research and development costs	183,122	188,334	-	-
Depreciation of property, plant and equipment, bearer plants	10,865,998	10,605,429	-	-
Amortization of intangible assets and prepaid lease payments for land (Note 24)	422,289	522,981	-	-
Total depreciation and amortization included in the Statement of profit or loss	11,288,287	11,128,410	-	-
<b>(a) Auditors' Remuneration and other professional services</b>				
Fees payable to KPMG for Carson Cumberbatch PLC	1,900	1,691	1,900	1,691
Fees payable to KPMG for the subsidiaries of Carson Cumberbatch PLC	10,065	9,050	-	-
Fees payable to other Auditors for the subsidiaries of Carson Cumberbatch PLC	115,723	134,269	-	-
Total statutory audit fees	127,688	145,010	1,900	1,691
<b>Non audit services</b>				
Advisory/compliance services - (Other Auditors)	8,393	8,623	-	-
Advisory services - (KPMG Sri Lanka)	270	810	-	-
	8,663	9,433	-	-
<b>Audit related services</b>				
KPMG Sri Lanka	5,856	6,109	110	100
Other Auditors	-	-	-	-
	5,856	6,109	110	100
	142,207	160,552	2,010	1,791

(Amounts expressed in Sri Lankan Rs. '000)

## 15 PROFIT BEFORE INCOME TAX EXPENSES (CONTD.)

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
<b>(b) Professional Services</b>				
Legal services	122,928	109,308	28,612	17,173
Valuation services	57,987	76,512	-	-
Consultation fees	464,840	478,634	465	74,424
Other services	86,622	72,682	-	-
	732,377	737,136	29,077	91,597
<b>(c) Personnel Costs</b>				
Salaries, fees, wages and other related expenses	23,399,370	25,549,376	47,296	48,155
Defined contribution plan expenses - EPF & ETF	1,658,059	1,479,272	-	-
Employee benefit expenses (Note 44)	1,062,210	2,313,228	-	-
	26,119,639	29,341,876	47,296	48,155
The above include:				
Directors' fees and emoluments	3,535,956	3,004,346	47,296	48,155
	3,535,956	3,004,346	47,296	48,155
<b>(d) The number of employees during the year were:</b>				
	Group			
	2024		2023	
	Year end	Average	Year end	Average
<b>Employees by Industry</b>				
Portfolio and assets management	17	19	21	23
Oil palm plantations/Oils and fats	15,765	15,039	14,313	13,574
Beverage	338	328	317	290
Real Estate	20	18	16	17
Leisure	238	245	252	239
Management services	45	45	45	44
	16,423	15,694	14,964	14,187
<b>Employees by geographical location</b>				
Sri Lanka	776	774	771	723
Malaysia	341	338	335	298
Indonesia	15,298	14,575	13,853	13,134
India	-	-	-	27
Singapore	8	7	5	5
	16,423	15,694	14,964	14,187

There were no employees at Carson Cumberbatch PLC during the year (2023 - Nil).

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

16 INCOME TAX EXPENSES	For the year ended 31st March	Group		Company	
		2024	2023	2024	2023
<b>(a) Statement of Profit or Loss</b>					
<b>(i) Current taxation</b>					
Charge for the year	11,521,364	13,103,807	-	-	
Economic service charge	-	945	-	945	
Over provision for previous years	43,374	6,480	-	-	
Tax on inter company dividends / restructuring	1,719,474	1,383,728	-	-	
	13,284,212	14,494,960	-	945	
<b>(ii) Deferred Taxation</b>					
Deferred tax expenses (Note 16 (b))	1,789,430	580,687	-	-	
	1,789,430	580,687	-	-	
<b>Total Income tax expense on continuing operations</b>	<b>15,073,642</b>	<b>15,075,647</b>	<b>-</b>	<b>945</b>	
Income tax expenses may be analysed as follows:					
<b>Current Taxation</b>					
Sri Lanka	6,104,941	4,312,449	-	945	
Overseas	7,179,271	10,182,511	-	-	
	13,284,212	14,494,960	-	945	
<b>Deferred Taxation</b>					
Sri Lanka	484,724	724,130	-	-	
Overseas	1,304,706	(143,443)	-	-	
	1,789,430	580,687	-	-	
<b>Total</b>					
Sri Lanka	6,589,665	5,036,579	-	945	
Overseas	8,483,977	10,039,068	-	-	
	15,073,642	15,075,647	-	945	
<p>Group tax expenses is based on the taxable profit of individual companies within the group. At present the tax laws of Sri Lanka does not provide for group taxation.</p>					

(Amounts expressed in Sri Lankan Rs. '000)

**16 INCOME TAX EXPENSES (Contd.)****(b) Deferred tax expenses**

For the year ended 31st March	Group	
	2024	2023
<b>Statement of Profit or Loss</b>		
Deferred tax expense arising from;		
Accelerated depreciation & amortisation for tax purposes	895,411	648,265
Investment property /Bearer Plants/Intangible assets/ Leased assets	362,068	486,511
Retirement benefit obligations	(126,968)	(734,454)
Reversal/(Benefits) arising from tax losses	658,919	180,365
<b>Deferred tax charged directly to Statement of Profit or Loss</b>	<b>1,789,430</b>	<b>580,687</b>
<b>Statement of comprehensive income</b>		
Deferred tax expense arising from;		
Actuarial gain/(loss) on defined benefit obligations	58,739	(21,330)
Revaluation surplus on Property plant & equipments	674,877	293,906
<b>Total deferred tax charged directly to statement of comprehensive income</b>	<b>733,616</b>	<b>272,576</b>
<b>Total deferred tax charged</b>	<b>2,523,046</b>	<b>853,263</b>

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

16 INCOME TAX EXPENSES (CONTD.)	For the year ended 31st March	Group		Company	
		2024	2023	2024	2023
<b>(c) Reconciliation of the Accounting Profit with the Taxable Profit</b>					
Profit before taxation	37,378,454	42,433,522	1,450,969	564,760	
Aggregate tax disallowed expenses	10,440,314	19,573,204	476,267	597,002	
Aggregate of allowable deductions	(5,730,302)	(7,093,924)	-	-	
Dividend income	(4,793,612)	(1,291,491)	(1,871,974)	(978,878)	
Exempt profit	(171,289)	(13,016,861)	-	-	
Adjustments for change in fair value	(2,383,782)	(2,319,672)	(9,255)	(18,157)	
Impairment of business assets	(291,063)	353,229	-	-	
Operating losses incurred during the year	503,834	4,487,920	-	-	
<b>Tax adjusted profits</b>	<b>34,952,554</b>	<b>43,125,927</b>	<b>46,007</b>	<b>164,727</b>	
<b>Adjustments</b>					
Adjustments due to the consolidation/conversions	7,652,097	12,847,075	-	-	
Share of net results of Equity accounted investee	12,702	13,787	-	-	
Tax losses utilized during the year	(1,422,130)	(3,925,390)	(46,007)	(164,727)	
<b>Taxable income</b>	<b>41,195,223</b>	<b>52,061,399</b>	<b>-</b>	<b>-</b>	
<b>Taxation on Profits</b>					
Taxation at 14%	-	128,279	-	-	
Taxation at 24% & 30%	900,456	591,318	-	-	
Taxation at 40%	4,742,803	3,585,427	-	-	
Tax on inter company dividends / restructuring	1,719,474	1,383,728	-	-	
Off - Shore profits at varying rates	5,878,105	8,798,783	-	-	
Economic Service Charge - write off	-	945	-	945	
Under provision for previous years	43,374	6,480	-	-	
	13,284,212	14,494,960	-	945	
<b>Analysis of Tax Losses</b>					
Tax losses brought forward	22,343,218	15,203,162	1,014,602	1,178,863	
Adjustment on losses (Finalization/write-off/conversions)	(3,405,770)	6,577,526	3,204	466	
Tax losses incurred during the year	503,834	4,487,920	-	-	
Utilization of tax losses during the year	(1,422,130)	(3,925,390)	(46,007)	(164,727)	
<b>Tax losses carried forward</b>	<b>18,019,152</b>	<b>22,343,218</b>	<b>971,799</b>	<b>1,014,602</b>	

Utilization of tax losses in the current year has resulted in tax saving of Rs. 328 Mn (2023 - Rs. 866 Mn) for the Group.

As per section 19 of the Inland Revenue Act No. 24 of 2017 and amendments thereto, any unclaimed tax losses incurred during the year could be carried forward for further six years. Such losses can be set off against profits without any limitation but subject to source of income as provided in the Act. As specified above, some companies in the Group have carried forward tax losses which are available to be set off against the future tax profits of the respective companies. Adjustment for taxation on the losses of overseas operations are made in accordance with the provisions of the relevant statutes in those countries.



(Amounts expressed in Sri Lankan Rs. '000)

## 16 INCOME TAX EXPENSES (CONTD.)

### (d) Taxation of Profits

#### (i) Current Tax in Sri Lanka

The income tax provision for Carson Cumberbatch PLC and its subsidiaries that are resident in Sri Lanka is calculated in accordance with the Inland Revenue Act No. 24 of 2017 and amendments thereto. In terms of above, the income tax provisions of companies have been calculated on their adjusted profits at the standard rate of 30% (2023 - 24% & 30%) except for companies with specified sources which are exempt from tax or subject to concessionary tax rates as set out below.

As per the Inland Revenue (Amendment) Act No.45 of 2022, 15% withholding tax is deducted from the dividend distribution by the paying company. Dividend paid by a resident company to a member to the extent that dividend payment is attributable to, or derived from, another dividend received by that resident company or another resident company exempt from income tax for the respective recipient.

#### (iii) Current Tax on Overseas Operations

Companies incorporated and operating outside Sri Lanka are liable for income tax in accordance with the provisions of the foreign jurisdictions applicable to those companies. The corporate income tax rates applicable to group companies operating in the following countries are;

	2024	2023
Singapore	17%	17%
Indonesia	22%	22%
Malaysia	24%	24%
Mauritius	15%	15%

### (e) Companies with specified sources liable to income tax at concessionary rates and Higher rate specified under the IRD Act No 24 of 2017 and amendments there to

- (i) As per the First Schedule of the Inland Revenue Act No 24 of 2017, a company with income from a business consisting of liquor (including beer) is liable to income tax at 40%. Therefore Company's subsidiaries Lion Brewery Ceylon PLC and Luxury Brand (Pvt) Limited having taxable income which consist of component of liquor, are liable to pay income tax at 40%.

#### (f) Specified sources exempt from income tax which applicable for companies within the group

- (i) In terms of item (h) of third schedule of the Inland Revenue Act, No. 24 of 2017, gains made on the realization of an asset consisting of shares quoted in any official list published by any stock exchange licensed by the Securities and Exchange Commission of Sri Lanka are exempt from income tax.
- (ii) In terms of Inland Revenue Act No 24 of 2017, Gains and profits from any service rendered in or outside Sri Lanka to any person to be utilised outside Sri Lanka, where the payment for such services is received in foreign currency and remitted to Sri Lanka through a bank are exempt from income tax.
- (iii) Dividend and gains realization of shares in a non - resident company where derived by a resident company with a holding of 10% or more either directly or indirectly in the non-resident company, are exempt from income tax.
- (iv) As per the subsection (iii) of Section (i) of the Third Schedule of the Act, interest income accruing or derived by the Company from foreign currency accounts are exempt from tax effective from 1st January 2021.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 16 INCOME TAX EXPENSES (Contd.)

#### (v) Surcharge Tax

Surcharge Tax Act No. 14 of 2022 was enacted on 8th April 2022 and is applicable to the Carson 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 million, for the year of assessment 2020/2021. The liability is computed at the rate of 25% on the taxable income of the individual Group companies, net of dividends from subsidiaries.

Total Surcharge Tax liability of Rs.1,371 Mn has been recognised for the Group as an opening adjustment to the 1 April 2022 retained earnings in the statement of Changes in Equity as per addendum to the Statement of Alternative Treatment (SoAT) issued on 10th August 2022, by The Institute of Chartered Accountants of Sri Lanka.

#### (g) Corporate tax rates in Sri Lanka

As provided in LKAS 12 - "Income Taxes" deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Accordingly following income tax rates have been used during the year;

	2024	2023
Leisure Sector	30%	30%
Beverage Sector	40%	40%
Real Estate Sector	30%	30%
Other Sectors	30%	30%

#### (h) Reconciliation of the effective tax rate

The following table provides a reconciliation of the group weighted average statutory corporate income tax rate to the effective tax rate of the group on profit before taxation.

For the year ended 31st March	2024	2023
Profit before taxation	37,378,454	42,433,522
Current taxation	13,284,212	14,494,960
Effective tax rate	36%	34%

### 17 EARNINGS PER ORDINARY SHARE

#### (a) Earnings per ordinary share from Continuing and Discontinued operations

The Group's earnings per ordinary share and Company's earnings per ordinary share are calculated by dividing the profit attributable to the ordinary shareholders of Carson Cumberbatch PLC by the Company's weighted average number of ordinary shares in issue during the year.

The amounts used in calculating the earnings per share are as follows:

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
<b>Amount used as the Numerator</b>				
Profit for the year	22,304,812	29,002,219	1,450,969	563,815
Attributable to non controlling interest	(11,535,275)	(15,272,573)	-	-
<b>Net Profit attributable to Ordinary Shareholders</b>	<b>10,769,537</b>	<b>13,729,646</b>	<b>1,450,969</b>	<b>563,815</b>
<b>Number of Ordinary Shares used as the Denominator</b>				
Ordinary shares in issue (No's)	196,386,914	196,386,914	196,386,914	196,386,914
<b>Basic earnings per Ordinary Share (Rs.)</b>	<b>54.84</b>	<b>69.91</b>	<b>7.39</b>	<b>2.87</b>

(Amounts expressed in Sri Lankan Rs. '000)

## 17 EARNINGS PER ORDINARY SHARE (Contd.)

### (b) Earnings per share from Continuing operations

The Group's earnings per ordinary share from continuing operations is calculated by dividing the profit from continuing operations attributable to the ordinary shareholders of Carson Cumberbatch PLC by the Company's weighted average number of ordinary shares in issue during the year.

The amounts used in calculating the earnings per share are as follows:

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
<b>Amount used as the Numerator</b>				
Profit for the year from continuing operations	22,304,812	27,357,875	1,450,969	563,815
Attributable to non controlling interest from continuing operations	(11,535,275)	(14,505,457)	-	-
<b>Net Profit attributable to Ordinary Shareholders from continuing operations</b>	<b>10,769,537</b>	<b>12,852,418</b>	<b>1,450,969</b>	<b>563,815</b>
<b>Number of Ordinary Shares used as the Denominator</b>				
Ordinary shares in issue (No's)	196,386,914	196,386,914	196,386,914	196,386,914
<b>Basic earnings per Ordinary Share from continuing operations (Rs.)</b>	<b>54.84</b>	<b>65.44</b>	<b>7.39</b>	<b>2.87</b>

### (c) Earnings per share from Discontinued operations

The Group's earnings per ordinary share from discontinued operations is calculated by dividing the Profit from discontinued operations attributable to the ordinary shareholders of Carson Cumberbatch PLC by the Company's weighted average number of ordinary shares in issue during the year.

The amounts used in calculating the earnings per share are as follows:

For the year ended 31st March	Group	
	2024	2023
<b>Amount used as the Numerator</b>		
Profit for the year from discontinued operations	-	1,644,344
Attributable to non controlling interest from discontinued operations	-	(767,116)
<b>Net Profit attributable to Ordinary Shareholders from discontinued operations</b>	<b>-</b>	<b>877,228</b>
<b>Number of Ordinary Shares used as the Denominator</b>		
Ordinary shares in issue (No's)	196,386,914	196,386,914
<b>Basic earnings per Ordinary Share from discontinued operation (Rs.)</b>	<b>-</b>	<b>4.47</b>

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 18 EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)

Management has chosen to present the Group EBITDA because it is used to monitor the Group's performance and is believed to be relevant for understanding the Group's financial performance. It is important to note that EBITDA is not a defined performance measure in LKS and SLFRS. Additionally, the Group's definition of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities. EBITDA is calculated as follows:

#### Reconciliation of EBITDA to profit from continuing operations

For the year ended 31st March	Group	
	2024	2023
Profit before tax	37,378,454	42,433,522
<b>Adjustments for:</b>		
Net finance costs	12,557,362	14,615,590
Depreciation	10,865,998	10,605,429
Amortisation	422,289	522,981
Provision/reversal of impairment of business assets	(291,063)	353,229
Foreign exchange (gains)/losses	(61,148)	507,410
Change in fair value of investment properties	(390,581)	(578,712)
Change in fair value of biological assets	(188,414)	3,696,464
Change in fair value of financial assets - fair value through profit or loss	(1,880,387)	(923,001)
Share of loss of equity accounted investee (net of tax)	12,702	13,787
<b>EBITDA</b>	<b>58,425,212</b>	<b>71,246,699</b>

### 19 DIVIDEND PER ORDINARY SHARE

For the year ended 31st March	Total dividend		Dividend per ordinary share	
	2024	2023	2024 (Rs.)	2023 (Rs.)
<b>Dividend paid</b>				
First interim	412,413	294,580	2.10	1.50
<b>Dividend Proposed</b>				
Second interim	923,018	-	4.70	-
<b>Total</b>	<b>1,335,421</b>	<b>294,580</b>	<b>6.80</b>	<b>1.50</b>

#### Interim Dividend paid for FY 2024

The Board of Directors of Carson Cumberbatch PLC (CARS/ the Company) approved the payment of a First Interim Dividend of Rs.2/10 per Ordinary Share for the year ended 31st March 2024 to the Shareholders. The total dividend of Rs. 412,412,519/ 40 was paid entirely out of Dividend income received by CARS and was not subjected to withholding tax by the Company as per the Inland Revenue Act, No 24 of 2017 and amendments thereof.

#### Second interim Dividend proposed for FY2024

On 13th May 2024, the Board of Directors of Carson Cumberbatch PLC (CARS/ the Company) approved the payment of a Second Interim Dividend of Rs.4/70 per Ordinary Share for the year ending 31st March 2024. According to the Articles of Association of the Company, the payment of an Interim Dividend does not require the Shareholders' approval. The total dividend of Rs. 923,018,495/80 paid entirely out of Dividend income received by CARS. It would not be subjected to withholding tax by the Company as per the Inland Revenue Act, No. 24 of 2017, and amendments thereof. The Directors were satisfied regarding the Solvency of the Company in accordance with section 57 of the Companies Act No 07 of 2007. The entitlement/record date for the dividend was 29th May 2024. In accordance with the Sri Lanka Accounting Standards 10-Events after the reporting period, the proposed dividend has not been recognized as a liability as of 31st March 2024.

(Amounts expressed in Sri Lankan Rs. '000)

**20 PROPERTY, PLANT & EQUIPMENT - GROUP****(a) For the year ended 31st March 2024**

	Freehold Land & Buildings	Leasehold Land & Buildings	Plant & Machinery	Motor Vehicles	Office Equipment, Furniture & Fittings	Computers	Returnable Containers	Capital Work - In Progress	Total
As at 1st April 2023	11,558,883	64,069,071	65,009,498	6,460,631	2,701,116	1,447,967	5,690,614	4,813,251	161,751,031
Additions	766,509	1,049,157	1,991,132	757,992	258,565	178,221	2,020,375	8,179,696	15,201,647
Revaluation	1,836,413	-	-	-	-	-	-	-	1,836,413
Disposal/write off	-	(51,318)	(90,942)	(91,564)	(9,334)	(56,566)	(331,196)	(201,236)	(832,156)
Transfers/ Adjustments	(177,576)	1,076,379	3,825,028	(78,057)	18,920	6,944	-	(4,751,342)	(79,704)
Depreciation adjustment on revaluation	(317,793)	-	-	-	-	-	-	-	(317,793)
Effect of movements in exchange rates	-	(8,320,408)	(6,693,169)	(850,276)	(270,828)	(111,055)	-	(733,597)	(16,979,333)
<b>As at 31st March 2024</b>	<b>13,666,434</b>	<b>57,822,881</b>	<b>64,041,547</b>	<b>6,198,726</b>	<b>2,698,439</b>	<b>1,465,511</b>	<b>7,379,793</b>	<b>7,306,772</b>	<b>160,580,105</b>
<b>Accumulated Depreciation</b>									
As at 1st April 2023	325,871	22,242,815	29,992,495	3,035,284	2,138,436	1,167,359	2,452,041	-	61,354,301
Charge for the year	230,661	2,608,159	3,284,066	682,033	187,218	123,368	1,117,659	-	8,233,164
Disposal/write off	-	(10,756)	(33,235)	(64,076)	(4,318)	(54,845)	(324,064)	-	(491,294)
Transfers/Adjustments	(238,739)	47,868	283,302	(12,764)	21,686	(21,072)	-	-	80,281
Depreciation adjustment on revaluation	(317,793)	-	-	-	-	-	-	-	(317,793)
Effect of movements in exchange rates	-	(3,029,357)	(3,270,946)	(422,177)	(218,799)	(86,534)	-	-	(7,027,813)
<b>As at 31st March 2024</b>	<b>-</b>	<b>21,858,729</b>	<b>30,255,682</b>	<b>3,218,300</b>	<b>2,124,223</b>	<b>1,128,276</b>	<b>3,245,636</b>	<b>-</b>	<b>61,830,846</b>
<b>Carrying amounts as at 31st March 2024</b>									
	<b>13,666,436</b>	<b>35,964,152</b>	<b>33,785,865</b>	<b>2,980,426</b>	<b>574,216</b>	<b>337,235</b>	<b>4,134,157</b>	<b>7,306,772</b>	<b>98,749,259</b>

Property, plant and equipment includes right - of use assets of Rs 1,098 Mn (2023 - Rs 1,873 Mn) related to lease liabilities that do not meet the definition of investment property.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 20 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

#### (b) For the year ended 31st March 2023

	Freehold Land & Buildings	Leasehold Land & Buildings	Plant & Machinery	Motor Vehicles	Office Equipment, Furniture & Fittings	Computers	Returnable Containers	Capital Work - In Progress	Total
As at 1st April 2022	11,633,849	58,464,970	57,151,980	3,606,946	2,394,436	1,437,549	4,447,223	2,795,628	141,932,581
Additions	77,252	765,504	3,461,376	2,711,750	208,738	124,104	2,159,806	6,893,017	16,401,547
Disposal/write off	(1,359)	(40,520)	(286,361)	(115,606)	(7,592)	(6,777)	(916,415)	(174,499)	(1,549,129)
Transfers/ Adjustments	(150,859)	1,607,584	2,699,949	310,643	(5,286)	(168,788)	-	(4,621,114)	(327,871)
Effect of movements in exchange rates	-	3,271,533	1,982,554	(53,102)	110,820	61,879	-	(79,781)	5,293,903
As at 31st March 2023	11,558,883	64,069,071	65,009,498	6,460,631	2,701,116	1,447,967	5,690,614	4,813,251	161,751,031
<b>Impairment/Accumulated Depreciation</b>									
As at 1st April 2022	130,223	18,506,470	26,080,544	2,289,042	1,990,491	1,285,260	2,542,625	-	52,824,715
Charge for the year	162,920	2,888,777	3,120,861	420,251	182,140	106,804	791,435	-	7,673,188
Disposal/write off	-	(11,947)	(157,381)	(59,895)	(4,732)	(103,709)	(882,019)	-	(1,219,683)
Transfers/Adjustments	32,668	6,690	(14,791)	320,030	(128,318)	(183,611)	-	-	32,668
Effect of movements in exchange rates	-	852,825	963,262	65,856	98,855	62,615	-	-	2,043,413
As at 31st March 2023	325,871	22,242,815	29,992,495	3,035,284	2,138,436	1,167,359	2,452,041	-	61,354,301
<b>Carrying amounts as at 31st March 2023</b>									
	11,233,012	41,826,256	35,017,003	3,425,347	562,680	280,608	3,238,573	4,813,251	100,396,730

(Amounts expressed in Sri Lankan Rs. '000)

## 20 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

### (c) Details of Freehold Lands & Building stated at valuation are Indicated below: - Continuing Operations

Property	Method of Valuation	Effective Date of Valuation	Valuer	Land Extent (in Acres)	Number of Buildings/ Blocks	Carrying Value of Revalued Assets as at 31st March 2024 If carried at Historical Cost	Carrying Value of Revalued Assets as at 31st March 2024
Pegasus Hotels of Ceylon PLC, Wattala, Sri Lanka	Market Approach and Contractor's method	31.03.2024	Mr. S. Sivaskantha, F.I.V. (Sri Lanka) of Perera Sivaskantha & Company,- Incorporated valuers	12.28	1	546,880	2,623,501
Lion Brewery (Ceylon) PLC, Biyagama, Kaduwela, Tangalle, Kurunegala and Nuwara Eliya, Sri Lanka	Open Market Value method	31.03.2024	Mr. K. Arthur Perera & Co. Independent Professional Valuers	40.01	52	4,489,103	8,286,312
Millers Brewery Limited, Padukka, Sri Lanka	Open Market Value method	31.03.2024	Mr. K. Arthur Perera & Co. Independent Professional Valuers	22.85	12	599,522	2,030,330
Equity Two PLC No. 61, Janadhipathi Mawatha, Colombo 1, Sri Lanka	Investment Approach	31.03.2024	Mr. S. Sivaskantha, F.I.V. (Sri Lanka) of Perera Sivaskantha & Company,- Incorporated valuers	0.18	1	134,408	726,292
				75.32	66	5,769,913	13,666,436

**Open market value method:** This method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities.

**Investment approach method:** This valuation method considers the present value of net cash flows to be generated from the property taking into account the expected rental income, occupancy rate and other costs not paid by the tenants. The expected net cash-flows are capitalized using expected rate of return.

**Contractor's method:** The contractor's method works on the basis that a property's value can be equated to its cost. Valuer assesses the cost of the building if it would have been constructed in the current year, and deduct margin for usage of the property-based on the respective year of construction.

### (d) Fair value measurement

The fair value of the Land & Building were determined by external, independent property valuers, having appropriate recognised professional qualifications for the category of Property being valued. The properties measured at fair value are classified under level 3 in the fair value hierarchy based on the valuation techniques used.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 20 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

#### (e) Valuation techniques and significant unobservable inputs

The following table show valuation techniques used in measuring fair values, as well as the significant unobservable inputs used.

Description	Effective date of valuation	Valuation technique	Significant Unobservable Inputs	Interrelationship between key unobservable inputs and fair value measurements
				The estimated fair value would increase/(decrease) if -
Land of Lion Brewery (Ceylon) PLC	31.03.2024	Open Market Value method	(i) Per perch value at Biyagama, between Rs. 675,000/- to Rs. 1,000,000/- Per perch value of land at Kaduwela Rs. 850,000/-, Tangalle Rs. 57,500/- and Kurunagala Rs. 490,000/-, Nuwara Eliya Rs. 560,000/-.	Market value per perch was higher/(lower)
Buildings of Lion Brewery (Ceylon) PLC	31.03.2024	Open Market Value method	(i) Estimated price per square foot between Rs. 2,500/- to Rs. 16,250/-	Price per sq.ft. was higher/(lower)
Land of Millers Brewery Limited	31.03.2024	Open Market Value method	(i) Per perch value between Rs. 4,375/- to Rs. 425,000/-	Market value per perch was higher/(lower)
Buildings of Millers Brewery Limited	31.03.2024	Open Market Value method	(i) Estimated price per square foot between Rs. 2,750/- to Rs. 7,750/-	Price per sq.ft. was higher/(lower)
Lands of Pegasus Hotels of Ceylon PLC	31.03.2024	Market Approach	(i) Per perch value between Rs 750,000/- to Rs. 1,500,000/-	Market value per perch was higher/(lower)
Buildings of Pegasus Hotels of Ceylon PLC	31.03.2024	Contractor's method	(i) Estimated price per square foot between Rs. 6,000/- to 19,000/- (ii) Depreciation rate for the usage of assets 50%	Price per sq.ft. was higher/(lower) Depreciation rate for usage (higher)/lower
Land & Building of Equity Two PLC No. 61, Janadhipathi Mawatha,	31.03.2024	Investment Approach	(i) Contractual rentals agreed with the tenants. (ii) Occupancy rate 75% (iii) Capitalization rate 6.25% (iv) Repair and insurance 20% (v) 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 in to account of other valuation considerations Market price per perch range between Rs. 10,500,000/- to Rs. 15,250,000/-	Contractual rentals were higher / (lower) Occupancy rate was higher/(lower) Capitalization rate was (higher) / lower Repair and insurance was (higher) / lower Market value per perch was higher / (lower)

#### (f) Impairment/write-off of Property, plant & equipment

The property, plant and equipment of the Group carried at cost were tested for impairment based on internal valuations. The recoverable values of the Assets have been established based on their cash generating potential over their useful economic life on a 'Going Concern' basis. Accordingly, the recoverable value exceeds net carrying value of property, plant and equipment. No impairment was required for the financial year ended 31st March 2024.

#### (g) Carrying value of Property, plant & equipment

As at 31st March	Group	
	2024	2023
At cost	83,984,728	87,239,336
At valuation (Note 20 (c))	13,666,436	11,284,291
Right of use assets (Note 20 (k))	1,098,095	1,873,103
	98,749,259	100,396,730



(Amounts expressed in Sri Lankan Rs. '000)

#### (h) Capital work-in-progress consists of

As at 31st March	Group	
	2024	2023
Land Improvements	781,094	512,370
Buildings	1,816,061	1,024,023
Plant & Machinery	4,194,519	2,903,055
Others	515,098	373,803
	7,306,772	4,813,251

#### (i) Acquisition of property, plant and equipment

The cash outflow of acquisition for property, plant and equipment amounted to Rs. 14,930 Mn. (2023 - Rs. 15,277 Mn)

#### (j) Assets pledged as security

The carrying value of certain property, plant and equipment of the Group amounting to approximately Rs. 37.92Bn or equivalent to US\$ 126,221,000 (2023 - Rs. 71.90 Bn or equivalent to US\$ 219,787,000) are pledged as security for bank borrowings.

#### (k) Right of use assets

Set out below, are the carrying amounts of the Group's right of use assets and the movements for the period ended 31st March 2024.

	Land/ Building/ Warehouse	Motor vehicles	Heavy equipment	Total 2024	Total 2023
As at 1st April 2023	406,535	533,565	933,003	1,873,103	1,721,642
Additions	300,666	18,088	-	318,754	932,144
Amortization expense	(170,983)	(74,575)	(91,711)	(337,269)	(453,819)
Disposal	(16,184)	-	-	(16,184)	(25,064)
Adjustment on lease modifications	(14,392)	-	-	(14,392)	(6,123)
Transfers	-	(161,526)	(405,561)	(567,087)	(394,929)
Effect of movements in exchange rates	(24,349)	(49,663)	(84,818)	(158,830)	99,252
As at 31st March 2024	481,293	265,889	350,913	1,098,095	1,873,103

Following are the amounts recognised in profit or loss for the year ended 31st March 2024

For the year ended 31st March	2024	2023
Amortization of right-of-use assets	337,269	453,819

During the financial year ended 31st March 2024, the Group recognised additions of right-of use assets with an aggregated cost of Rs. 319 Mn (2023 - Rs. 932 Mn).

#### (l) Reconciliation of additions to property, plant and equipment (Cash flow purposes)

For the year ended 31st March	2024	2023
Addition of property, plant and equipment	15,201,647	16,401,547
Addition of Investment property	46,650	26,747
Less: Addition of assets under finance lease	(318,754)	(1,151,629)
	14,929,543	15,276,665

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

21 BEARER PLANTS	Group	
	2024	2023
As at 31st March		
<b>Cost</b>		
At the beginning of the year	84,294,056	78,820,207
Increase due to plantation development costs	1,558,582	810,186
Disposal	(174,983)	(30,701)
Effect of movements in exchange rates	(10,847,133)	4,694,364
Balance as at end of the year	74,830,522	84,294,056
<b>Accumulated depreciation</b>		
At the beginning of the year	26,882,183	22,709,078
Charge for the year	2,632,834	2,932,241
Disposal	(137,663)	(102)
Effect of movements in exchange rates	(3,571,590)	1,240,966
Balance as at end of the year	25,805,764	26,882,183
<b>Accumulated Impairment</b>		
At the beginning of the year	8,272,293	7,800,183
Effect of movements in exchange rates	(1,054,362)	472,110
Balance as at end of the year	7,217,931	8,272,293
<b>Net balance as at end of the year</b>	<b>41,806,827</b>	<b>49,139,580</b>
<b>(a) Analysis of bearer plants</b>		
At the end of the financial year, the Group's total planted area and related value of mature and immature plantations are as follows:		
	Indonesian Plantations	
As at 31st March	2024	2023
<b>Area (Hectares)</b>		
<b>Planted Area:</b>		
- Mature	61,744	61,744
- Immature	44	44
	61,788	61,788
	Indonesian Plantations	
As at 31st March	2024	2023
<b>Value</b>		
<b>Planted Value:</b>		
- Mature	39,195,703	47,481,414
- Immature/ Nursery	2,611,124	1,658,166
	41,806,827	49,139,580
<b>(b)</b>	Depreciation amounting to Rs. 2,633 Mn (2023: Rs. 2,932 Mn) has been charged under cost of sales.	

(Amounts expressed in Sri Lankan Rs. '000)

- (c)** The carrying value of bearer plants of the Group pledged/undertaken as security for the bank borrowings amounted to approximately Rs. 13 Bn or equivalent to US\$ 43,283,000 (2023 Rs. 50.47 Bn or equivalent to US\$ 154,290,000).
- (d)** The carrying values of bearer plants of the Indonesian Plantation Subsidiaries were tested for impairment based on internal valuations. The recoverable values of the Plantation Assets have been established based on their cash generating potential over their useful economic life on a 'Going Concern' basis. Accordingly, the recoverable value exceeds net carrying value of bearer plants. No impairment was required for the financial year ended 31st March 2024.
- (e) Group is exposed to the following risks relating to its Oil palm plantations - Bearer plants**
- (i) Regulatory and environmental risk**  
The Group is subject to laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environment and other laws.
- (ii) Supply and demand risk**  
The Group is exposed to risks arising from fluctuations in the price and sales volume due to market supply and demand. Management performs regular industry trend analysis for projected harvested volumes and pricing.
- (iii) Climate and Other risks**  
The Group Palm Oil plantations are exposed to the risk of damage from climatic changes, disease and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular plants inspections and industry pest and disease surveys. The Group is also insured against natural disasters such as floods and hurricanes.

## 22 BIOLOGICAL ASSETS

As at 31st March	Group	
	2024	2023
Biological assets	3,748,501	4,085,613
<b>Movement of biological Assets</b>		
At the beginning of the year	4,085,613	7,364,627
Change in fair value	188,414	(3,696,464)
Effect of movements in exchange rates	(525,526)	417,450
<b>At the end of the year</b>	<b>3,748,501</b>	<b>4,085,613</b>

Biological assets comprise fresh fruit bunches (FFB), ready to be harvested on mature oil palm plantations (Bearer Plants). The fair value of these biological assets was determined based on estimated unharvested FFB quantities and publicly available index price set by the Government of Indonesia.

Significant assumptions made in determining the fair values of the biological assets and sensitivity analysis of price fluctuation is provided below:

As at 31st March	Group	
	2024	2023
FFB - Volume (MT)	87,299	90,850
Average FFB Price (US\$/MT)	108 -174	99-170

Fair valuation of FFB fall under level 3 category in the fair value hierarchy as provided in Note 46 to this financial statement.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 22 BIOLOGICAL ASSETS (Contd.)

The following table shows the impact on the fair value measurement of assets that are sensitive to changes in market price.

As at 31st March	Group	
	Change in market price	Increase/ (decrease) in fair value US\$ '000
2024		
Index price	Increased by 10%	1,455
	Decreased by 10%	(1,455)
2023		
Index price	Increased by 10%	1,476
	Decreased by 10%	(1,476)

### 23 INVESTMENT PROPERTIES

As at 31st March	Freehold Land	Freehold Building	Other Equipment	Group	
				2024	2023

#### (a) Investment Properties of the Group comprise of:

Equity One Ltd	2,780,806	484,242	20,885	3,285,933	3,042,388
Equity Two PLC	849,128	318,102	7,446	1,174,676	1,091,497
Equity Three (Private) Limited	657,040	138,375	35,876	831,291	725,784
Ceylon Beverage Holdings PLC	780,100	35,100	-	815,200	810,200
	5,067,074	975,819	64,207	6,107,100	5,669,869

For the year ended 31st March	Freehold Land		Freehold Building		Other Equipment		Total	
	2024	2023	2024	2023	2024	2023	2024	2023

#### (b) Movements of Investment Properties

At the beginning of the year	4,729,499	4,333,488	867,053	656,732	73,317	74,190	5,669,869	5,064,410
Additions during the year	39,499	-	-	7,353	7,151	19,394	46,650	26,747
Gain/(loss) on fair value (Note c)	298,076	396,011	108,766	202,968	(16,261)	(20,267)	390,581	578,712
Balance at end of the year	5,067,074	4,729,499	975,819	867,053	64,207	73,317	6,107,100	5,669,869

#### (c) Change in fair value of investment properties

Equity One Ltd	205,347	140,853	41,912	121,532	(5,571)	(6,361)	241,688	256,024
Equity Two PLC	62,419	51,415	22,939	58,444	(5,564)	(9,855)	79,794	100,004
Equity Three (Private) Limited	26,205	49,278	43,020	14,357	(5,126)	(4,051)	64,099	59,584
Ceylon Beverage Holdings PLC	4,105	154,465	895	8,635	-	-	5,000	163,100
	298,076	396,011	108,766	202,968	(16,261)	(20,267)	390,581	578,712

(Amounts expressed in Sri Lankan Rs. '000)

**(d) Details of investment properties - Group**

Company	Location	Description	Method of valuation	Number of Buildings	Net rentable area (In Sq.ft.)	Extent (Perch)	Historical Cost	Fair Value 2024	Fair Value 2023
As at 31st March								2024	2023
Equity One Ltd	Dharmapala Mw, Colombo 07.	Office Space	Investment approach	1.00	44,647	94	132,916	2,056,161	1,895,000
Equity One Ltd	Vauxhall Lane, Colombo 02	Warehouse Space	Depreciated replacement cost	1.00	32,408	180.05	237,348	1,229,772	1,147,238
Equity Two PLC	No 55, Janadhipathi Mawatha, Colombo 1	Office Space	Investment approach	1.00	44,046	57.55	437,552	1,174,675	1,091,497
Equity Three (Private) Limited	George R. De Silva Mw, Colombo 13	Office Space	Depreciated replacement cost	1.00	31,237	85.23	150,112	831,291	725,934
Ceylon Beverage Holdings PLC	Nuwara Eliya		Open Market value approach	1.00	6,720	595.00	-	772,200	771,700
Ceylon Beverage Holdings PLC	Trincomalee		Open Market value approach		2,428	36.70	-	43,000	38,500
								<b>6,107,100</b>	<b>5,669,869</b>

The Investment Properties of the Group comprise a number of commercial properties that are leased to external tenants. The lease agreements are typically entered in to two to five year periods with the option for subsequent renewals.

Change in fair value of investment properties (gain/loss), which is unrealized, is recognised in the Profit or Loss.

The Group recognized the land and building located at 61, Janadhipathi Mawatha owned by the subsidiary Equity Two PLC as Property plant and equipment which are classified as investment property by the said subsidiary since the subsidiary Carsons Management Services (Private) Limited occupies a substantial portion at the said property as a tenant.

**(e) Fair value hierarchy**

The fair value of the investment properties was determined by external, independent property valuer, Mr. S. Sivaskantha, F.I.V. (Sri Lanka) of Perera Sivaskantha & Company, having appropriate recognised professional qualifications and recent experience in the location and category of the properties valued. Fair values were determined with reference to the entities' ability to generate economic benefit by using the asset and recent market transactions for similar properties in the same location as the respective companies' investment properties.

**(f) Valuation technique and significant unobservable inputs**

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 23 INVESTMENT PROPERTIES (CONTD.)

Description	Location	Valuation technique	Significant Unobservable Inputs	Interrelationship between Key Unobservable Inputs and Fair Value Measurements
Land & Building	Colombo	Investment approach  The valuation method considers the present value of net cash flows to be generated from the property taking into account the expected rental income, occupancy rate and other costs not paid by the tenants. The expected net cash-flows are capitalized using expected rate of return.	Contractual rentals agreed with the tenants.	The estimated fair value would increase / (decrease) if – Contractual rentals was higher/(lower)
			Occupancy Rate 75% - 90%	Occupancy rate was higher / (lower)
			Capitalization rate 5 % - 6.5%	Capitalization rate was (higher)/lower
			Repair and insurance 20%	Repair and insurance was (higher)/lower
			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 in to account of other valuation considerations. Market price per perch range between Rs. 10,500,000/- to Rs. 15,250,000/-	Market value per perch was higher/(lower)
Land & Building	Colombo	Market/Depreciated replacement cost approach  In this approach, the market value of a property is estimated as a function of the current cost to purchase or replace the property. Accordingly, adjustments are made to account for all forms of depreciation (physical, functional, and economic; as applicable) to determine the market value of the property.	Construction cost per square foot Rs.7,250 - Rs.10,000.	Cost per square feet was higher/(lower)
			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 in to account of other valuation considerations	Market value per perch was higher/(lower)
			Market price per perch range between Rs.6,000,000/- to Rs. 8,000,000/- Depreciation rate for the usage of assets 55 % - 72.5%	Depreciation rate for usage (higher)/lower
Land & Building	Nuwara Eliya Trincomalee	Open market value approach	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 in to account of other valuation considerations.	Market value per perch was higher/(lower)
			Market price per perch Nuwara Eliya Land Rs.1,250,000/- and Trincomalee Land Rs.1,000,000/-	

(Amounts expressed in Sri Lankan Rs. '000)

## 23 INVESTMENT PROPERTIES (CONTD.)

### Sensitivity Analysis

Significant judgement is required when evaluating the inputs into fair value determination of investment properties. Reasonably possible changes at the reporting date to one of the relevant assumptions, holding other assumptions constant, would have affected the fair value of the properties by the amounts shown below.

As at 31st March	Group	
	Increase	Decrease
<b>Discount rate</b>		
2024: 1% movement	(472,391)	684,289
2023: 1% movement	(424,985)	616,031
<b>Occupancy rate</b>		
2024: 10% movement	376,615	(376,609)
2023: 10% movement	350,347	(350,353)
<b>Repairs and Insurance</b>		
2024: 10% movement	(571,680)	571,680
2023: 10% movement	(513,533)	513,533
<b>Construction cost per sq.ft.</b>		
2024: Rs. 1,000 movement	23,026	(23,026)
2023: Rs. 1,000 movement	19,751	(19,751)

### Operating leases

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

### Rental Income

Rental income recognized and related cost incurred by the Group are as follows:

For the year ended 31st March	2024	2023
Rental income derived from investment properties	381,467	326,861
Direct operating expenses generating rental income	(159,872)	(141,519)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

As at 31st March	Group	
	2024	2023
Less than one year	321,649	258,081
One to two years	230,981	168,137
Two to three years	205,671	121,323
Three to four years	196,373	110,949
Four to five years	126,995	99,374
More than five years	78,909	158,692
	1,160,578	916,556

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 23 INVESTMENT PROPERTIES (CONTD.)

#### (g) Capitalization of borrowing costs into investment properties

No borrowing cost was capitalized for the year ended 31st March 2024 (2023 - Rs. Nil).

#### (h) Contractual obligations to construct and develop investment properties

There were no contractual obligations entered to construct and develop investment properties as at the 31st March 2024.

(i) All the direct operating expenses of the Group are incurred on investment properties that are generating rental income.

(j) There were no restrictions on title of investment properties as at the reporting date.

(k) No items of the investment properties of the Group were pledged as security for liabilities as at the reporting date.

### 24 INTANGIBLE ASSETS - GROUP

For the year ended 31st March	Goodwill		Computer Software		Land rights		Brand/Trade mark/Patents		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Cost/Valuation</b>										
At the beginning of the year	2,447,383	2,447,383	2,919,599	2,739,704	11,967,938	11,235,783	467,978	824,827	17,802,898	17,247,697
Additions	-	-	70,209	91,359	1,123	57,854	41,222	204	112,554	149,417
Disposal/Dilution	-	-	(110,354)	(18,192)	(10,073)	(857)	(8,740)	(5,600)	(129,167)	(24,649)
Impairment (Note 24 (d))	-	-	-	-	-	-	291,063	(353,229)	291,063	(353,229)
Effect of movements in exchange rates	-	-	(283,907)	106,728	(1,524,640)	675,158	4,762	1,776	(1,803,785)	783,662
Balance as at end of the year	2,447,383	2,447,383	2,595,547	2,919,599	10,434,348	11,967,938	796,285	467,978	16,273,563	17,802,898
<b>Accumulated Amortization</b>										
At the beginning of the year	-	-	1,314,465	1,203,712	4,122,409	3,514,734	40,790	32,884	5,477,664	4,751,330
Amortization	-	-	44,445	83,876	376,971	432,030	873	7,075	422,289	522,981
Disposal	-	-	(84,063)	(1,235)	-	-	-	-	(84,063)	(1,235)
Effect of movements in exchange rates	-	-	(81,932)	28,112	(557,754)	175,645	5,482	831	(634,204)	204,588
Balance as at end of the year	-	-	1,192,915	1,314,465	3,941,626	4,122,409	47,145	40,790	5,181,686	5,477,664
Carrying amounts as at the end of the year	2,447,383	2,447,383	1,402,632	1,605,134	6,492,722	7,845,529	749,140	427,188	11,091,877	12,325,234



(Amounts expressed in Sri Lankan Rs. '000)

## 24 INTANGIBLE ASSETS - GROUP (CONTD.)

### (a) Goodwill

Goodwill is tested for impairment annually. Goodwill from business combinations has been allocated to an individual cash-generating unit (CGU) for impairment testing. Impairment occurs when circumstances indicate that the carrying amount of the cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value, less the cost to sell or value in use (VIU). The carrying amounts of goodwill allocated to each CGU under respective sectors are as follows.

As at 31st March	2024	2023
Oils & Fats sector	1,003,194	1,003,194
Oil palm plantation sector	989,038	989,038
Beverage sector	244,827	244,827
Portfolio and asset management sector	182,740	182,740
Real estate sector	27,584	27,584
	2,447,383	2,447,383

#### Oil palm plantation and oil and fats sectors

The recoverable amounts of the CGUs for the oil palm plantation and oil and fats segments have been determined based on Value-In-Use ("VIU") calculations using cash flow projections from financial budgets approved by management. Management has used cash flow projections covering a seven to ten years period for oil palm plantation based on the age of the plantations and a seven years period for oil and fats.

The pre-tax discount rates applied to the cash flow projections and forecasted terminal growth rates used to extrapolate cash flow projections beyond the forecasted period are as follows:

As at 31st March	Oil palm Plantation sector		Oils and Fats sector	
	2024	2023	2024	2023
Pre-tax discount rates (USD)	12.02%	13.16%	8.71%	11.16%
Terminal Growth Rate	0%	0%	2%	3%

#### Key assumptions used in the Value-In-Use calculations

The value in use calculations for the CGUs are most sensitive to the following assumptions:

**Pre-tax discount rates** - Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and derived from its Weighted Average Cost of Capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected rate of return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowing the Group is obliged to service. Segment specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

**Terminal growth rate** - The forecasted terminal growth rate used does not exceed the longterm average growth rate of the industry and country in which the entities operate

**Projected CPO selling price** - The projected selling price of CPO is based on the consensus of reputable independent forecasting service firms for the short-term period and the World Bank forecast for the remaining projection period.'

#### Sensitivity to changes in assumptions

With regards to the assessment of Value-In-Use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 24 INTANGIBLE ASSETS - GROUP (CONTD.)

#### Beverage Sector

Goodwill relating to the beverage sector comprises Lion Brewery Ceylon PLC market price 2024 - Rs. 953 (2023 - Rs. 714) and Ceylon Beverages Holdings PLC market price 2024 - Rs. 1,532 (2023 - Rs. 1,134). The recoverable amount is measured with respect to the market capitalisation of the two listed Companies at their last traded price. Accordingly, no goodwill impairment has been recognised for the current financial year.

#### Portfolio and Asset Management Sector

Goodwill relating to the Portfolio and Assets Management Sector comprises Ceylon Guardian Investment trust PLC. The recoverable amount is measured with respect to the share repurchase value of 2024 - Rs. 237 (2023 - Rs. 212) of the listed Company. Accordingly, no goodwill impairment has been recognised for the current financial year.

### (b) Software development costs and licences

Software with a finite life is amortized over the period of expected economic benefit.

Software development costs and licences represent the costs incurred in the development of the group Enterprise Resource Planning ("ERP") systems and its related licences that are used to generate financial and management information and have an average remaining amortisation period of 3 years (2023: 2 years).

All research costs and development costs not eligible for capitalization amounting to Rs. 183.12. Mn (2023: Rs. 188.33 Mn) have been expensed and are recognized in the Income Statement.

### (c) Land Rights

#### (i) Details of leasehold property - Indonesia

Land rights are right-of-use assets representing amounts paid on obtaining land rights certificate under Hak Guna Usaha ("HGU") or right to cultivate and expenses incurred for obtaining operating licences. The land rights have an average remaining amortisation period of 19 years (2023: 20 years). Amortisation of land rights has been recognised under the line "Administrative expenses" in the Statement of Profit or Loss.

Management believes that the existing land rights of the Group will be renewed by the Government of Indonesia upon expiry because under the laws of Indonesia, land rights can be renewed upon the request of the HGU holder (subject to the approval of the Government of Indonesia).

#### (ii) Provision for impairment on land rights

The carrying value of assets of the Indonesian Plantation Companies were tested for impairment based on an internal valuation. The recoverable value of the plantation assets have been established based on their cash generating potential over their useful economic life on 'going concern' basis. As per the internal valuation, the recoverable value of the assets were higher than its carrying value. No impairment was required for the financial year ended 31 March 2024 and 31 March 2023.

#### (iii) Analysis of prepaid land rights

As at 31st March	2024	Group 2023
Prepaid lease rights that are to be amortised;		
Not later than one year	348,210	398,457
Later than one year but not later than 5 years	1,490,783	1,704,072
Later than five years	4,653,729	5,743,000
	<b>6,492,722</b>	<b>7,845,529</b>

(Amounts expressed in Sri Lankan Rs. '000)

#### (d) Brands - of Millers Brewery Limited

Lion Brewery (Ceylon) PLC (LBPLC) acquired brands amounting to Rs. 4 Bn during FY 2014/15 from Millers Brewery Limited. The said acquisition consisted of five brands namely, Sando Power, Sando Stout, Three Coins, Grand Blonde and Irish Dark. Brands are not amortised as the useful life is considered to be infinite given the nature of the assets. However, the assessment of indefinite life is reviewed annually.

##### Impairment testing of Brands

An impairment test was carried out for the brands acquired from Millers Brewery Ltd as at 31st March 2024 as per the accounting standard LKAS 36. The LBPLC computed its recoverable amount of the acquired brands by forecasting the annual sales values and discounting such estimated cash flows by its cost of equity adjusted with a risk premium. Cost of equity was determined based on the risk-free rate of a 5-year treasury bond at 12.40% for the relevant cash flows, whereas the equity risk premium added was based on non-observable inputs as estimated for the valuation. Therefore, the difference in the discount rate compared with previous financial year is the change in the risk-free rate due to market changes.

The contribution growth was determined based on the historical records (rate not disclosed due to commercial sensitivity) along with a zero volume growth rate. Accordingly, the carrying value of the said brands as at 31st March 2024 stands at Rs. 612 Mn resulting in an impairment reversal of Rs. 291 Mn which has been credited to the income statement.

#### (e) Patent and trademarks

Patent and trademarks comprise expenditure incurred in respect of registration and patenting of the products of Oils and fats segment. Trademarks have indefinite useful lives as there is no foreseeable limit to the period over which they are expected to generate net cash flows. The average remaining amortisation period of patents as at 31st March 2024 is 16 years (2023: 17 years). Amortisation of patents has been recognised under the line "Administrative expenses" in the Statement of Profit or Loss.

## 25 INVESTMENT IN SUBSIDIARIES

### (i) Quoted Investments

As at 31st March	Principal activities	Country of incorporation	Effective equity Interest held by the Group %		Investment through Group		Direct Investment by the Company	
			2024	2023	Cost 2024	Cost 2023	Cost 2024	Cost 2023
<b>Investments in Ordinary Shares</b>								
Cost								
Equity Two PLC	Real Estate	Sri Lanka	87.92%	87.92%	389,851	389,166	6	6
Pegasus Hotels of Ceylon PLC	Leisure	Sri Lanka	89.98%	89.98%	621,382	477,048	627,183	482,848
Selinsing PLC **	Investment holding	Sri Lanka	-	51.03%	-	724,640	-	-
Good Hope PLC **	Investment holding	Sri Lanka	-	48.50%	-	497,584	-	-
Indo - Malay PLC **	Investment holding	Sri Lanka	-	46.48%	-	1,382,499	-	-
Shalimar (Malay) PLC **	Investment holding	Sri Lanka	-	52.39%	-	616,029	-	-
Ceylon Guardian Investment Trust PLC	Portfolio and Asset Management	Sri Lanka	69.65%	69.65%	721,482	726,170	713,705	717,692
Ceylon Investment PLC	Portfolio and Asset Management	Sri Lanka	45.93%	45.93%	555,803	569,450	-	-
Ceylon Beverage Holdings PLC	Beverage	Sri Lanka	75.62%	75.62%	761,151	761,151	1,209,057	1,209,057
Lion Brewery (Ceylon) PLC	Beverage	Sri Lanka	47.84%	46.87%	3,155,159	2,450,955	-	-
<b>Total investment in Subsidiaries</b>								
<b>- quoted</b>								
					<b>6,204,828</b>	<b>8,594,692</b>	<b>2,549,951</b>	<b>2,409,603</b>

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

Market Value of Quoted Investments*	Group		Company	
	2024	2023	2024	2023
Equity Two PLC	1,132,301	1,046,252	18	17
Pegasus Hotels of Ceylon PLC	873,600	1,042,243	873,600	1,042,243
Selinsing PLC **	-	3,782,687	-	-
Good Hope PLC **	-	3,713,541	-	-
Indo - Malay PLC **	-	5,561,838	-	-
Shalimar (Malay) PLC **	-	5,918,077	-	-
Ceylon Guardian Investment Trust PLC	4,937,438	3,789,242	4,937,438	3,789,242
Ceylon Investment PLC	3,099,019	2,216,597	-	-
Ceylon Beverage Holdings PLC	24,326,804	17,998,105	24,326,804	24,326,804
Lion Brewery (Ceylon) PLC	46,194,800	34,083,094	6,350,163	4,207,453
	80,563,962	79,151,675	36,488,023	33,365,759

\* Market value is determined directly by reference to closing price as at the reporting date, published by the Colombo Stock Exchange.

	Principal activities	Country of incorporation	Effective equity Interest held by the Group %		Investment through Group		Direct Investment by the Company	
			2024	2023	Cost 2024	Cost 2023	Cost 2024	Cost 2023
			As at 31st March					
<b>(iii) Unquoted Investment</b>								
Equity One Ltd	Real Estate	Sri Lanka	98.99%	98.99%	1,105,328	1,105,108	1,111,741	1,111,521
Leechman and Company (Private) Limited	Portfolio and Asset Management	Sri Lanka	100.00%	100.00%	849	849	849	849
Rubber Investment Trust Limited	Portfolio and Asset Management	Sri Lanka	57.80%	57.80%	612	612	-	-
Guardian Fund Management Limited	Portfolio and Asset Management	Sri Lanka	69.65%	69.65%	55,682	55,682	-	-
Guardian Value Fund Management LLC	Portfolio and Asset Management	Mauritius	57.79%	57.79%	805,153	805,153	-	-
Guardian Fund Management LLC	Portfolio and Asset Management	Mauritius	57.79%	57.79%	155,767	16,521	-	-
Baillie Street Holdings (Pte) Ltd	Investment holding	Singapore	100.00%	-	65,600	-	65,600	-
Goodhope Asia Holdings Ltd	Investment holding	Singapore	53.33%	53.33%	5,587,014	5,587,014	5,587,014	5,587,014
Shalimar Developments Sdn. Bhd.	Investment holding	Malaysia	51.85%	51.37%	2,665,105	2,665,105	-	-
Goodhope Investments Ltd	Business outsourcing	Sri Lanka	53.33%	53.33%	15,000	15,000	-	-
Selinsing Ltd **	Investment holding	Sri Lanka	51.51%	-	856,203	-	-	-
Good Hope Ltd **	Investment holding	Sri Lanka	50.84%	-	1,083,427	-	-	-
Indo - Malay Ltd **	Investment holding	Sri Lanka	47.03%	-	1,521,799	-	-	-
Shalimar (Malay) Ltd **	Investment holding	Sri Lanka	52.86%	-	699,181	-	-	-
PT Agro Indomas	Oil palm plantation	Indonesia	49.05%	48.61%	2,300,042	2,300,042	-	-
PT Karya Makmur Sejahtera ***	Oil palm plantation	Indonesia	48.13%	50.67%	2,614,607	2,614,607	-	-
PT Rim Capital ***	Oil palm plantation	Indonesia	48.13%	50.67%	1,293,076	1,293,076	-	-
PT Agro Bukit	Oil palm plantation	Indonesia	50.67%	50.67%	4,785,841	4,785,841	-	-
PT Agro Wana Lestari	Oil palm plantation	Indonesia	50.67%	50.67%	4,077,542	4,077,542	-	-
PT Nabire baru	Oil palm plantation	Indonesia	50.67%	50.67%	8,190,664	8,190,664	-	-
PT Agrajaya Baktitama	Oil palm plantation	Indonesia	50.67%	50.67%	4,065,951	4,065,951	-	-
PT Batu Mas Sejahtera	Oil palm plantation	Indonesia	50.67%	50.67%	2,508,442	2,508,442	-	-
PT Sawit Makmur Sejahtera	Oil palm plantation	Indonesia	50.67%	50.67%	2,277,516	2,277,516	-	-
PT Sumber Hasil Prima	Oil palm plantation	Indonesia	50.67%	50.67%	6,708,448	6,708,448	-	-
PT Sinar Sawit Andalán	Oil palm plantation	Indonesia	50.67%	50.67%	2,019,203	2,019,203	-	-
PT Siriwana Adi Perekasa	Oil palm plantation	Indonesia	50.67%	50.67%	1,096,637	1,096,637	-	-
PT Agro Bina Lestari	Oil palm plantation	Indonesia	50.67%	50.67%	257,929	257,929	-	-
					56,812,618	52,446,942	6,765,204	6,699,384

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Principal activities	Country of incorporation	Effective equity Interest held by the Group %		Investment through Group		Direct Investment by the Company	
			2024	2023	Cost 2024	Cost 2023	Cost 2024	Cost 2023
PT Agro Surya Madiri	Oil palm plantation	Indonesia	50.67%	50.67%	257,929	257,929	-	-
PT Agro Asia Pacific	Trading of palm oil products	Indonesia	53.33%	53.33%	15,313	15,313	-	-
Agro Asia Pacific Limited	Trading of palm oil products	Singapore	53.33%	53.33%	20,489	20,489	-	-
PT Agro Harapan Lestari	Plantation management services	Indonesia	53.26%	53.23%	119,898	119,898	-	-
Agro Harapan Lestari (Private) Limited	Management services	Sri Lanka	53.33%	53.33%	26,865	26,865	-	-
AHL Business Solutions (Private) Limited	Business outsourcing	Sri Lanka	53.33%	53.33%	207,500	207,500	-	-
Premium Nutrients Pvt Ltd	Investment holding	Singapore	53.33%	53.33%	7,917,699	7,917,699	-	-
Premium Oils & Fats Sdn. Bhd.	Operating headquarters	Malaysia	53.33%	53.33%	36,504	36,504	-	-
Premium Vegetable Oils Sdn. Bhd.	Oils and Fats	Malaysia	42.67%	42.67%	5,146,677	5,146,677	-	-
Carsons Management Services (Private) Limited	Management Services	Sri Lanka	100.00%	100.00%	323,341	323,341	431,809	323,341
Less: Impairment							(431,809)	(323,341)
Equity Hotels Limited	Leisure	Sri Lanka	89.98%	89.98%	203,716	83,292	-	-
Equity Three (Private) Limited	Real Estate	Sri Lanka	98.99%	98.99%	54,000	54,000	-	-
Millers Brewery Ltd	Beverage	Sri Lanka	47.84%	46.87%	1,150,000	1,150,000	-	-
Lion Beer (Ceylon) Pte. Ltd.	Beverage	Singapore	47.84%	-	105,600	-	-	-
Pubs 'N Places (Private) Ltd	Beverage	Sri Lanka	75.62%	75.62%	646,831	511,881	-	-
Retail Spaces (Private) Limited	Beverage	Sri Lanka	75.62%	75.62%	-	-	-	-
Luxury Brands (Private) Limited	Beverage	Sri Lanka	75.62%	75.62%	650,000	250,000	-	-
					73,694,980	68,568,330	6,765,204	6,699,384
<b>(iii) Investments in Deferred Shares</b>								
Ceylon Guardian Investment Trust PLC					125,458	126,158	125,458	126,158
Total Investment in Subsidiaries - Deferred Shares					125,458	126,158	125,458	126,158
<b>(iv) Deemed Investments</b>								
Equity One Ltd					-	-	194,303	194,303
Pegasus Hotels of Ceylon PLC					-	-	5,352	5,352
Carsons Management Services (Private) Limited					-	-	3,358	3,358
Impairment					-	-	(3,358)	(3,358)
					-	-	199,655	199,655
<b>Total Investment in Subsidiaries</b>					<b>80,025,266</b>	<b>77,289,180</b>	<b>9,640,268</b>	<b>9,434,800</b>

\*\* Pursuant to the approvals of shareholders and Securities Exchange Commission of Sri Lanka, Goodhope Asia Holdings Ltd, the major shareholder made exit offers to purchase the shares of shareholders who wished to sell their shares of Shalimar (Malay) PLC, Selinsing PLC, Indo-Malay PLC and Goodhope PLC and delisted these companies from the Official List of Colombo Stock Exchange with effect from 18th January 2024. These investments are now reclassified under unquoted companies.

\*\*\* During the year, The Goodhope Asia Holdings Ltd (GAHL) disposed 95% equity interest in PT Karya Makmur Sejahtera (PT KMS) and PT Rim Capital (PT RIM) to PT Agro Bukit, a 95%-owned subsidiary of the GAHL for a consideration of approximately Rs. 3,908 Mn (US\$51,383,000). This resulted in a dilution of interest in PT KMS and PT RIM from 50.67% to 48.13% shareholding.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 25 INVESTMENT IN SUBSIDIARIES (CONTD.)

#### (a) Acquisition of additional interest in subsidiaries 2023/24

Immediate holding company	Name of subsidiary	Acquired interest	Consideration
Carson Cumberbatch PLC	Lion Brewery Ceylon PLC	0.97%	704,203
	Pegasus Hotels of Ceylon PLC *	0.00%	144,334
	Equity One Limited	0.00%	220
	Baillie Street Holdings Pte. Ltd (Incorporated)	100%	65,600
Lion Brewery Ceylon PLC	Lion Beer (Ceylon) Pte. Ltd (Incorporated)	100%	105,600
Equity One Limited	Equity Two PLC	0.05%	683
Goodhope Asia Holdings Ltd	Setinsing PLC	0.89%	131,563
	Good Hope PLC	4.39%	585,843
	Indo - Malay PLC	1.03%	139,300
	Shalimar (Malay) PLC	0.63%	83,152

\*During the year Pegasus Hotels of Ceylon PLC carried out a rights issue of ordinary shares.

The Group's investments in subsidiaries to acquire additional interest in them amount to Rs. 1,645 Mn excluding investments in wholly-owned subsidiaries and contributions for the rights issues.

#### Acquisition of additional interest in subsidiaries - 2022/23

Immediate holding company	Name of subsidiary	Acquired interest	Consideration
Carson Cumberbatch PLC	Pegasus Hotels of Ceylon PLC*	0.00%	68,368
	Ceylon Guardian Investment Trust PLC	0.35%	20,215

\*During the financial year 2022/23 Pegasus Hotels of Ceylon PLC carried out a rights issue of ordinary shares.

#### (b) Profit from repurchased shares by a subsidiary

Immediate holding company	Name of subsidiary	Sales proceeds value	Cost	Profit
Carson Cumberbatch PLC	Ceylon Guardian Investment Trust PLC	72,493	4,688	67,805

#### (c) Disposal of interest with loss of control in subsidiaries - 2022/23

Immediate holding company	Name of subsidiary	Disposal of interest	Consideration
Premium Nutrients Pvt Ltd	Arani Agro Oil Industries Pvt Ltd	100%	3,236,037

(Amounts expressed in Sri Lankan Rs. '000)

### (c) Incorporation of Subsidiaries

#### Incorporation of - Baillie Street Holdings Pte. Ltd - 2023/24

Carson Cumberbatch PLC (CCPLC) incorporated a subsidiary "Baillie Street Holdings Pte. Ltd", in Singapore on the 17th of August 2023. CCPLC holds 100% shareholding through the 266,000 ordinary shares for a share price of SG \$ 1 as at 31st March 2024.

#### Incorporation of Lion Beer (Ceylon) Pte. Ltd - 2022/23

LBCPLC incorporated "Lion Beer (Ceylon) Pte. Ltd", in Singapore on 13th of March 2023 as a wholly-owned subsidiary. LBCPLC continuous to hold 100% of the subsidiary's shares with a Rs. 105.6 Mn investment made during FY2023/24.

### (d) Amalgamation of a Subsidiary 2022/23

Pearl Springs (Pvt) Limited (PSPL) was a subsidiary of Lion Brewery Ceylon PLC(LBCPLC) and the Group. The Board of Directors of LBPLC resolved to amalgamate PSPL effective from 31st January 2023 in accordance with Section 244(i)(a) of the Companies Act No 07 of 2007. The certificate of amalgamation was received on 31st January 2023, and the assets and liabilities of PSPL and LBPLC were amalgamated at their book values. Also, the investment in PSPL amounted to Rs.1.150 Mn in LBCPLC books, and the shareholders' equity of PSPL were set off.

The Amalgamation of Pearl Springs (Pvt) Ltd with Lion Brewery Ceylon PLC was recognised as common control combination in accordance with the statement of Recommended Practice (SoRP) for Merger Accounting for Common control Business combinations Issued by CA Sri Lanka. Accordingly there is no impact in the Consolidated Financial Statements since Pearl Springs (Pvt) Ltd was consolidated with Carson Cumberbatch PLC as at 31st March' 2022 with the non controlling interest.

## 26 NON CONTROLLING INTEREST

Group had established control over all of its subsidiaries without having to make significant assumptions throughout the year.

### (a) Summary of non controlling interest

	Group	
	2024	2023
<b>Balance as at 31st March</b>	<b>71,689,009</b>	59,034,863
Surcharge tax for the year of assessment 2020/21	-	(686,163)
Adjusted balance as at 1st April	<b>71,689,009</b>	58,348,700
Total comprehensive income for the year	<b>3,716,391</b>	16,243,663
Total contributions by and distributions to owners	<b>(2,563,323)</b>	(2,058,816)
Total changes in ownership interests in subsidiaries	<b>(1,053,874)</b>	(844,538)
Balance as at 31st March	<b>71,788,203</b>	71,689,009

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### (b) The following table summarises the Group's material non-controlling interest and summarised financial information

Sector	Oil Palm and Oils and Fats		Beverage		Portfolio and Asset Management	
Sector holding subsidiary	Goodhope Asia Holdings Ltd		Ceylon Beverage Holdings PLC		Ceylon Guardian Investment Trust PLC	
For the year ended 31st March	2024	2023	2024	2023	2024	2023
<b>Summarised Statement of Profit or Loss</b>						
Revenue	161,242,178	231,203,155	112,235,839	97,041,354	2,289,997	1,110,112
Profit/(loss) before Income tax expenses	19,530,908	29,801,852	14,023,639	11,260,902	3,671,892	1,585,210
Tax expenses	(8,489,872)	(10,052,179)	(6,047,669)	(4,514,835)	(278,733)	(147,313)
Net profit/(loss) for the period	11,041,036	21,393,288	7,975,970	6,746,067	3,393,159	1,438,626
Other comprehensive income	(14,415,495)	195,821	713,827	(30,539)	(579,269)	1,534,267
Total comprehensive income	(3,374,459)	21,589,109	8,689,797	6,715,528	2,813,890	2,972,893
Net profit attributable to NCI	5,835,371	11,029,734	4,279,028	3,653,337	1,410,176	590,447
Other comprehensive income attributable to NCI	(7,908,127)	369,274	372,332	(16,225)	(241,611)	647,277
Total comprehensive income attributable to NCI	(2,072,756)	11,399,008	4,651,360	3,637,112	1,168,565	1,237,724
<b>Summarised statement of Financial Position</b>						
Non-current assets	137,536,427	156,654,278	29,260,704	24,746,647	13,122,838	12,726,336
Current assets	53,378,137	58,517,968	27,724,742	24,433,991	13,438,486	10,531,916
Non-current liabilities	68,698,150	76,818,998	8,483,097	7,212,214	16,244	7,891
Current liabilities	39,448,655	50,856,565	20,465,677	18,651,583	1,475,082	732,391
Net assets attributable to NCI	46,982,736	50,040,582	14,442,910	12,302,629	9,994,391	8,961,614
<b>Summarised Cashflow Information</b>						
Cash flows from operating activities	18,633,609	47,857,679	11,197,867	1,406,818	1,576,764	(2,504,350)
Cash flows from investing activities	(9,960,116)	(8,602,509)	(3,836,136)	(2,450,913)	(1,768)	(753)
Cash flows from financing activities	(9,888,266)	(28,459,962)	(6,660,123)	(1,167,299)	342,681	165,956
	(1,214,772)	10,795,208	701,608	(2,211,394)	1,917,677	(2,339,147)
Dividends paid to NCI during the year	(119,538)	(702,136)	(2,312,550)	(1,266,741)	(53,590)	(79,223)
"(Total Dividend paid to NCI - Rs. 2,513 Mn - (2023 Rs. 2,063 Mn))"						
Effective ownership interests held by NCI	46.67%	46.67%	24.38%	24.38%	30.35%	30.35%



(Amounts expressed in Sri Lankan Rs. '000)

## 27 INVESTMENTS IN EQUITY ACCOUNTED INVESTEE

(a) The summarized financial information of the equity accounted investee, adjusted for the proportion of ownership interest held by the Group is as follows:

As at 31st March 2024, the Group has a 49% (31st March 2023: 49%) interest in Premium Fats Sdn. Bhd. (PFSB), which is involved in the manufacture and sale of oils and fats. The Group's interest in PFSB is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in PFSB:

### (i) Summarised Statement of Financial Position

As at 31st March	2024	2023
Non - Current assets	707,837	786,117
Current assets	1,090,297	1,218,597
<b>Total assets</b>	<b>1,798,134</b>	<b>2,004,714</b>
Non - Current Liabilities	20,430	14,827
Current liabilities	240,552	195,957
<b>Total liabilities</b>	<b>260,982</b>	<b>210,784</b>
Shareholders' equity (100%)	1,537,152	1,793,930
Proportion of the Group's ownership interest.	49.00%	49.00%
Carrying amounts of investment	753,203	879,026

### (ii) Summarised Income Statement

Revenue	1,354,339	1,981,449
Other income	54,682	26,138
Cost of sales	(1,149,281)	(1,686,416)
Administrative expenses	(159,278)	(160,048)
Selling and distribution costs	(118,118)	(197,644)
Loss before tax	(17,656)	(36,521)
Income tax credit/(expenses)	(8,266)	8,384
Loss after tax	(25,922)	(28,137)
Group's share of loss for the year	(12,702)	(13,787)
Group's share of other comprehensive income/(expenses) for the year	(113,121)	58,224

### (b) Movement in Investment in Equity Accounted Investee - Group

For the year ended 31st March	Carrying Value 2024	Carrying Value 2023
Investment at cost (unquoted shares)	91,648	91,648
Investor's share of net assets		
At the beginning of the year	787,378	742,941
Share of net results (net of tax)	(12,702)	(13,787)
Share of Other comprehensive income/(expenses) (net of tax)	(113,121)	58,224
Group's share of net assets	661,555	787,378
Carrying amount at year end	753,203	879,026

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

<b>28 INVESTMENT IN EQUITY AND DEBT SECURITIES</b>		
<b>(a) Summary - Group</b>		
	2024	2023
Non Current Assets	Fair value	Fair value
<b>Fair value through Other Comprehensive Income (FVOCI)</b>		
Investment in Equity Securities - Quoted Shares (28 (d))	10,877,712	11,458,658
Investment in Debt Securities - Preference Shares - Unquoted (28 (d))	1	1
<b>Total Investments in equity and debt securities - Non current assets</b>	<b>10,877,713</b>	<b>11,458,659</b>
<b>Current Assets</b>		
<b>Fair value through profit or loss (FVTPL)</b>		
Investment in Equity Securities - Quoted Shares (28 (e) (i))	8,934,181	8,245,177
Investment in Equity Securities - Unquoted Shares (28 (e) (iii))	131,094	143,134
Investment in Debt Securities - Treasury bonds- Unquoted (28 (e) (ii))	582,987	420,002
<b>Total Investments in equity and debt securities - Current assets</b>	<b>9,648,262</b>	<b>8,808,313</b>
<b>Change in fair value of fair value through profit or loss financial assets</b>		
Investment in Equity and Debt Securities (28 (b))	1,843,459	895,908
Investment in unit trust (Note 29)	36,928	27,093
	<b>1,880,387</b>	<b>923,001</b>

Information about the Group's exposure to credit and market risks and fair value measurement are included in Note 47.

The fair value of the Group's listed investment portfolio as at 31st March 2024 was based on the last traded volume weighted average price as at 31st March 2024 published by the Colombo Stock Exchange (31st March 2023 - same basis).

The fair value of the Group's unlisted investment portfolio is based on the valuation carried out by investment managers, Guardian Fund Management Limited.

(Amounts expressed in Sri Lankan Rs. '000)

**(b) Movement of Investment in Equity and Debt Securities - 2024**

Non Current Assets	Fair Value as at 01st April 2023	Additions	Disposals / Write Off	Amortised interest	Change in Fair Value	Effect on currency translation	Fair Value as at 31st March 2024
Investment in Equity Securities - Quoted Shares - FVOCI	11,458,659	-	-	-	(580,945)	-	10,877,713
	11,458,659	-	-	-	(580,945)	-	10,877,713
Current Assets	Fair Value as at 01st April 2023	Additions	Disposals / Write Off	Amortised interest	Change in Fair Value	Effect on currency translation	Fair Value as at 31st March 2024
Investment in Equity Securities - Quoted Shares - FVTPL	8,245,177	2,098,500	(3,227,308)	-	1,855,649	(37,837)	8,934,181
Investment in Equity Securities - Unquoted Shares - FVTPL	143,134	150	-	-	(12,190)	-	131,094
Investment in debt securities - FVTPL	420,002	162,985	-	-	-	-	582,987
	8,808,313	2,261,635	(3,227,308)	-	1,843,459	(37,837)	9,648,262

**Movement of Investment in Equity and Debt Securities - 2023**

Non Current Assets	Fair Value as at 01st April 2022	Additions	Disposals / Write Off	Amortised interest	Change in Fair Value	Effect on currency translation	Fair Value as at 31st March 2023
Investment in Equity Securities - Quoted Shares - FVOCI	9,662,407	-	-	-	1,796,252	-	11,458,659
	9,662,407	-	-	-	1,796,252	-	11,458,659
Current Assets	Fair Value as at 01st April 2022	Additions	Disposals / Write Off	Amortised interest	Change in Fair Value	Effect on currency translation	Fair Value as at 31st March 2023
Investment in Equity Securities - Quoted Shares - FVTPL	7,860,934	2,825,591	(3,378,564)	-	875,002	62,214	8,245,177
Investment in Equity Securities - Unquoted Shares - FVTPL	123,072	-	-	-	20,062	-	143,134
Investment in debt securities - FVTPL	297,188	1,065,028	(963,014)	(13,690)	844	33,646	420,002
	8,281,194	3,890,619	(4,341,578)	(13,690)	895,908	95,860	8,808,313

The Group designated the investments shown above as equity securities at FVOCI because it intends to hold them for the long term for strategic purposes.

- (c)** The fair value adjustment represents the net unrealised gains/(losses) on fair value adjustment of investment portfolios including any adjustment on impairment losses.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

<b>28 INVESTMENT IN EQUITY AND DEBT SECURITIES (Contd.)</b>				
<b>(d) Fair value through other comprehensive income (FVOCI)</b>				
	No of Shares	Fair value	No of Shares	Fair value
As at 31st March	2024	2024	2023	2023
<b>Investment in equity securities - Quoted</b>				
Food, Beverage and Tobacco				
Bukit Darah PLC	26,710,158	10,877,712	26,710,158	11,458,658
<b>Total Investment in equity securities -Quoted</b>		<b>10,877,712</b>		<b>11,458,658</b>
<b>Investment in Preference shares</b>				
Bukit Darah PLC - 8% participative cumulative	31875	1	31,875	1
<b>Total Investment in FVOCI</b>		<b>10,877,713</b>		<b>11,458,659</b>
<b>(e) Fair value through profit or loss financial assets (FVTPL)</b>				
	No of Shares	Fair value	No of Shares	Fair value
As at 31st March	2024	2024	2023	2023
<b>(i) Investment in equity securities - Quoted</b>				
<b>Banks</b>				
Hatton National Bank PLC	1,043,919	187,905	1,199,927	155,391
Nations Trust Bank PLC	560,783	60,284	12,594	806
Sampath Bank PLC	2,681,611	214,529	4,902,325	257,372
		<b>462,718</b>		<b>413,569</b>
<b>Chemicals &amp; Pharmaceuticals</b>				
Union Chemicals Lanka PLC	200	119	200	140
		<b>119</b>		<b>140</b>
<b>Capital goods</b>				
ACL Cables PLC	2,006,939	168,784	902,835	74,303
Hemas Holdings PLC	15,898,518	1,278,241	14,141,969	919,227
Hayleys PLC	622,091	51,074	410,000	29,520
John Keells Holdings PLC	2,498,451	484,700	4,417,451	618,444
Richard Pieris And Company PLC	-	-	1,461,008	30,243
Royal Ceramics Lanka PLC	1,718,480	53,444	184,468	5,090
Vallibel One PLC	404,544	20,428	-	-
		<b>2,056,671</b>		<b>1,676,827</b>
<b>Consumer Durables &amp; Apparel</b>				
Dankotuwa Porcelain PLC	-	-	198,820	4,076
Hayleys Fabric PLC	-	-	586,827	14,788
Teejay Lanka PLC	5,393,548	202,797	4,907,389	157,036
		<b>202,797</b>		<b>175,900</b>
<b>Consumer service</b>				
Aitken Spence Hotels Holdings PLC	4,604,086	304,790	5,817,524	348,470
Asian Hotels & Properties PLC	330,500	20,161	-	-
John Keells Hotels PLC	1,465,103	27,251	5,036,213	95,184
		<b>352,202</b>		<b>443,654</b>
<b>Diversified financials</b>				
Central Finance Company PLC	14,151,567	1,510,677	14,628,648	1,059,114
LB Finance PLC	1,900,000	119,130	-	-
People's Leasing and Finance Company PLC	36,861,515	405,477	39,232,901	309,940
		<b>2,035,284</b>		<b>1,369,054</b>
<b>Energy</b>				
Lanka IOC PLC	190,000	22,183	20,000	3,430
		<b>22,183</b>		<b>3,430</b>

(Amounts expressed in Sri Lankan Rs. '000)

**28 INVESTMENT IN EQUITY AND DEBT SECURITIES (Contd.)****(e) Fair value through profit or loss (Contd.)**

As at 31st March	No of Shares 2024	Fair value 2024	No of Shares 2023	Fair value 2023
<b>Food beverage &amp; Tobacco</b>				
Ceylon Cold Stores PLC	2,780,745	149,882	4,171,019	166,841
Ceylon Grain Elevators PLC	1,212,950	206,808	1,776,345	149,035
Ceylon Tobacco Company PLC	407,042	499,949	397,042	270,286
Distilleries Company of Sri Lanka PLC	22,280,023	599,333	32,299,478	633,070
Kelani Valley Plantations PLC	226,102	16,732	-	-
Melstacorp PLC	-	-	2,873,415	157,750
Sunshine Holdings PLC	7,664,006	456,008	4,221,584	189,971
Nestle Lanka PLC	-	-	149,400	159,709
Watawala Plantations PLC	233,000	20,667	-	-
		1,949,379		1,726,662
<b>Food &amp; Staples Retailing</b>				
Cargills (Ceylon) PLC	1,020,788	367,484	2,020,788	470,844
		367,484		470,844
<b>Insurance</b>				
Ceylinco Insurance PLC - Non Voting	325,266	276,476	325,266	342,668
HNB Assurance PLC	10,068,026	598,041	10,068,026	502,394
		874,517		845,062
<b>Materials</b>				
Alumex PLC	6,030,421	57,892	-	-
Chevron Lanka Lubricants PLC	-	-	619,104	56,710
Ex-Pack Corrugated Cartons PLC	-	-	1,352,918	19,753
Tokyo Cement Company (Lanka) PLC	-	-	2,829,095	141,454
		57,892		217,917
<b>Retailing</b>				
Diesel & Motor Engineering PLC	52,761	27,080	42,131	19,633
RIL Property PLC	5,722,359	36,051	5,722,359	31,473
United Motors Lanka PLC	389,427	22,587	389,427	23,327
		85,718		74,433
<b>Telecommunication</b>				
Dialog Axiata PLC	14,198,911	166,132	34,198,911	355,674
		166,132		355,674
<b>Utilities</b>				
LVL Energy Fund Limited	-	-	1,257,100	8,423
		-		8,423
<b>Foreign equity investment</b>				
British American Tobacco PLC	1,750	16,053	16,400	188,786
CK Hutchison Holdings Ltd	44,700	65,435	45,700	93,530
Makemytrip Ltd	845	18,038	-	-
PayPal Holdings Inc	2,107	42,406	2,107	52,344
Reckitt Benckiser Group PLC	1,520	26,147	-	-
Thai Beverage PCL	1,211,500	133,006	825,500	128,928
		301,085		463,588
<b>Total Investment in FVTPL</b>		<b>8,934,181</b>		<b>8,245,177</b>

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 28 INVESTMENT IN EQUITY AND DEBT SECURITIES (Contd.)

#### (e) Fair value through profit or loss (Contd.)

As at 31st March	No of Shares 2024	FVTPL		Fair value 2023		
		Fair value 2024	No of Shares 2023			
<b>(ii) Investments in equity securities - Unquoted</b>						
ACW Insurance (Private) Limited	449,999	-	449,999	-		
Asia Pacific Golf Course Limited	10	-	10	-		
Sea Food Exporters Consortium (Private) Limited	402,000	-	402,000	-		
Ceybank Asset Management Ltd	360,001	100,749	360,001	94,069		
Equity Investment Lanka (Private) Limited	22,500	2	22,500	2		
Kandy Private Hospitals Limited	1,200	18	1,200	18		
Lanka Communications Limited	1,428,496	29,872	1,428,496	48,741		
Nestle Lanka Limited	100	150	-	-		
Produce Transport Limited	1	-	1	-		
Riverside Resorts (Pvt) Ltd	2,600,020	-	2,600,020	-		
Serendib Agro Products Limited	2,500	-	2,500	-		
Findmyfare (Pvt) Ltd	302,791	303	302,791	303		
Swiss Institute For Service Industry Development (Private) Limited - Ordinary shares	847	-	847	-		
- 10% Cumulative Preference Shares	1,273	-	1,273	-		
<b>Total Investment in equity securities - Unquoted</b>		<b>131,094</b>		<b>143,134</b>		
<b>Total investment equity securities</b>		<b>9,065,275</b>		<b>8,388,311</b>		
<b>(iii) Investment in debt securities</b>						
	Maturity Date	Interest Rate	Face Value 2024	Fair Value 2024	Face Value 2023	Fair Value 2023
<b>Investments in bonds</b>						
BAT International Finance PLC	2025-06-15	3.95%	USD 200,000	59,604	USD 200,000	64,806
Michael Kors USA INC	2024-11-01	4.00%	USD 100,000	30,191	USD 100,000	32,364
Shriram Transport Finance Co Ltd	2024-03-13	4.40%	USD 200,000	-	USD 200,000	63,341
State Bank of India/London	2023-09-28	4.50%	USD 400,000	-	USD 400,000	130,449
United States Treasury Bill	2023-07-05	4.14%	USD 250,000	-	USD 250,000	80,800
United States Treasury Bill	2023-08-10	4.58%	USD 150,000	-	USD 150,000	48,242
Reckitt Benckiser Treasury Services PLC	2024-04-26	2.75%	USD 300,000	90,158	-	-
Oracle Corp	2024-07-08	3.40%	USD 150,000	45,133	-	-
Nestle Holdings INC	2024-09-14	0.61%	USD 200,000	58,812	-	-
Hutchison Whampoa International	2024-10-31	3.63%	USD 200,000	60,309	-	-
BAT Capital Corp	2024-09-06	2.79%	USD 100,000	29,730	-	-
Bank Of America Corporation	2025-01-22	4.00%	USD 200,000	59,770	-	-
Booking Holdings INC	2025-03-15	3.65%	USD 100,000	29,626	-	-
United States Treasury Bill-I	2025-06-15	5.59%	USD 200,000	29,987	-	-
United States Treasury Bill-II	2024-04-09	5.34%	USD 100,000	44,876	-	-
United States Treasury Bill-III	2024-04-25	5.40%	USD 150,000	44,791	-	-
<b>Total investment in debt securities</b>				<b>582,987</b>		<b>420,002</b>

(Amounts expressed in Sri Lankan Rs. '000)

<b>(f) Movement of Investment in Equity and Debt Securities - Company</b>		2024	2023	
As at 31st March		Fair value	Fair value	
<b>Non Current Assets</b>				
Investment in Equity Securities- Quoted Shares - FVOCI (28(g)(i))		8,904,397	6,898,101	
Total Investments in equity securities - Non current assets		8,904,397	6,898,101	
<b>Current assets</b>				
Investment in Equity Securities - Quoted Shares - Fair value through profit or loss - FVTPL (28(g)(ii))		18,583	16,008	
Investment in Equity Securities- Unquoted Shares - Fair value through profit or loss - FVTPL (28(g)(iii))		100,749	94,069	
Total Investments in equity securities - Current assets		119,332	110,077	
<b>Change in fair value of fair value through profit or loss financial assets</b>				
Investment in Equity Securities		9,255	18,157	
		9,255	18,157	
<b>Movement of Investment in Equity Securities - 2024 - Company</b>				
	Fair Value as at 01st April 2023	Additions	Change in Fair Value	Fair Value as at 31st March 2024
<b>Non Current Assets</b>				
Investment in Equity Securities - Quoted Shares - FVOCI	6,898,101	704,203	1,302,093	8,904,397
	6,898,101	704,203	1,302,093	8,904,397
<b>Current Assets</b>				
Investment in Equity Securities - Quoted Shares - FVTPL	16,008	-	2,575	18,583
Investment in Equity Securities - Unquoted Shares - FVTPL	94,069	-	6,680	100,749
	110,077	-	9,255	119,332
<b>Movement of Investment in Equity Securities - 2023 - Company</b>				
	Fair Value as at 01st April 2022	Additions	Change in Fair Value	Fair Value as at 31st March 2023
<b>Non Current Assets</b>				
Investment in Equity Securities - Quoted Shares - FVOCI	5,359,331	-	1,538,770	6,898,101
	5,359,331	-	1,538,770	6,898,101
<b>Current Assets</b>				
Investment in Equity Securities - Quoted Shares - FVTPL	11,244	-	4,764	16,008
Investment in Equity Securities - Unquoted Shares - FVTPL	80,676	-	13,393	94,069
	91,920	-	18,157	110,077

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

(g)	Measurement of investment in equity securities - Company	FVTPL				FVOCI			
		No of Shares 2024	Fair value 2024	No of Shares 2023	Fair value 2023	No of Shares 2024	Fair value 2024	No of Shares 2023	Fair value 2023
(i)	<b>Investment in equity securities - Quoted</b>								
	<b>Capital goods</b>								
	Hemas Holdings PLC	113,026	9,087	113,026	7,346	-	-	-	-
	John Keells Holdings PLC	33,854	6,568	33,854	4,740	-	-	-	-
	<b>Chemicals &amp; Pharmaceuticals</b>								
	Union Chemicals Lanka PLC	200	119	200	140	-	-	-	-
	<b>Energy</b>								
	Lanka IOC PLC	20,000	2,335	20,000	3,430	-	-	-	-
	<b>Food beverage &amp; Tobacco</b>								
	Bukit Darah PLC*	-	-	-	-	6,271,908	2,554,235	6,271,908	2,690,648
	Ceylon Cold Stores PLC	8,800	474	8,800	352	-	-	-	-
	Lion Brewery (Ceylon) PLC*	-	-	-	-	6,661,592	6,350,162	5,886,608	4,207,453
	<b>Total Investment in equity securities - Quoted</b>		18,583		16,008		8,904,397		6,898,101
(ii)	<b>Investment in equity securities - Private equity (unquoted)</b>								
	Ceybank Asset Management Ltd	360,001	100,749	360,001	94,069	-	-	-	-
	<b>Total</b>		119,332		110,077		8,904,397		6,898,101

\* The Company has elected to classify these investment securities as FVOCI due to its intention to hold them to meet various requirements including long term appreciation and ability to liquidate etc. During the year, the Company recognised dividend income of Rs 324 Mn. (2023 Rs. 188.49 Mn) from these investments.

\*\* There were no strategic investment disposed during the year.

## 29 INVESTMENT IN UNIT TRUST

### 29.1 Movement in investment in unit trust

As at 31st March	Group	
	2024	2023
Balance as at the beginning of the year	242,173	488,035
Investments during the year	408,208	359,325
Disposals during the year	(296,544)	(632,280)
Fair value adjustment	36,928	27,093
	390,765	242,173



(Amounts expressed in Sri Lankan Rs. '000)

## 29.2 Investment in unit trust

As at 31st March	Group			
	No. of Units 2024	Fair Value 2024	No. of Units 2023	Fair Value 2023
<b>Current Assets</b>				
CT CLSA Equity Fund	-	-	620,159	12,826
CT CLSA Money Market Fund	13,198,485	390,765	9,283,854	229,347
<b>Total investment in unit trust</b>		<b>390,765</b>		<b>242,173</b>

Valuation of unit trust is based on the unit price published by the Unit Trust Managers, CT CLSA Asset Management (Pvt) Ltd as at 31st March 2024.

## 30 INVENTORIES

As at 31st March	Group	
	2024	2023
Raw materials	8,190,829	7,567,629
Work-in-progress	3,488,848	3,066,457
Goods in Transit	1,374,926	1,924,838
Finished goods	7,476,387	5,441,904
	<b>20,530,990</b>	<b>18,000,828</b>
Impairment provision for inventory	(250,885)	(237,435)
	<b>20,280,105</b>	<b>17,763,393</b>

### Assets pledged as security

The Group has pledged inventories amounting to approximately Rs 5,428 Mn or equivalent to US\$ 18,070,000 (2023: Rs. 7,657 Mn or equivalent to US\$ 23,408,000) as security for bank borrowings.

## 31 TRADE RECEIVABLES

As at 31st March	Group		Company	
	2024	2023	2024	2023
<b>Trade receivables</b>				
Trade receivables (net of provisions)	11,168,577	8,450,983	-	2,376
Amount due from related companies (Note (c) )	90,770	90,300	228,500	273,284
	<b>11,259,347</b>	<b>8,541,283</b>	<b>228,500</b>	<b>275,660</b>

### (a) Assets pledged as security

The Group has pledged trade receivables (including intercompany trade receivable) amounting to approximately Rs. 5.1 Bn or equivalent to US\$ 17,242,000 (2023: Rs. 7.1 Bn or equivalent to US\$ 21,823,000) as security for bank borrowings.

### (b) Trade receivables denominated in foreign currency as follows:

As at 31st March	Group	
	2024	2023
US Dollar	1,895,776	2,904,349
Malaysian Ringgit	3,024,529	3,063,993
Indonesian Rupiah	1,827,877	757,656
Euro	158,332	177,964
	<b>6,906,514</b>	<b>6,903,962</b>

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### Expected credit losses

There are no material movement in allowance for expected credit losses of trade receivables based on lifetime ECL recorded by the Group during the financial year ended 31st March 2024 and 2023.

### Credit Risk Exposure

#### Oil palm plantation & oils and fats

Trade receivables of the oil palm plantation business segment are generally non-interest bearing and within 30 days term, while those of the oils and fats business segment generally have 30 to 180 days term. They are recognised at their original invoice amounts which represent their fair value at initial recognition.

#### Beverage sector

The Beverage sector has a well established credit policy for both international and domestic customers to minimise credit risk. A credit evaluation team comprising of personnel from Finance, Sales & Operations evaluate and recommend the credit worthiness of the customer. The Group obtains bank guarantees from all the agents to cover part of their outstanding whilst the balance is covered through a facility from a bank. This banking facility is extended to all agents except those who are out of this scheme.

The bank guarantees and the facility from the bank cover is 86% (2023 - 85%) of the trade receivables.

#### Real estate sector

Real estate sector obtains refundable rental deposits from non-related tenants, covering the rental income for a period of 3-6 months, which provides cover to the sector in the event of a default.

The terms of the lease agreements also require tenants to pay rental in advance on a monthly basis, which provides further cover against risk of a default.

The sector also follows a careful credit evaluation process for new tenants before entering into any rent agreements with them.

#### Leisure sector

The sector's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the demographics of the sector's customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk.

The sector has established a credit policy under which each new customer is analysed individually for creditworthiness before the sector's standard payment, delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum open amount that can be offered without requiring specific approval.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a corporate customer or tour operator, and also evaluate to identify the existence of previous financial difficulties. Trade and other receivables relate mainly to the sector's corporate and tour operator segments. Customers that are graded as 'high risk' are placed on a restricted customer list, monitored and future sales are made on prepayment basis.

(Amounts expressed in Sri Lankan Rs. '000)

### 31 TRADE RECEIVABLES (CONTD.)

#### (c) Amounts due from related companies

As at 31st March	Group		Company	
	2024	2023	2024	2023
<b>Current</b>				
Carsons Management Services (Private) Limited	-	-	220,000	250,784
Equity Hotels Ltd	-	-	8,500	22,500
Premium Fats Sdn. Bhd.	90,770	90,300	-	-
	<b>90,770</b>	<b>90,300</b>	<b>228,500</b>	<b>273,284</b>

Current amounts due from wholly owned group subsidiaries are unsecured, non-interest-bearing and are repayable on demand. These balances are expected to be settled in cash.

### 32 OTHER FINANCIAL RECEIVABLES AND OTHER NON - FINANCIAL RECEIVABLES

As at 31st March	Group		Company	
	2024	2023	2024	2023

#### 32.1 Other Financial Receivables

##### Non Current

Land compensation receivable (Note (a))	24,759	24,759	-	-
Term deposits with financial institutions	4,896,101	4,059,558	-	-
	<b>4,920,860</b>	<b>4,084,317</b>	<b>-</b>	<b>-</b>

##### Current

Other receivables	1,840,552	1,996,152	23,215	-
Loans given to employees	36,658	26,314	-	-
	<b>1,877,210</b>	<b>2,022,466</b>	<b>23,215</b>	<b>-</b>
Total Other Financial Receivables	<b>6,798,070</b>	<b>6,106,783</b>	<b>23,215</b>	<b>-</b>

#### 32.2 Other Non Financial Receivables

##### Non Current

Plasma receivables (Note (b))	6,398,749	7,977,794	-	-
Income tax receivable (Note 40)	2,425,642	3,271,179	-	-
Other receivables	4,894,452	4,488,526	-	-
	<b>13,718,843</b>	<b>15,737,499</b>	<b>-</b>	<b>-</b>

##### Current

Plasma receivables (Note (b))	3,750,072	4,894,356	-	-
Advances made on projects	953	2,269	-	-
Taxes receivable	565,338	669,922	-	-
Income tax recoverable	-	-	2,120	1,279
Prepayments	3,111,779	5,771,480	11,288	12,023
	<b>7,428,142</b>	<b>11,338,027</b>	<b>13,408</b>	<b>13,302</b>
Total Other Non Financial Receivables	<b>21,146,985</b>	<b>27,075,526</b>	<b>13,408</b>	<b>13,302</b>

##### Other financial receivable carried at amortised cost

Other financial receivables - Current	1,877,210	2,022,466	23,215	-
Other financial receivables - Non current	4,920,860	4,084,317	-	-
	<b>6,798,070</b>	<b>6,106,783</b>	<b>23,215</b>	<b>-</b>

##### Financial assets carried at amortised cost

Trade receivables	11,259,347	8,541,283	228,500	275,660
Other financial receivables - Non current	6,798,070	6,106,783	23,215	-
	<b>18,057,417</b>	<b>14,648,066</b>	<b>251,715</b>	<b>275,660</b>

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 32 OTHER FINANCIAL RECEIVABLES AND OTHER NON - FINANCIAL RECEIVABLES (Contd.)

#### (a) Land compensation receivable

##### Pegasus Hotels of Ceylon PLC (PRH)

The Government of Sri Lanka acquired approximately 1,605 perches of land owned by PRH under section 38 provision (a) of the Land Acquisition Act, No.28 of 1964 by Gazette notification dated 14th May 2008 for the public purpose of building a fisheries harbour.

Accordingly, PRH submitted 2 claims of compensation amounting to Rs.563 Mn for a portion of 1,251 perches of the acquired land and a claim for Rs.159.3mn for balance portion of 353.89 perches of land in 2008/09 and 2016/17 respectively. However, PRH recorded carrying value of the 2 compensation claims in the financial statements at Rs.189.5 Mn and Rs.43,310/- respectively, on prudence based on the market conditions and the land terrain conditions.

Accordingly, the carrying value of said total approximately 1,605 perches of land amounting to Rs. 293.7 Mn has been removed from the property, plant and equipment during the financial years 2008/09 and 2017/18. On 06.05.2019, PRH received an official notification pertaining to the claim of compensation for the said 353.89 perches, awarding a compensation of Rs.5,459,500/- relating to the claim of Rs.159.3 Mn. PRH has filed an appeal against the said award of compensation at the Land Acquisition Board of Review on 21.05.2019 and the inquiry is presently ongoing.

The value of the compensation award for the balance land of 1,251 perches is yet to be announced by the Divisional Secretary due to an ongoing litigation, where an individual has appealed to the Supreme Court after having lost both cases he filed in the District Court and Civil Appellate High Court against PRH claiming part of the land as a co-owner. In the opinion of the lawyer's a time estimation cannot be given for the finality of this appeal. Under these circumstances, even if a valuation is determined by the Government, such value will not be disclosed until the said litigation has come to a finality. However, as a matter of prudence PRH made a provision for the compensation receivable for this land also based on the criteria of compensation awarded for the aforesaid 353.89 perches. Accordingly, a total of Rs.164.78 Mn provision has been made on the compensation receivable over the years.

The full compensation claim for the total land acquired of 1,605 perches at Rs.722 Mn as of the reporting date, whilst the carrying value of the compensation receivable stood at Rs.24.8 Mn subsequent to the provisioning mentioned above as at 31st March 2024.

#### (b) Plasma receivables

In accordance with the Indonesian government's policy, oil palm plantation companies are required to develop new plantations for the local communities within and around the companies' estates. A cooperative establishment is formed to take care of the landholder's rights and obligations and this form of assistance to local communities is generally known as the "Plasma Programme".

Plasma advances represent costs incurred for plasma plantation development and advances to Plasma farmers for working capital purposes during the early maturity stage. These include bearer plants and their infrastructures, covering costs incurred for land clearing, planting, upkeep, fertilisation, mature plantation management, harvesting and other indirect expenses. The advances will be subsequently recovered through revenue generated from the Plasma plantations.

Land rights of the Plasma plantation are mortgaged and pledged security for obtaining bank loans from commercial banks in Indonesia. These land rights will be handed over to the Group upon the repayment of loan. In accordance with management agreements signed with the Plasma Corporative, which represent the Plasma members and the Group's subsidiary companies, these land titles can be retained by the Group as security until advances provided are paid in full through Plasma revenue.

### 33 CASH AND CASH EQUIVALENTS

As at 31st March	Group		Company	
	2024	2023	2024	2023
<b>Deposits</b>				
Call deposits	10,486,458	17,459,765	500,000	-
Fixed deposits and Savings	11,778,409	10,704,610	-	200,050
Short - term deposits	22,264,867	28,164,375	500,000	200,050
Cash in hand and at bank	19,230,228	13,470,939	14,240	15,418
<b>Total cash and cash equivalents</b>	<b>41,495,095</b>	<b>41,635,314</b>	<b>514,240</b>	<b>215,468</b>

(Amounts expressed in Sri Lankan Rs. '000)

**(a) Cash and cash equivalents denominated in foreign currencies as at 31st March are as follows:**

As at 31st March	Group	
	2024	2023
US Dollars (USD)	8,282,229	12,076,700
Indonesian Rupiah (IDR)	16,084,656	17,004,737
Malaysian Ringgit (MYR)	2,065,225	1,977,234
Euro (EUR)	171,802	91,117
Singapore Dollar (SGD)	40,559	42,528

**Assets pledged as security**

Certain bank accounts of the Group have been pledged as security for bank borrowings. As at 31st March 2024, these accounts had a total of Rs.1,630 Mn or equivalent to US\$ 5,428,000 (2023: Rs. 594.41 Mn or equivalent to US\$1,817,000). There are no legal and contractual restrictions on the use of the pledged bank accounts.

**Cash management**

**Oil palm plantations**

Short-term deposits earn interest at floating rates based on daily bank deposit rates and are made for varying periods from one day to a month, depending on the immediate cash requirements of the Group. For the financial year ended 31 March 2024, Re Purchase Agreements (REPO's) placed in Sri Lanka earned interest of 8.5% to 21% per annum (2023: 5.00% to 22.00% per annum). Fixed deposit placed in Sri Lanka earned interest of 4% to 7.75% for USD short-term deposits (2023: 5% to 9.5%), Currently there is no LKR-denominated short-term deposits In Sri Lanka (2023: 5.0% to 6.5%). Group earns 4.5% on the funds maintained in the interest bearing savings accounts in Singapore. Call Deposit placed in Indonesia earned interest of 2.07% to 5.16% for IDR short-term deposits (2023: 2.0% - 4.9%) and no interest was earned for Malaysian Ringgit ("MYR") and as no funds were placed in these short-term deposits.

**Oils and fats**

Certain deposits that are kept with banks are used as lien against the bank guarantees. The maturity of these deposits ranged from a period of a week to three months. For MYR deposits, interest earned ranged from 2.50 % to 2.80% per annum (2023: 2.45 % to 3.10% per annum). Any excess cash is further utilised to reduce the overdraft interest incurred.

**Real estate sector**

Short-term deposits earn interest at fixed rates based on bank deposit rates and are made for varying periods four month to 5 year, depending on the cash availability and cash requirements of the sector. For the financial year ended 31st March 2024, fixed deposits placed earned interest of .10.4% to 25% (2023: 14.65% to 25%).

**Leisure sector**

Short-term deposits earn interest at fixed rates based on bank deposit rates and are made for varying periods from one months to six month, depending on the cash availability and cash requirements of the sector. For the financial year ended 31st March 2024, fixed deposits placed earned interest of 3% to 8 % (2023: 14% to 24%).

**(b) For the purpose of the consolidated cash flow statement, cash equivalent comprise of the following:**

As at 31st March	Group		Company	
	2024	2023	2024	2023
Short - term deposits	22,264,867	28,164,375	500,000	200,050
Cash-in-hand and at bank	19,230,228	13,470,939	14,240	15,418
	41,495,095	41,635,314	514,240	215,468
Interest payable	1,466,528	1,107,847	4,238	8,284
Short - term borrowings	(20,547,927)	(27,342,251)	(1,774,296)	(1,399,243)
	22,413,696	15,400,910	(1,255,818)	(1,175,491)

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 34 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

- (i) Non-current assets of Arani Agro Oil Industries (Pvt) Ltd (AAOIL) had been classified as held for sale as the management intended to recover the carrying amount principally through a sale transaction rather than through continuing use.

On 5th January 2023, Premium Nutrients Private Limited (PNPL), a fully owned subsidiary of Goodhope Asia Holdings Limited disposed 100% of shares in its fully owned subsidiary Arani Agro Oil Industries Private Limited (AAOIL), India for a consideration of US\$ 8,999,241.

- (ii) Guardian Acuity Asset Management Limited, (GAAM) was incorporated in Sri Lanka, to set up and carry out unit trust management activities licensed by Securities and Exchange Commission of Sri Lanka, and governed by a Joint Venture agreement between Acuity Partners (Private) Limited and Ceylon Guardian Investment Trust PLC. Ceylon Guardian Investment Trust PLC and Acuity Partners (Pvt) Limited held 50% each of the issued share capital of GAAM. On 13th January 2023, Ceylon Guardian Investment Trust PLC and Acuity Partners (Pvt) Limited disposed its entire holding in GAAM.

#### (a) Result for the year from discontinued operations

	2023		Total
	AAOIL	GAAM	
Loss from discontinued operations, net of tax	(645,473)	(8,544)	
Total gross Group holding	100%	50%	
Group's share of loss for the year	(645,473)	(4,272)	(649,745)

#### (b) Net cash flows from discontinued operations

	Group 2023
As at 31st March	
Net cash out flows	(377,967)

#### (ii) The details relating to the disposal of investment in subsidiary - Arani Agro Oil Industries (Pvt) Ltd.

	2023
Cash consideration received	3,236,037
Net assets directly associated with disposal	(1,651,790)
Carrying amount of the non-controlling interest as at the disposal date	770,889
Realization of currency translation reserve with disposal	(66,048)
Gain on disposal of subsidiaries	2,289,088

#### (iii) The details relating to the disposal of investment in jointly controlled entity - Guardian Acuity Asset Management Limited

	2023
Net assets	91,524
Applicable to the group (50%)	45,762
Net assets directly associated with disposal entity	(45,762)
Cash consideration received from disposal of Group shares	50,763
Profit from disposal of Joint venture company	5,001

(Amounts expressed in Sri Lankan Rs. '000)

**(iv) Proceed from disposal of Subsidiary and jointly controlled entity for cash flow purpose**

	2023
Consideration received in cash - subsidiary	3,236,037
Consideration received in cash - jointly controlled entity	50,763
Cash and cash equivalent disposed - subsidiary	(275,868)
Net cash flow on disposal on Subsidiary/Joint Venture	3,010,932

**35 STATED CAPITAL**

As at 31st March	Group/Company			
	No of shares		Stated capital	
	2024	2023	2024	2023
At the beginning/end of the year	196,386,914	196,386,914	1,114,652	1,114,652
	196,386,914	196,386,914	1,114,652	1,114,652

- (a)** The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings of the Company. All ordinary shares rank equally with regard to the right to the Company's net assets at the point of distribution.

**36 CAPITAL RESERVES**

As at 31st March	Group		Company	
	2024	2023	2024	2023
<b>Represented by</b>				
Capital accretion reserve	287,552	287,552	287,552	287,552
Revaluation reserve (Note a)	4,165,199	1,941,612	-	-
Other capital reserves (Note b)	1,478,993	1,478,993	-	-
	5,931,744	3,708,157	287,552	287,552

**(a) Revaluation reserve**

This reserve comprises revaluation gains of property plant and equipment.

**(b) Other capital reserves**

Represents the amounts set aside for future expansion and to meet any contingencies.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 37 REVENUE RESERVES

As at 31st March	Group		Company	
	2024	2023	2024	2023
<b>Represented by</b>				
Currency translation reserve (Note a)	(76,732)	6,744,135	-	-
Revenue reserve (Note b)	331,038	328,597	-	-
FVOCI Reserve (Note c)	7,355,443	7,748,796	6,776,228	5,474,135
Cash flow hedging reserve	-	129,098	-	-
Retained earning	57,174,383	48,774,448	8,831,508	7,790,353
	64,784,132	63,725,074	15,607,736	13,264,488

#### (a) Currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

#### (b) Revenue reserve

This represents the amounts set aside to meet any contingencies.

#### (c) FVOCI Reserve

This consists of net unrealised gain/(loss) arising from change in the fair value of financial instruments not held for trading but for long term, strategic purposes net of cumulative impairments losses incurred as at the reporting date.

### 38 DERIVATIVE FINANCIAL INSTRUMENTS

As at 31st March	Contract/ Notional amount 2024	Group		Contract/ Notional amount 2023	Asset 2023	Liability 2023
		Asset 2024	Liability 2024			
<b>Non - current</b>						
Embedded derivatives						
RCPS derivative	-	-	-	-	-	2,077,195
	-	-	-	-	-	2,077,195
<b>Current</b>						
<b>Derivatives not designated as hedging instruments</b>						
Foreign exchange forward contracts	7,200,645	8,194	-	8,484,703	33,044	-
	7,200,645	8,194	-	8,484,703	33,044	-

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are commodity price risk and foreign exchange risk. The Group's risk management strategy and how it is applied to manage risks is explained in Note 47.

#### Foreign currency risk

The Group entered into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchase. These contracts are not designated in hedge relationships and are measured at fair value through profit and loss. No unrealised fair value changes (2023: US\$Nil) in respect of these contracts were recognised in the statement of other comprehensive income since the Group has not adopted hedge accounting as of 31 March 2024.



(Amounts expressed in Sri Lankan Rs. '000)

### Embedded derivative

Along with the Senior Secured Non-Amortising Term Loan Facility disclosed in Note 41, the GAHL also issued Redeemable Convertible Preference Shares (RCPS) to the Lender under this facility. The RCPS holder has the option to convert the preference shares to ordinary shares of the GAHL at any time during the term i.e. 6-years from issuance date of 3rd October 2019. The RCPS holder is entitled to dividends paid to ordinary shareholders of the GAHL from time to time. The RCPS also is redeemable at the end of the term for a pre-determined amount of cash if not converted to ordinary shares of the GAHL. The GAHL has accounted for the equity conversion option of the RCPS as a derivative liability.

The RCPS derivative has been separated and carried at fair value through profit or loss. The carrying value as at 31st March 2024 amounted to Rs.Nil (2023: Rs. 2,077.34 Mn (US\$ 6,350,000)).

In January 2024, GAHL redeemed its RCPS. Accordingly, the RCPS derivative has been de-recognised through profit or loss. The Carrying value as a 31st March 2024 amounted to nil (2023: Rs. 7,200 Mn (USD 6,350,000))

## 39 DEFERRED TAX ASSETS AND LIABILITIES

As at 31st March	Assets		Liabilities	
	2024	2023	2024	2023
The closing deferred tax asset and liability balances relate to the following;				
Property, plant & equipment	137,699	311,421	10,673,572	9,764,460
Bearer Plants	228,744	333,281	3,684,509	4,207,569
Investment properties	-	-	1,749,433	1,551,066
Intangible assets	-	-	641,925	625,374
Leased assets	19,413	55,195	110,273	174,551
Employee benefit liability	743,809	734,318	(124,498)	(106,207)
Tax losses available against future taxable income	2,486,790	3,873,269	(555,242)	(333,937)
Others	11,471	50,006	(53,600)	(52,270)
	3,627,926	5,357,490	16,126,372	15,830,606

Deferred tax assets and liabilities are recognised based on applicable tax rates under Inland Revenue Act No. 24 of 2017 and other applicable tax laws in operating jurisdictions.

- (a) Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, were shown in the statements of financial position:

	Group	
	2024	2023
Deferred tax assets	3,627,926	5,357,490
Deferred tax liabilities	(16,126,372)	(15,830,606)
<b>Net deferred tax liabilities</b>	<b>(12,498,446)</b>	<b>(10,473,116)</b>

### Movement of net Deferred tax assets/Liabilities

	2024	2023
Balance as at beginning of the year	(10,473,116)	(9,579,655)
Recognised in Statement of Profit or Loss (Note 16 (b))	1,789,430	(580,687)
Recognised in Other Comprehensive Income (Note 16 (b))	733,616	(272,576)
Effect of movements in exchange rates	497,716	(40,198)
Balance as at end of the year	(12,498,446)	(10,473,116)

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### (b) Recognised deferred tax assets

The recognition of deferred tax assets relating to unutilised tax losses carried forward by subsidiaries of the Group have been reassessed by the respective management at the year end. Accordingly, approximately Rs 574.44 Mn (2023: Rs 349.38 Mn) of unused tax losses of Indonesian subsidiaries for which deferred tax assets had been recognised in previous years were derecognised during the year and charged to the income statement. Management has assessed that the losses may not be used to offset taxable profits in the future and there are no other tax planning opportunities or other evidence of recoverability of such tax losses in the near future.

Management believes that sufficient taxable profit will be available to allow the remaining tax losses to be utilised. Accordingly, the relevant subsidiaries have recognised deferred tax assets relating to the remaining unutilised tax losses carried forward.

### (c) Unrecognised deferred tax assets

#### Group

The amounts of unutilised tax losses which deferred tax assets have not been recognised for Indonesian subsidiaries as at the end of the financial year amounts to Rs. 2,611 Mn (2023: Rs. 1,587 Mn) . The expiry dates of the tax losses for the Indonesian subsidiaries ranges from 1 to 5 years and 1 to 8 years respectively. Further, in the beverage sector deferred tax assets not accounted in respect of the tax losses amounted to Rs. 680 Mn. (2023 - 696 Mn) since the utilization against the future taxable profit are not probable.

#### Company

The Company has accumulated tax loss of Rs. 972 Mn (2023: Rs. 1,015 Mn) as at the reporting date. The deferred tax asset of Rs. 120 Mn (2023 - Rs. 284 Mn) arising from the said tax loss has not been recognized due to uncertainty of future taxable profits against which the deferred tax assets would be utilized, given that the Company's only source of income being dividend income which is tax exempt.

### (d) Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2023: nil) has been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries as the Group has determined that undistributed earnings of these subsidiaries will not be distributed in the foreseeable future.

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March		Group		Company			
		2024	2023	2024	2023		
<b>40 CURRENT TAX RECOVERABLE/(LIABILITIES)</b>							
At the beginning of the year		(1,497,712)	301,933	1,279	945		
Subsidiaries'/Company's taxation on current year's profit		(11,521,364)	(13,103,807)	-	-		
Irrecoverable economic service charge		-	(945)	-	(945)		
(Under)/over provision for previous years		(43,374)	(6,480)	-	-		
Tax on inter company dividend/restructuring		(1,719,474)	(1,383,728)	-	-		
Payments and set off against refunds		14,516,786	12,695,315	841	1,279		
<b>Net Income Tax recoverable/(liabilities)</b>		<b>(265,138)</b>	<b>(1,497,712)</b>	<b>2,120</b>	<b>1,279</b>		
<b>Break-up of net Income tax recoverable/(payable)</b>							
<b>Income tax recoverable</b>							
Non Current (Note 32)		2,425,642	3,271,179	-	-		
Current (Note 32)		-	-	2,120	1,279		
<b>Total income tax recoverable</b>		<b>2,425,642</b>	<b>3,271,179</b>	<b>2,120</b>	<b>1,279</b>		
Income tax payable		(2,690,780)	(4,768,891)	-	-		
<b>Net Income Tax recoverable/(liabilities)</b>		<b>(265,138)</b>	<b>(1,497,712)</b>	<b>2,120</b>	<b>1,279</b>		
<b>41 LOANS AND BORROWINGS</b>							
As at 31st March		Note	Maturity	Group		Company	
				2024	2023	2024	2023
<b>Current Liabilities</b>							
<b>Secured</b>							
Long term borrowings - amount due within one year		A	2025	6,218,661	7,005,733	-	-
Working capital facilities		B	2025	11,988,447	17,790,738	-	-
				18,207,108	24,796,471	-	-
<b>Unsecured</b>							
Long term borrowings - amount due within one year			2025	644,255	713,225	193,750	225,000
Working capital facilities			2025	8,559,480	9,551,513	1,774,296	1,399,243
				9,203,735	10,264,738	1,968,046	1,624,243
<b>Total loan payable within the year</b>				<b>27,410,843</b>	<b>35,061,209</b>	<b>1,968,046</b>	<b>1,624,243</b>
<b>Non - Current Liabilities</b>							
<b>Secured</b>							
Long term borrowings		A	2029-2033	57,408,286	56,922,071	-	-
Redeemable Convertible Preference Shares (RCPS)				-	5,207,323	-	-
				57,408,286	62,129,394	-	-
<b>Unsecured</b>							
Long term borrowings				1,629,758	1,518,876	141,668	335,417
				1,629,758	1,518,876	141,668	335,417
<b>Total long term bank borrowings - amount due after one year</b>				<b>59,038,044</b>	<b>63,648,270</b>	<b>141,668</b>	<b>335,417</b>
<b>Total loans and Borrowings</b>				<b>86,448,887</b>	<b>98,709,479</b>	<b>2,109,714</b>	<b>1,959,660</b>

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

41 LOANS AND BORROWINGS (CONTD.)	As at 31st March	Group		Company	
		2024	2023	2024	2023
<b>Long term Bank Borrowings</b>					
<b>Movement in Long - Term Borrowings</b>					
Balance as at the beginning of the year	71,367,228	79,206,168	560,417	785,417	
<b>Cash Movement</b>					
Obtained during the year	70,125,501	7,034	-	-	
Re - payments during the year	(73,771,427)	(19,501,782)	(224,999)	(225,000)	
<b>Non cash Movement</b>					
Interest accrued during the year	4,564,218	1,377,060	-	-	
Exchange differences	(6,510,569)	10,209,417	-	-	
Unamortized transaction cost	126,009	69,331	-	-	
	65,900,960	71,367,228	335,418	560,417	
Amounts falling due within one year	(6,862,916)	(7,718,958)	(193,750)	(225,000)	
Amounts falling due after one year	59,038,044	63,648,270	141,668	335,417	
<b>Loan (including Lease liability) denominated in foreign currencies as at 31st March are as follows:</b>					
As at 31st March			Group		
			2024	2023	
Malaysian Ringgit (MYR)			2,977,961	23,352	
US Dollar (USD)			29,486,684	69,170,311	
Indonesian Rupiah (IDR)			31,162,538	868,865	
<b>A LONG-TERM LOANS - GOODHOPE ASIA HOLDINGS LTD. (GAHL) AND ITS SUBSIDIARIES</b>					
<b>2024</b>					
Group's long-term loans are secured by pledges over the respective Borrowers' certain properties, plant and equipment along with Corporate Guarantee from the GAHL.					
<b>(a) US\$120 million Club Loan Facility at Oil palm plantation segment</b>					
In January 2024, the Group secured a US\$120 million, 7-year Senior Secured Amortizing Term Loan Facility from a consortium of banks to refinance the existing senior long-term loans at the Group's Oil Palm Plantations segment. This facility was fully drawn as at 31 March 2024. Repayments will commence from July 2024 on a semi-annual basis over the term with a final bullet payment in 2031. This is a multi-currency facility in which US\$20 million equivalent is denominated in Indonesia Rupiah (IDR).					
<b>(b) Rupiah denominated Bi-lateral Term Loan Facilities at Oil palm plantation segment</b>					
The Group secured the following bi-lateral Senior Secured Amortizing Term Loan Facilities from PT Bank Mandiri:					
<ul style="list-style-type: none"> <li>- IDR 658.5 billion at PT Nabire Baru in August 2023 maturing in 2032, and</li> <li>- IDR 718 billion at PT Agro Wana Lestari in November 2023 maturing in 2033</li> </ul>					
to refinance the existing senior long-term loans at the Group's Oil Palm Plantations segment. These facilities were fully drawn as at 31 March 2024. Repayments have commenced and are on monthly basis.					
Following the repayment of its existing senior facilities, in January 2024 Company also voluntarily redeemed its Redeemable Convertible Preference Shares ("RCPS") that was issued together with the US\$105 million Senior Secured Non-Amortizing Term Loan Facility in 2019.					

(Amounts expressed in Sri Lankan Rs. '000)

#### 41 LOANS AND BORROWINGS (Contd.)

##### (c) MYR 50 million Term Loan Facility at Oils and fats segment

Premium Vegetable Oils Sdn Bhd ("PVO"), the Company's Downstream subsidiary, refinanced its existing Term Loan in November 2023 with a MYR 50 million, 4-year, bi-lateral senior secured term-loan facility from Ambank (M) Berhad.

##### 2023

Group secured the following long-term loan facilities in September 2019:

##### (i) Senior secured amortising term loan facility

US\$170 million, 5-year Senior Secured Amortising Term Loan Facility from a consortium of banks to partly refinance the existing senior long-term loan at the Group's Oil Palm Plantations segment.

##### (ii) Senior Secured Non-Amortising Term Loan Facility

GAHL together with its subsidiary plantation companies secured a US\$105 million, 6-year Senior Secured Non-Amortising Term Loan Facility, from a private credit arm of a global investment and private equity firm. The facility was to refinance part of the existing senior long-term loan at the Group's Oil Palm Plantations segment, to support the development plans of the Group's Oil Palm Plantation segment and for other general corporate purpose.

Company issued Redeemable Convertible Preference Shares (RCPS) to the Lender as part of this loan facility and representing 6.30% of the enlarged post-conversion share capital of the Company. RCPS holder has the option to convert to ordinary shares of the Company at any time during the term (i.e. 6-years from issuance date of 3rd October 2019) and at the time of IPO. RCPS has to be redeemed at the end of the term by the issuer, at a pre-determined amount, if not converted to ordinary shares of the Company already. It is a zero-coupon instrument however RCPS holder is entitled to dividends paid to ordinary shareholders of the Company from time to time. Details on derivative instrument of RCPS is disclosed under Note 38.

#### B Short term loan facilities - Goodhope Asia Holdings Ltd. (GAHL) and its Subsidiaries

##### (i) Trade / Working Capital Financing Facilities

GAHL has Trade Finance/Working Capital facilities amounting to MYR 158.75 million for the Edible Oils & Fats segment. As at 31 March 2024, utilization stood at MYR 99.42 million (2023: MYR 89.02 million).

These facilities are secured by stocks and trade receivables of the Edible Oils & Fats segment's subsidiaries together with a Corporate Guarantee from GAHL.

##### (ii) Revolving Loan Facilities

These facilities have been provided a Corporate Guarantee from the Company.

#### C Leases

Lease obligations are secured by a charge over the leased assets.

##### Effective interest rates

The effective interest rates per annum of the GAHL Group's US Dollar loans and borrowings as at the reporting date are as follows:

As at 31st March	2024	2023
Long-term loans	11.00%	9.9%
Short-term loans	8.3%	8.6%
Lease liabilities	4.0% - 14.34%	4.0% - 13.0%

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 42 LEASE LIABILITIES

The Group has lease contracts for buildings, equipment, machinery, vehicles and land rights used in its operations. Leases of buildings generally have lease terms between 1 and 6 years, equipment, machinery and vehicles generally have lease terms between 1 and 5 years while land rights generally have lease terms of 30 years. The Group's obligations under some of its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

**a) Set out below are the carrying amounts of lease liabilities movements**

As at 31st March	Group	
	2024	2023
As at 1st April	1,293,608	1,032,941
Additions	318,754	1,151,629
Accretion of interest	85,140	152,238
Payments	(802,460)	(930,532)
Effect of movements in exchange rates	(65,481)	(112,668)
As at 31st March	829,561	1,293,608
Current	371,704	639,586
Non-current	457,857	654,022
	829,561	1,293,608

**b) Following are the amounts recognised in profit or loss**

For the year ended 31st March	2024	2023
Interest expense on leases liabilities	85,140	152,238
Total amount recognised in profit or loss	85,140	152,238

**c) The Group had total cash outflows for leases of amounting to Rs. 802 Mn (2023 - Rs. 931 Mn) during the year.**

(Amounts expressed in Sri Lankan Rs. '000)

43 TRADE AND OTHER FINANCIAL PAYABLES AND OTHER NON-FINANCIAL LIABILITIES	As at 31st March	Group		Company	
		2024	2023	2024	2023
<b>43.1 Trade payables</b>	7,617,547	5,906,650	-	-	
<b>43.2 Other Financial Payables</b>					
<b>Non current</b>					
Rental and other deposits(Note 43 (a))	87,399	104,479	-	-	
<b>Current</b>					
Customer deposits(Note 43 (b))	2,996,694	2,742,490	-	-	
Taxes payable	4,548,409	895,872	-	-	
Accrued expenses	6,713,421	12,290,090	301,942	300,978	
Other creditors	7,124,215	6,280,760	21,764	20,078	
	21,382,739	22,209,212	323,706	321,056	
Total Other Financial Payables	21,470,138	22,313,691	323,706	321,056	
Trade and other financial liabilities measured at amortised cost	29,087,685	28,220,341	323,706	321,056	
<b>43.3 Other Non Financial Payables</b>					
<b>Non current</b>					
Plasma payable	406,257	301,906	-	-	
<b>Current</b>					
Sales Advances	3,289,217	2,922,014	-	-	
Taxes payable	1,306,914	1,013,480	-	-	
Plasma payable	283,603	202,366	-	-	
	4,879,734	4,137,860	-	-	
Total Other Non Financial Payables	5,285,991	4,439,766	-	-	
<b>Financial liabilities carried at amortised cost</b>					
Trade and other financial payables - current	29,000,286	28,115,862	323,706	321,056	
Other financial payables - non-current	87,399	104,479	-	-	
Loans and borrowings (Note 41)	86,448,887	98,709,479	2,109,714	1,959,660	
<b>Total financial liabilities carried at amortised cost</b>	115,536,572	126,929,820	2,433,420	2,280,716	
Term and condition of the above current Financial liabilities:					
- Trade payables are non - interest bearing and are normally settled in 60 to 90 day terms.					
- Other payables are non - interest bearing and have an average term of six months.					
<b>(a) Rental and other deposits</b>					
As at 31st March			Group		
			2024	2023	
Balance as at the beginning of the year			104,479	86,698	
Receipts during the year			4,339	29,393	
Transferred to deferred revenue			(28,408)	(10,999)	
Refunds during the year			(4,466)	(8,795)	
Unwinding of interest on refundable deposits			11,455	8,182	
<b>Balance as at the end of the year</b>			87,399	104,479	
Face value			123,168	123,294	

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 43 TRADE AND OTHER FINANCIAL PAYABLES AND OTHER NON-FINANCIAL LIABILITIES (Contd.)

The Group has obtained refundable rental deposits from non-related party tenants, covering the rental income for a period of 3-6 months, which provides cover to the Group in the event of a default. The rental and telephone deposits are re-payable on termination of the tenancy agreements in the real estate sector.

#### (b) Customer Deposits

As at 31st March	Group	
	2024	2023
Balance as at the beginning of the year	2,742,490	2,301,181
Receipts during the year	451,251	441,309
Empty deposit write back during the year	(197,047)	-
<b>Balance as at the end of the year</b>	<b>2,996,694</b>	<b>2,742,490</b>

Customer deposits are taken as security against the containers with the agents in the beverage sector.

#### (c) Trade payable denominated in foreign currencies are as follows

As at 31st March	Group	
	2024	2023
<b>Currency</b>		
US Dollar (USD)	61,590	96,506
Malaysian Ringgit (MYR)	1,905,691	2,150,946
Indonesian Rupiah (IDR)	3,233,335	2,533,045

- (d) An order has been made for the enforcement of an ex-parte judgment (in default of appearance) issued against the Company by an overseas Court for a sum of Sterling Pounds 271,323.38 plus costs, in an action filed by a former consultant to the Company. The Company appealed against the said enforcement order in the High Court of Civil Appeals and the said court delivered judgment against the Company. The Company filed a leave to appeal application in the Supreme Court and the case is concluded and pending judgement. The potential liability is fully provided for under accrued expenses.

### 44 EMPLOYEE BENEFITS

As at 31st March	Group	
	2024	2023
<b>Balance as at the beginning of the year</b>	<b>3,941,252</b>	<b>1,556,911</b>
<b>The amounts recognized in the income statement are as follows</b>		
Current service cost	632,869	707,846
Interest cost	312,746	279,806
Past service costs	64,119	1,298,494
Immediate recognition on new entrants	-	7,072
Termination Cost	38,697	17,991
Curtailment gain	(33,391)	(35,635)
Adjustment on the previous year	47,170	37,654
	<b>1,062,210</b>	<b>2,313,228</b>
<b>The amount recognized in Statement of Comprehensive Income</b>		
Remeasurements of defined benefit obligation	(332,804)	63,954



(Amounts expressed in Sri Lankan Rs. '000)

#### 44 EMPLOYEE BENEFITS (Contd.)

As at 31st March	Group	
	2024	2023
<b>Others</b>		
Benefits paid	(476,031)	(407,524)
Effect of movements in exchange rates	(493,405)	414,683
	(969,436)	7,159
<b>Balance as at the end of the year</b>	<b>3,701,222</b>	<b>3,941,252</b>

#### (a) Accounting judgements, estimates and assumptions

##### Employee benefit liability

The employee benefit liability of the Group is based on the actuarial valuations carried out by Independent actuarial specialists. The actuarial valuations involve making assumptions about discount rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The actuarial valuation was made using the following assumption

	Sri Lanka		Indonesia	
	2024	2023	2024	2023
Discount rate	12% per annum	18% per annum	6.76% per annum	7.10% per annum
Future salary increment rate	11% per annum	15% per annum	4% per annum	4% per annum
Mortality rate	A 1967/70 Mortality Table, issued by the Institute of Actuaries, London was used.	A 1967/70 Mortality Table, issued by the Institute of Actuaries, London was used.	Indonesian Table of Mortality year 2019	Indonesian Table of Mortality year 2019
Disability rate	10% of mortality table	10% of mortality table	10% of mortality rate	10% of mortality rate
Retirement age	60 years	60 years	56 years	56 years
<b>Weighted average duration (years) of defined benefit obligation</b>				
Beverage sector	6	5.3		
Management / property / leisure sectors	9	7.38 -5.3		

The adjusted treasury bond rate for the credit spread has been used as the discounted rate.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

<b>(b) Sensitivity analysis on the key assumptions used in actuarial valuation is as follows:</b>				
2024	Discount Rate		Future Salary Increments	
	1% Increase	1% Decrease	1% Increase	1% Decrease
<b>Consolidated statement of financial position</b>				
<b>Employee benefit liability</b>				
Sri Lankan Subsidiaries	(27,305)	30,447	32,032	(29,173)
Overseas Subsidiaries	(236,446)	264,387	297,436	(266,490)
<b>Consolidated statement of comprehensive income</b>				
Sri Lankan Subsidiaries	27,305	(30,447)	(32,032)	29,173
Overseas Subsidiaries	236,446	(264,387)	(297,436)	266,490
2023	Discount Rate		Future Salary Increments	
	1% Increase	1% Decrease	1% Increase	1% Decrease
<b>Consolidated statement of financial position</b>				
<b>Employee benefit liability</b>				
Sri Lankan Subsidiaries	(14,710)	16,162	17,924	(16,508)
Overseas Subsidiaries	(310,783)	276,760	301,623	(271,199)
<b>Consolidated statement of comprehensive income</b>				
Sri Lankan Subsidiaries	14,710	(16,162)	(17,924)	16,508
Overseas Subsidiaries	310,783	(276,760)	(301,623)	271,199
<b>45 NET ASSETS PER SHARE</b>				
As at 31st March	Group		Company	
	2024	2023	2024	2023
Total Equity	143,618,731	140,236,892	17,009,940	14,666,692
<b>Less</b>				
Non -controlling interest	(71,788,203)	(71,689,009)	-	-
Total equity attributable to owners of the Company	71,830,528	68,547,883	17,009,940	14,666,692
<b>Number of ordinary shares used as the denominator</b>				
Ordinary shares in issue (Nos.)	196,386,914	196,386,914	196,386,914	196,386,914
Net Assets per Share (Rs.)	365.76	349.05	86.61	74.68

(Amounts expressed in Sri Lankan Rs. '000)

#### 46 FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) According to accounting classification and fair value, classes of financial instruments that are not carried at fair value and of which carrying amounts are a reasonable approximation of fair value are current portion of trade and other receivables (Note 31, 32), cash and cash equivalents (Note 33), trade and other payables (Note 43) and loans and borrowings (Note 41). The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date

#### (b) Fair value of assets and liabilities that are carried at fair value - Group

The following table shows an analysis of assets and liabilities carried at fair value by level of fair value hierarchy:

As at 31st March	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>2024</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Investment in equity and debt securities - Non current	10,877,713	-	-	10,877,713
Investment in equity and debt securities - Current	8,934,181	582,987	131,094	9,648,262
Investment in Unit trust	-	390,765	-	390,765
Derivative financial instrument	-	8,194	-	8,194
As at 31st March 2024	19,811,894	981,946	131,094	20,924,934
<b>Non-financial assets:</b>				
Biological assets	-	-	3,748,501	3,748,501
Investment properties	-	-	6,107,100	6,107,100
Freehold Land & Buildings	-	-	13,666,436	13,666,436
As at 31st March 2024	-	-	23,522,037	23,522,037
<b>Liabilities measured at fair value</b>				
<b>Financial liabilities</b>				
Derivative financial instrument	-	-	-	-
As at 31st March 2024	-	-	-	-
<b>2023</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Investment in equity and debt securities - Non current	11,458,659	-	-	11,458,659
Investment in equity and debt securities - Current	8,245,177	420,002	143,134	8,808,313
Investment in Unit trust	-	242,173	-	242,173
Derivative financial instrument	-	33,044	-	33,044
As at 31st March 2023	19,703,836	695,219	143,134	20,542,189

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Non-financial assets:</b>				
Biological assets			4,085,613	4,085,613
Investment properties	-	-	5,669,869	5,669,869
Freehold Land & Buildings	-	-	11,233,012	11,233,012
As at 31st March 2023	-	-	20,988,494	20,988,494
<b>Liabilities measured at fair value</b>				
Financial liabilities	-	-	-	-
Derivative financial instrument	-	-	2,077,195	2,077,195
As at 31st March 2023	-	-	2,077,195	2,077,195
<p>For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.</p>				
<b>(c) Fair value of assets and liabilities that are carried at fair value - Company</b>				
The following table shows an analysis of assets and liabilities carried at fair value by level of fair value hierarchy:				
As at 31st March	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>2024</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Investment in equity and debt securities - Non current	11,454,348	-	6,890,662	18,345,010
Investment in equity and debt securities - Current	18,583	-	100,749	119,332
As at 31st March 2024	11,472,931	-	6,991,411	18,464,342
<b>2023</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Investment in equity and debt securities - Non current	9,307,704	-	6,825,542	16,133,246
Investment in equity and debt securities - Current	16,008	-	94,069	110,077
As at 31st March 2023	9,323,712	-	6,919,611	16,243,323

(Amounts expressed in Sri Lankan Rs. '000)

#### (d) Fair value of financial and non financial assets and liabilities

##### Fair value hierarchy

The table below analyses financial and non financial assets and liabilities carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows.

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

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

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

##### Methods and assumptions used to determine fair values

The methods and assumptions used by the management to determine the fair values of financial and non financial assets and liabilities other than those carrying amounts reasonably approximate to their fair values as mentioned in Note 46 (b) are as follows:

Financial & non financial assets/Liability category	Fair Value Basis, Valuation techniques	Fair Value Hierarchy
Quoted equity instruments	Fair value is determined directly by reference to last market price as at the balance sheet date	Level 1
Investment in Unit Trusts	Use of inputs for the assets or liability that are not based on observable market data.	Level 2
Biological Assets	Fair value of biological assets has been determined based on the market price and the estimated yield of FFB, net of maintenance and harvesting costs, overhead costs and estimated cost to sell. Please refer to Note 22 for more details	Level 3
RCPS derivative	Fair value of RCPS derivative has been determined by using the valuation technique of binominal lattice model. Unobservable inputs are Equity value range of 3,186 IDR and Annual Volatility of stock returns range 31.45 %.	Level 3
Investment properties	The fair value of investment property is based on current and estimated future rental income generated from comparable properties	Level 3
Freehold Land & Buildings	Market approach/Existing use	Level 3

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 46 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTD.)

#### (e) Movements in Level 3 assets and liabilities measured at fair value:

Fair value of financial instruments by classes that are not carried at fair value and of which carrying amounts are reasonable approximation of fair value are, Current trade and other financial receivables and payables, current and noncurrent loans and borrowings at floating rate, other bank deposits and cash and bank balances. The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

#### Movements in Level 3 assets

As at 31st March	Investment in equity securities unquoted	Total Financial assets
As at 31st March 2022	123,072	123,072
Net gain arising from changes in fair value of assets		
Foreign currency translation	-	-
Change in fair value	20,062	20,062
Movements in assets	-	-
As at 31st March 2023	143,134	143,134
Net gain arising from changes in fair value of assets		
Foreign currency translation	-	-
Change in fair value	(12,190)	(12,190)
Movements in assets	150	150
As at 31st March 2024	131,094	131,094

There have been no transfers from level 1, level 2 or level 3 for the financial years ended 31st March 2024 and 31st March 2023.

#### Movements in Level 3 liabilities

As at 31st March	Derivative financial instruments
As at 31st March 2022	2,013,392
Net (gain)/loss arising from changes in fair value of liabilities	(165,473)
Foreign currency translation	229,276
As at 31st March 2023	2,077,195
Settlement	(2,057,131)
Foreign currency translation	(20,064)
As at 31st March 2024	-

There have been no transfers from level 1, level 2 or level 3 for the financial years ended 31st March 2024 and 31st March 2023.

(Amounts expressed in Sri Lankan Rs. '000)

	Investment properties	Freehold Land & Buildings	Biological assets	Total Non Financial assets	Total
	5,064,410	11,554,845	7,364,627	23,983,882	24,106,954
	-	-	417,450	417,450	417,450
	578,712	-	(3,696,464)	(3,117,752)	(3,097,690)
	26,747	(270,554)	-	(243,807)	(243,807)
	5,669,869	11,284,291	4,085,613	21,039,773	21,182,907
	-	-	(525,526)	(525,526)	(525,526)
	390,581	1,836,413	188,414	2,415,408	2,403,218
	46,650	584,069	-	630,719	630,869
	6,107,100	13,704,773	3,748,501	23,560,374	23,691,468

Description As at 31st March	Fair value		Valuation technique	Unobservable inputs	Range
	2024	2023			
Biological assets	3,748,501	4,085,613	Income approach	Projected Harvested Quantities Market price of FFB	87,299 (2023-90,850) 108-174 (USD/MT) (2023 99 -170 USD MT)
RCPS derivative	-	2,077,195	Binominal lattice model	Equity value Annual Volatility of stock returns	(2023 - 3,186, (IDR)) 2023 (31.45%)

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 47 FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

#### (a) Financial assets and liabilities by categories in accordance with SLFRS 9 - Group

As at 31st March 2024	Financial assets at fair value through OCI	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities measured at amortised cost	Total carrying amount
<b>Financial assets</b>					
Investment in equity securities	10,877,713	9,648,262	-	-	20,525,975
Investment in unit trust	-	390,765	-	-	390,765
Trade and other financial receivables	-	-	18,057,417	-	18,057,417
Derivative financial instruments	-	8,194	-	-	8,194
Cash and cash equivalents	-	-	41,495,095	-	41,495,095
	10,877,713	10,047,221	59,552,512	-	80,477,446
<b>Financial liabilities</b>					
Long term borrowings	-	-	-	65,900,960	65,900,960
Redeemable Convertible Preference Shares (RCPS)	-	-	-	-	-
Lease liabilities	-	-	-	829,561	829,561
Trade and other financial payables	-	-	-	29,087,685	29,087,685
Derivative financial instrument	-	-	-	-	-
Short term borrowings	-	-	-	20,547,927	20,547,927
	-	-	-	116,366,133	116,366,133
<b>As at 31st March 2023</b>					
<b>Financial assets</b>					
Investment in equity securities	11,458,658	8,808,313	-	-	20,266,971
Investment in unit trust	-	242,173	-	-	242,173
Trade and other financial receivables	-	-	14,648,066	-	14,648,066
Derivative financial instruments	-	33,044	-	-	33,044
Cash and cash equivalents	-	-	41,635,314	-	41,635,314
	11,458,658	9,083,530	56,283,380	-	76,825,568
<b>Financial liabilities</b>					
Long term borrowings	-	-	-	71,367,228	71,367,228
Redeemable Convertible Preference Shares (RCPS)	-	-	-	5,207,323	5,207,323
Lease liabilities	-	-	-	1,293,608	1,293,608
Trade and other financial payables	-	-	-	28,220,341	28,220,341
Derivative financial instrument	-	2,077,195	-	-	2,077,195
Short term borrowings	-	-	-	27,342,251	27,342,251
	-	2,077,195	-	133,430,751	135,507,946

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency, commodity price and market price risk. The Group's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses relevant financial instruments to hedge the risks of commercial exposure. Such financial instruments are not held for trade or speculative purposes. These market risk management activities are governed by the risk management framework and systems. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks for the financial years ended 31st March 2024 and 31st March 2023. Mechanisms adopted by the Group in managing eventual impact of such risks are given overleaf.



(Amounts expressed in Sri Lankan Rs. '000)

**(b) Financial assets and liabilities by categories in accordance with SLFRS 9 - Company**

As at 31st March 2024	Financial assets at fair value through OCI	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities measured at amortised cost	Total carrying amount
<b>Financial assets</b>					
Investment in equity securities	8,904,397	119,332	-	-	9,023,729
Trade and other financial receivables	-	-	251,715	-	251,715
Cash and cash equivalents	-	-	514,240	-	514,240
	8,904,397	119,332	765,955	-	9,789,684
<b>Financial liabilities</b>					
Long term borrowings	-	-	-	335,418	335,418
Trade and other financial payables	-	-	-	323,706	323,706
Short term borrowings	-	-	-	1,774,296	1,774,296
	-	-	-	2,433,420	2,433,420
<b>As at 31st March 2023</b>					
<b>Financial assets</b>					
Investment in equity securities	6,898,101	110,077	-	-	7,008,178
Trade and other financial receivables	-	-	275,660	-	275,660
Cash and cash equivalents	-	-	215,468	-	215,468
	6,898,101	110,077	491,128	-	7,499,306
<b>Financial liabilities</b>					
Long term borrowings	-	-	-	560,417	560,417
Trade and other financial payables	-	-	-	321,056	321,056
Short term borrowings	-	-	-	1,399,243	1,399,243
	-	-	-	2,280,716	2,280,716

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 1 Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should an external default occur on its obligations. The carrying amount of trade and other receivables, amounts due from related companies and bank balances represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Credit risk with respect to accounts receivable is limited due to the creditworthiness of the Group's customer base. Management regularly monitors the creditworthiness of its customers and believes that it has adequately provided for any exposure to potential credit losses.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all third-party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, when they fall due, which are derived based on the Group's historical information and forward-looking factors.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the counterparty
- Significant changes in the expected performance and behaviour of the counterparty including changes in the payment status of the borrowers in the Group and changes in the operating results of the counterparty

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the counterparty
- A breach of contract, such as default or past due event
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

The Group computes expected credit loss for the Group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward looking factors.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

(Amounts expressed in Sri Lankan Rs. '000)

#### 47 FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (Contd.)

Category	Definition of category	Basis for recognition of expected credit loss provision (ECL)
Grade I	Customers have a low risk of default and have a strong capacity to meet contractual cashflows.	12-month ECL
Grade II	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Impairment provision/write off

##### Trade receivables

The Group provides for expected credit losses for trade receivables using a provision matrix. The provision rates are determined based on Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region.

##### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular region

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

##### Exposure to credit risk

As the Group do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.'

##### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and other financial receivable at the end of the reporting period is as follows:

As at 31st March	2024	2024	2023	2023
		% of total		% of total
Investment Holding/Portfolio and Asset Management	25,130	0%	47,768	0%
Oil Palm Plantations	3,583,889	27%	2,668,927	25%
Oils & Fats	5,095,915	39%	6,435,738	62%
Beverage	4,229,377	32%	1,298,054	12%
Real Estate	94,571	1%	77,361	1%
Leisure	107,244	1%	35,901	0%
Management Services	431	0%	-	0%
	13,136,557	100%	10,563,749	100%

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

The credit risk for the trade and other receivable at the end of the reporting period by geographical segment is as follows:

As at 31st March	2024	2024 % of total	2023	2023 % of total
Sri Lanka	4,446,519	34%	1,459,983	14%
Malaysia	5,096,001	39%	6,439,876	61%
Indonesia	3,583,801	27%	2,663,890	25%
Singapore	10,236	0%	-	0%
Mauritius	-	0%	-	0%
	13,136,557	100%	10,563,749	100%

The ageing of trade receivables at the reporting date are as follows:

	2024	2023
0 - 30 days	1,942,075	828,202
30 - 365 days	9,290,255	7,698,192
More than 365 days	69,280	67,304
Gross carrying value	11,301,610	8,593,698
Allowance for expected credit losses	(133,033)	(142,715)
Total	11,168,577	8,450,983

### Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with credit worthy debtors with good payment record with the Group. Cash at bank and short-term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings with no history of default.

### Fair value through profit or loss financial assets - investment in unit trusts

Name of the fund	Fund category	Fund's investment instruments
CT CLSA Money Market Fund	Money market fund	Fixed income securities within the maturity period less than 365 days to provide short term returns

The Group continuously monitors the performance, asset allocation, credit quality and maturity profiles of these funds in order to assess and mitigate the credit risk.

(Amounts expressed in Sri Lankan Rs. '000)

## 2 Liquidity Risk

Both at Company and Group level short term liquidity constraints are indicated by the current ratio etc. However, such indications have not affected the day to day activities of the Company or the Group due to prudent operational discipline and mitigating circumstances that are expected to manifest with the economic and operational recovery. The Group actively manage its operating and financing cash flows to ensure all refinancing, repayment and investment needs are satisfied. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain unutilised banking facilities of a reasonable level compared to its overall debt.

The Group raises committed funding from both capital markets and financial institutions and prudently balance its debt maturity profile with a mix of short and longer term funding to achieve overall cost effectiveness. In the event of acute liability restrictions Group has resorted to liquidating non-strategic, least yielding investments and fixed assets in the past to meet urgent current liabilities which cannot be re-scheduled. Liquidity restrictions of subsidiary levels will and can affect their dividend payment policies which in turn will affect the cashflows of the parent entity.

At Company level, such cascading events and possible need for equity capital infusions will impact the liquidity of the parent Company. Restricted capital expenditure, internalized cost management, disposal of non-strategic investments and revising own dividend payment policies would be the mitigating steps taken at the parent company level.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the segment treasury. The Treasury invests surplus cash in interest bearing savings/call accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above mentioned forecasts.

As at 31st March	Group		Company	
	2024	2023	2024	2023
Total cash and bank balances	41,495,095	41,635,314	514,240	215,468
Less: Fixed deposits pledged for bank facilities	(1,630,788)	(594,413)	-	-
Less: Other deposits with more than 3 months maturity	(20,634,079)	(27,569,962)	-	-
Less: Bank overdrafts and short term loans	(20,547,927)	(27,342,251)	(1,968,046)	(1,624,243)
Cash and cash equivalents	(1,317,699)	(13,871,312)	(1,453,806)	(1,408,775)
Net cash flows generated from operating activities	33,553,915	52,519,931	1,394,665	512,140
Net cash flows used in investing activities	(19,036,905)	(17,288,585)	(841,865)	(88,583)
Net cash flows generated from financing activities	(7,504,224)	(24,953,180)	(633,127)	(517,356)
Net cash movement	7,012,786	10,278,166	(80,327)	(93,799)
Major application of funds as follows:				
Payments for property, plant & equipment/investment property	(14,929,543)	(15,276,665)		
Payments for bearer plant development costs	(1,558,582)	(810,186)		

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

Group	One year or less	One to five years	Over five years	Total
<b>2024</b>				
<b>Financial assets</b>				
Investment in equity securities - Non current	-	-	10,877,712	10,877,712
Investment in equity securities - current	8,934,181	-	-	8,934,181
Trade and other financial receivables	13,136,557	4,920,860	-	18,057,417
Derivative financial instruments	8,194	-	-	8,194
Cash and cash equivalents	41,495,095	-	-	41,495,095
Total undiscounted financial assets	63,574,027	4,920,860	10,877,712	79,372,599
<b>Financial liabilities</b>				
Trade and other financial payables	29,000,286	87,399	-	29,087,685
Loans and borrowings	27,410,843	30,017,821	29,020,223	86,448,887
Lease liabilities	371,704	457,857	-	829,561
Derivative financial instruments	-	-	-	-
Total undiscounted financial liabilities	56,782,833	30,563,077	29,020,223	116,366,133
Total net undiscounted financial liabilities	6,791,194	(25,642,217)	(18,142,511)	(36,993,534)
<b>2023</b>				
<b>Financial assets</b>				
Investment in equity securities - Non current	-	-	11,458,658	11,458,658
Investment in equity securities - current	8,245,177	-	-	8,245,177
Trade and other financial receivables	10,563,749	4,084,317	-	14,648,066
Derivative financial instruments	33,044	-	-	33,044
Cash and cash equivalents	41,635,314	-	-	41,635,314
Total undiscounted financial assets	60,477,284	4,084,317	11,458,658	76,026,259
<b>Financial liabilities</b>				
Trade and other financial payables	28,115,862	104,479	-	28,220,341
Loans and borrowings	35,061,209	63,617,137	31,133	98,709,479
Lease liabilities	639,586	654,022	-	1,293,608
Derivative financial instruments	-	2,077,195	-	2,077,195
Total undiscounted financial liabilities	63,816,657	66,452,833	31,133	130,300,623
Total net undiscounted financial liabilities	(3,339,373)	(62,368,516)	11,427,525	(54,280,364)

(Amounts expressed in Sri Lankan Rs. '000)

Company	One year or less	One to five years	Over five years	Total
<b>2024</b>				
<b>Financial assets</b>				
Investment in equity securities - Non current	-	-	8,904,397	8,904,397
Investment in equity securities - current	119,332	-	-	119,332
Trade and other financial receivables	251,715	-	-	251,715
Cash and cash equivalents	514,240	-	-	514,240
Total undiscounted financial assets	885,287	-	8,904,397	9,789,684
<b>Financial liabilities</b>				
Trade and other financial payables	323,706	-	-	323,706
Loans and borrowings	1,968,046	141,668	-	2,109,714
Total undiscounted financial liabilities	2,291,752	141,668	-	2,433,420
Total net undiscounted financial Assets/( liabilities)	(1,406,465)	(141,668)	8,904,397	7,356,264
<b>2023</b>				
<b>Financial assets</b>				
Investment in equity securities - Non current	-	-	6,898,101	6,898,101
Investment in equity securities - current	110,077	-	-	110,077
Trade and other financial receivables	275,660	-	-	275,660
Cash and cash equivalents	215,468	-	-	215,468
Total undiscounted financial assets	601,205	-	6,898,101	7,499,306
<b>Financial liabilities</b>				
Trade and other financial payables	321,056	-	-	321,056
Loans and borrowings	1,624,243	335,417	-	1,959,660
Total undiscounted financial liabilities	1,945,299	335,417	-	2,280,716
Total net undiscounted financial Assets/( liabilities)	(1,344,094)	(335,417)	6,898,101	5,218,590
<p>The table below shows the contractual expiry by maturity of the Group's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called in.</p>				
Group			2024	2023
<b>Financial guarantees</b>				
One year or less			6,405,381	13,649,262
One to five years			3,262,778	64,628,797
Over five years			63,162,403	-
			72,830,562	78,278,059

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 47 FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (CONTD.)

#### 3 Market Risk

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

#### (a) Commodity price risk (GAHL Group)

The Group's primary exposure to commodity price risk arises from the sale of Oil Palm based products and purchase of raw materials. These commodities are subject to volatility in prices, due to a number of varying market forces and factors.

The Group manages the price risk, due to the impact of such price volatility on its cash flows, by hedging its sales by entering into forward physical sales contract or by hedging its sales through CPO (Crude Palm Oil) swaps and options where required.

As at 31st March 2024 had the prices of CPO and PK (Palm Kernal) been 5 % higher/lower with all other variables held constant, profit before tax would have increased/decreased by US\$ 20,635,000 (2023 : US\$ 23,968,000).

CPO, PK and PKO are also key raw materials in our edible oils and fats business segment. These are as stated above freely-traded market commodities and are subject to varying market forces that determine its prices.

In the edible oils and fats business segment, the GAHL Group manages the impact of such price volatility on its cash flows, by hedging its purchases either by entering into forward purchase contract or through a back-to-back purchase arrangement for the respective sales or taking hedging positions in Bursa Malaysia Derivatives ("BMD").

#### (b) Equity price risk (Guardian (CGIT) Group)

The CGIT Group operate as an investment house, where the principle activity of each of the companies within the Group being to act as specialized investment vehicle to undertake, among others; listed and private equity investments, the CGIT Group is categorically exposed to equity price risk. Having a substantial portion of 54% (2023 : 60%) of its investment portfolio designated as listed investments in the Colombo Stock Exchange and private equity investments, market volatilities bring in substantial volatility to the CGIT Groups earnings and value of its asset base at the reporting date.

#### Management of market price risk

##### Listed equity

Management of the CGIT Group monitors the its investment portfolio based on market indices, where decisions concerned with the timing of buy/sell decisions are well supported with structured in-house research recommendations. Transactions of a major magnitude within the portfolio are subject to review and approval by the Investment Committee.

##### Private equity investments

Due evaluations are carried out prior to investing on financial and operational feasibility of the private equity projects that the CGIT Group ventures into, with a view to ascertain the respective company's investment decision and the risks involved. Continuous monitoring of the operations against the budgets and the industry standards ensure that the projects meet the desired outcome, and thereby the returns. Further, the CGIT Group generally enters into investment agreements with the parties concerned, which carry specific 'exit clauses' to private equity projects - such as 'Initial Public Offering' 'Buy-out' etc.

Movement in equity market prices	Group Carrying Amount		Company Carrying Amount	
	2024	2023	2024	2023
Investments in equity securities	19,811,893	19,703,835	8,922,980	6,914,109
Investment in unit trusts - CT CLSA Equity Fund	-	12,826	-	-
	19,811,893	19,716,661	8,922,980	6,914,109



(Amounts expressed in Sri Lankan Rs. '000)

### Sensitivity Analysis

An increasing / (decreasing) of the equity market prices would have increased / (decreased) the investment as at the end of the periods by the amounts shown below. The analysis assumes that all other variables, remain constant and ignores any impact of further investments or withdrawals.

Movement in equity market prices	Group	
	Increasing	Decreasing
As at 31 March 2024		
- Equity market price (10% movement)	1,726,942	(1,726,942)
As at 31st March 2023		
- Equity market price (10% movement)	1,705,907	(1,705,907)

### Investment in equity securities - Quoted shares at fair value through profit or loss

As at 31st March	Group			
	2024	% of total	2023	% of total
Banks	462,718	5%	413,569	5%
Chemicals & Pharmaceuticals	119	0%	140	0%
Capital goods	2,056,671	23%	1,676,827	20%
Consumer Durables & Apparel	202,797	2%	175,900	2%
Consumer service	352,202	4%	443,654	5%
Diversified financials	2,035,284	23%	1,369,054	17%
Energy	22,183	0%	3,430	0%
Food beverage & Tobacco	1,949,379	22%	1,726,662	21%
Food & Staples Retailing	367,484	4%	470,844	6%
Insurance	874,517	10%	845,062	10%
Materials	57,892	1%	217,917	3%
Retailing	85,718	1%	74,433	1%
Telecommunication	166,132	2%	355,674	4%
Utilities	-	0%	8,423	0%
Foreign equity investment	301,085	3%	463,588	6%
	8,934,181		8,245,177	

### (c) Foreign currency risk (Good Hope Asia Group (GAHL))

The GAHL Group has currency exposures arising from loans and borrowings of Indonesian entities denominated in a currency other than the functional currency, the IDR. The foreign currency in which these loans and borrowings are denominated in USD.

A significant portion of the raw material purchases in the edible oils and fats business segment in Malaysia is also denominated in USD, resulting in a currency exposure against the functional currencies of MYR.

The GAHL Group's currency exposure arising from sales and purchases (excluding above), as well as all other assets, liabilities and operational expenses is limited as these are primarily denominated in the respective functional currencies of GAHL Group entities, primarily IDR and MYR.

The GAHL Group manages the impact of such exchange movements on its cash flows, by hedging its currency exposure through forward booking arrangements on a selective basis. The Group does not have any other foreign currency hedge arrangements as at reporting date.

#### Foreign exchange - Sensitivity analysis

The following Table demonstrates the sensitivity of the Group's profit/loss before taxation to a reasonably possible change in MYR and IDR exchange rate against the USD, with all other variables held constant:

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 47 FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (Contd.)

Increase/(decrease) in profit before tax:	2024	2023
MYR strengthened by 5%	7,948	52,275
MYR weakened by 5%	(7,948)	(52,275)
IDR strengthened by 5%	(386,591)	(50,485)
IDR weakened by 5%	386,591	50,485

#### (d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in the market interest rates arises primarily from the group's debt obligation with floating exchange rates.

The Group will pursue derivative mechanisms such as interest swaps, where necessary, to manage its interest risk arising from the group's sources of finance. The Group does not actively pursue derivative mechanisms at the moment.

#### Sensitivity analysis on interest rate fluctuation

##### (i) Goodhope Asia Group

Interest expense had been capitalised to bearer plants to the extent that the borrowing is used to fund the qualifying assets [bearer plants] until the point of maturity. The remaining interest expenses were charged to the income statement.

At the balance sheet date, if US Dollar interest rate had been 50 basis points higher/lower with all other variables held constant, the Group's profit or loss would have decreased/increased by US\$ 1,070,000 (2023: US\$ 1,379,000).

If one percentage point change in the interest rate would have the following impact on pre tax profit

	Increase by one percentage Rs. '000s	Decrease by one percentage Rs. '000s
(ii) Beverage sector	21,458	(21,458)
(iii) Carson Cumberbatch PLC	15,497	(15,363)

#### Management of interest rate risk

The facility limits given by banks are reviewed annually or whenever required. The market rates/values, trends & movements are reviewed weekly to ascertain the interest rate risk and plan of action. A daily review is made on outstanding balances and interest rates.

At the end of the reporting period the profile of the Group's interest-bearing financial instruments were as follows.

As at 31st March	2024	2023
<b>Financial assets</b>		
Short term deposits	22,264,867	28,164,375
	22,264,867	28,164,375
<b>Financial liabilities</b>		
Loans term borrowings	65,900,960	66,159,905
Lease liabilities	829,561	1,293,608
Short term borrowings	20,547,927	27,342,251
Redeemable Convertible Preference Shares (RCPS)	-	5,207,323
	87,278,448	100,003,087

(Amounts expressed in Sri Lankan Rs. '000)

## 48 CAPITAL MANAGEMENT

Group consist of companies operating in different business sectors spanning across several geographical domains. Due to the different industry/market specific business sensitivities across industries, Group does not promote a "one size fits all" policy in capital management for its subsidiaries.

Individual companies, through their respective Boards of directors determine the capital structure best suited for their business needs subject to regulatory framework, cash-flow capacity potential, availability or otherwise of cheaper external funding, future expansion plans and shareholder sentiments.

While subsidiaries have the flexibility to decide on their optimal capital structure, the group keeps an eye on capital using specific ratios (Eg.gearing ratio, debt to equity ratio). Each sector must report these ratios to their respective Boards and the parent company's Board during quarterly performance reviews. Additionally, every publicly listed company within the group must provide a solvency report that has been internally verified to their Board every quarter, along with interim reports, regardless of whether there is a proposed distribution or not.

### (a) Analysis of Group Net Debt

The Group defines capital as the total equity of the group. The group's objective for managing capital is to deliver competitive, secure and sustainable returns to maximize long term shareholder value. Net debt is current and non current finance debt less cash and cash equivalents. The net debt ratio is the ratio of net debt to total equity. The net debt ratio enables investors to see how significant net debt is relative to equity from shareholders.

As at 31st March	2024	2023
Gross Debt	87,278,448	100,003,087
Cash and Cash Equivalents	(41,495,095)	(41,635,314)
<b>Net Debt</b>	<b>45,783,353</b>	<b>58,367,773</b>
Equity	143,618,731	140,236,892
Net Debt Ratio	32%	42%

### (b) Adjusted net gearing ratio

The adjusted net gearing ratio is calculated by dividing the adjusted net debt by the total equity capital (adjusted debt to equity). Adjusted net debt is calculated by subtracting liquid working capital from net debt, as shown in the table below.

As at 31st March	2024	2023
Total equity	143,618,731	140,236,892
Liquid working capital:		
Inventories (including biological assets)	24,028,606	21,849,006
Trade receivables	11,259,347	8,541,283
Less: Current liabilities (excluding loans and borrowings)	(31,691,066)	(32,884,753)
Total liquid working capital	3,596,887	(2,494,464)
Adjusted net debt	42,186,466	60,862,237
Adjusted net gearing ratio (%)	29%	43%

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 49 COMMITMENTS AND CONTINGENT LIABILITIES

#### (a) Capital commitments

Capital expenditure contracted for as at the date of the reporting period but not recognised in the financial statements amount to Rs 1,808.42 Mn. (2023 - 1,551.21 Mn)

#### (b) Finance commitment

Documentary credits established for foreign purchases of the Group as at 31st March 2024 amounts to Rs. 1,308 Mn (2023 - Rs. 1,657 Mn)

#### (c) Commitments for purchase contracts

The Group has the following committed purchase contracts entered into for the use of the Group. The contractual or underlying amounts of the committed contracts with fixed pricing terms that were outstanding as at period end are as follows:

As at 31st March	Group 2024	Group 2023
<b>Oil Palm plantation and Oil and Fats</b>		
Purchases	3,650,046	8,867,784
Sales	13,156,868	23,634,556
	<b>16,806,914</b>	<b>32,502,340</b>

#### (d) Contingent liabilities

##### (i) Corporate guarantees

(a) The Goodhope Asia Holdings Group has provided a corporate guarantee to a bank for a loan taken under the Plasma programme. Loan value is equivalent to Rs.2,033 Mn (2023 - Rs. 310.45 Mn).

The Goodhope Asia Holdings Ltd (GAHL) has provided the following guarantees at the end of the reporting period:

GAHL has provided corporate guarantees to financial institutions for the financing facilities obtained by its subsidiaries, amounting to Rs. 72.8 Bn or equivalent US\$ 242,414,000 (2023 - Rs. 78.27 Bn or equivalent US\$ 239,280,000). It has undertaken to provide continuing financial support to certain subsidiaries to enable them to meet their liabilities as and when they fall due.

(Amounts expressed in Sri Lankan Rs. '000)

#### **49 COMMITMENTS AND CONTINGENT LIABILITIES (CONTD.)**

**(b)** Contingent liabilities as at 31st March 2024 in Lion Brewery (Ceylon) PLC (LBCPLC) amounts to Rs. 781 Mn (2023 - Rs. 78 Mn), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

##### **(ii) Material litigation**

**(a)** In 2008 the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Ceylon Beverage Holdings PLC (CBH PLC) and its Directors for the recovery of Rs. 48,121,634/29 comprising of Rs.23,062,080/43 being the amount of Excise (Special Provision) Duty (the 'duty') purportedly in arrears during the period 1998 to 2001 and Rs.25,059,553/86 as its penalty. The CBH PLC and the Directors filed a Writ an application in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued to the CBH PLC and obtained a Stay Order in respect of the proceedings of the Fort MC Case. A sum of Rs. 23,062,080/43 being the duty amount in dispute was paid to Sri Lanka Customs by the CBH PLC as required before submitting its appeal. No provision has been made for the payment of penalty amounting to Rs.25,059,553/86.

Subsequently the CA Application was dismissed and the CBH PLC appealed against the Order to the Supreme Court. The Supreme Court also ordered the staying of all further proceedings in the MC Case until final hearing and determination of the Appeal. Supreme Court Judgment was delivered in December 2022 where the CBH PLC Appeal was upheld and Certificate of Excise Duty in default issued by the Director General of Customs and Excise Duty in the Magistrates' Court of Fort was quashed.

The Director General of Excise was directed to consider the representations made by the CBH PLC and make a determination under section 9(2) of the said Act, pursuant to an inquiry which was to be concluded within six months from the date of the judgment. Despite the lapse of six months, inquiry is still pending.

**(b)** An individual after having lost the cases he filed in the District Court and Civil Appellate Court of Negombo claiming declaratory title from court stating that he is the co-owner of 127.5 perches of land that belonged to the Pegasus Hotel of Ceylon PLC, has appealed to the Supreme Court and the case is listed to be heard on the question of leave to proceed. In any case, the claimed land extent falls within the 1,251 perches of land acquired by the Government for the fisheries harbour project and detailed under Note 32 (a) Since the crystallization of the contingent liability is subject to the ruling of the said Supreme Court appeal and the subsequent value determination of the claim by the Government valuer, said contingent liability cannot be quantified.

There were no contingent liabilities other than those disclosed above as at the reporting date.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

### 50 EVENTS AFTER THE REPORTING PERIOD

- (a) Subsequent to the reporting period, no circumstances have arisen which would require adjustments to or disclosures in the financial statements other than disclosed in note 19.

### 51 RELATED PARTY TRANSACTIONS

The Group entities carried out transactions in the ordinary course of its business with the parties who are defined as related parties in Sri Lanka Accounting standard (LKAS - 24 "Related party disclosures", the details of which are reported below.

#### Parent and ultimate controlling party

In the opinion of Directors, Bukit Darah PLC is the ultimate parent and controlling entity of Carson Cumberbatch PLC.

#### Terms and conditions of transactions with related parties

The Group entities carried out transactions in the ordinary course of business with its related entities. The list of Directors at each of the subsidiaries, joint venture have been disclosed in the Group Directorate under the Supplementary Information section of the Annual Report.

Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

#### Non-recurrent related party transactions

There were no non-recurrent related party transactions during the year which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31 March 2024 audited financial statements, which required additional disclosures in the Annual Report under Colombo Stock Exchange Listing Rule 9.14.8 (1) and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

#### Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2024 audited financial Statements, which required additional disclosures in the Annual Report under Colombo Stock Exchange listing Rule 9.14.8 (2) and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

(Amounts expressed in Sri Lankan Rs. '000)

## 51 RELATED PARTY DISCLOSURES (Contd.)

### (a) Recurrent Transaction Details

#### (i) Transaction with Subsidiaries

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Dividend Income received	-	-	1,785,435	1,173,459
Amounts paid for services obtained (Note i)	-	-	32,211	13,539
<b>Carsons Management Services (Private) Limited</b>				
Support service fees (a)	-	-	31,020	12,392
Secretarial fees paid	-	-	576	540
Computer Fees paid	-	-	615	607
	-	-	32,211	13,539

(a) Support service fees and other expenses charged are based on the respective services provided by Carsons Management Services (Private) Limited (CMSL) as per the service agreements signed between the companies on an arm's length basis.

#### (ii) Transaction with Other related entities

Carson Cumberbatch PLC has provided letters of comfort in support of Carsons Management Services (Private) Limited confirming its intention to continue to provide financial and other support and meet liabilities to enable the wholly owned subsidiary to continue as a going concern, for audit purposes.

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

According to Sri Lanka Accounting Standard (LKAS 24) - "Related party disclosures", Key Management Personnel (KMP) are those having authority and responsibility for planning and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) of the entity. Accordingly, the Directors of the Company have been classified as KMP of the Company.

Compensation paid to the key Management Personnel of the Company and the Group comprise as follows:

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Short term employee benefits	4,482,525	4,026,775	50,576	51,435
Post employment benefits	6,051	3,739	-	-
Termination benefits	-	-	-	-
Non-cash benefits	3,240	18,372	-	-
	4,491,816	4,048,886	50,576	51,435

#### (iv) Non Recurrent Transaction with KMP

There were no non recurrent transaction during the current financial period.

## Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

(b) Amounts due from related parties	Group		Company	
	2024	2023	2024	2023
As at 31st March				
<b>(i) Amounts due from Subsidiaries</b>				
Carsons Management Services (Private) Limited	-	-	220,000	250,784
Equity Hotels Ltd	-	-	8,500	22,500
	-	-	228,500	273,284
<b>(ii) Amounts Due from equity accounted investee</b>				
Premium Fats Sdn. Bhd.	90,770	90,300	-	-
	90,770	90,300	-	-

Current amounts due from subsidiaries fully owned by the Group are unsecured, non-interest-bearing and are repayable on demand. These balances are expected to be settled in cash.

### 52 EXCHANGE RATES

The exchange rates applicable during the period were as follows:

For the year ended 31st March	Closing rate for the Balance Sheet		Average rate for the Income Statement	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Malaysian Ringgit	63.63	74.22	68.50	79.94
US Dollar	300.44	327.14	317.92	358.05
Indonesian Rupiah	0.0190	0.0217	0.0207	0.0238

### 53 BOARD OF DIRECTORS RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of Directors is responsible for the preparation and presentation of the financial statements in accordance with Sri Lanka Accounting Standards.

### 54 COMPARATIVE FIGURES

Previous period's figures and phrases have been re-arranged wherever necessary to conform to the current period's presentation.



# Group Real Estate Portfolio

(Amounts expressed in Sri Lankan Rs. '000)

The values of land & buildings owned and leased by companies within the Group and which have been revalued by valuers are indicated below together with the last date of valuation:

As at 31st March 2024

Company	Location	Extent (Hectares)	Land & Building		Date of last Valuation
			Market	Book	
			Value Rs. '000	Value Rs. '000	
Equity One Limited	Colombo 7	0.24	2,056,160	2,056,160	31-Mar-24
Equity One Limited	Colombo 2	0.46	1,229,773	1,229,773	31-Mar-24
Equity Two PLC	Colombo 1	0.07	741,289	741,289	31-Mar-24
Equity Two PLC	Colombo 1	0.15	1,165,743	1,165,743	31-Mar-24
Equity Three (Private) Limited	Colombo 13	0.21	831,567	831,567	31-Mar-24
		1.13	6,024,532	6,024,532	
PT Agro Indomas	Indonesia	26,516	16,860,596	5,085,749	30-Sep-20
PT Agro Bukit	Indonesia	13,966	11,406,691	5,151,986	30-Sep-20
PT Karya Makmur Sejahtera	Indonesia	10,872	6,647,017	2,829,037	30-Sep-20
PT Agro Wana Lastari	Indonesia	15,272	9,280,728	6,870,867	30-Sep-20
PT Rim Capital	Indonesia	3,933	1,968,134	779,900	30-Sep-20
PT Agrajaya Baktitama	Indonesia	7,029	4,339,082	2,613,087	30-Sep-20
PT Nabire baru	Indonesia	11,610	8,265,932	8,037,522	30-Sep-20
PT Batu Mas Sejahtera	Indonesia	2,478	1,595,017	2,336,050	30-Sep-20
PT Sawith Makmur Sejahtera	Indonesia	7,721	4,193,914	1,870,293	30-Sep-20
PT Sumber Hasil Prima	Indonesia	5,038	3,346,421	3,099,153	30-Sep-20
PT Sinar Sawit Andalan	Indonesia	3,281	1,801,474	717,713	30-Sep-20
PT Sariwana Adi Perkasa	Indonesia	5,097	3,317,141	917,867	30-Sep-20
		112,813	73,022,147	40,309,224	
Premium Vegetable Oil Sdn. Bhd.	Malaysia	4.63	3,491,196	1,864,152	06-Apr-23
		4.63	3,491,196	1,864,152	
Ceylon Beverage Holdings PLC	Nuwara-Eliya/ Trincomalee	1.60	815,200	815,200	31-Mar-24
Lion Brewery (Ceylon) PLC	Biyagama	16.09	8,286,313	8,286,313	31-Mar-24
Millers Brewery Limited	Padukka	9.25	2,030,327	2,030,327	31-Mar-24
		26.94	11,131,840	11,131,840	
Pegasus Hotels of Ceylon PLC	Wattala	5.87	2,623,501	2,623,501	31-Mar-24
Equity Hotels Ltd.	Giritale	6.03	327,131	327,131	31-Mar-24
		11.90	2,950,632	2,950,632	
<b>Total value</b>		112,858	96,620,347	62,280,380	

Indonesian Plantation Companies - Book Value reflects Carrying Value as at 31 March 2024 where as independent Market value reflects the value as at the date of last valuation as indicated. The above values are converted to LKR at the closing exchange rate as at 31 March 2024. Land and Building also includes value of Land Rights.

Indonesian plantation Companies - Land Hectareage extent reflects the most updated status as at 31 March 2024 based on the land certifications provided by Indonesian authorities.

# Statement of Profit or Loss - USD

(Amounts expressed in USD)

For the year ended 31st March	Group	
	2024	2023
<b>Continuing operations</b>		
Revenue	871,529,048	922,940,064
Direct operating expenses	(628,567,419)	(663,237,444)
<b>Gross profit</b>	<b>242,961,629</b>	<b>259,702,620</b>
Other income	12,076,060	10,422,190
Administrative expenses	(62,707,492)	(58,983,008)
Distribution expenses	(42,252,554)	(41,057,157)
Other operating expenses	(1,811,018)	(2,179,913)
(Provision)/reversal of impairment of business assets	915,523	(986,535)
Foreign exchange gains/(losses)	192,338	(1,417,148)
<b>Profit from operations</b>	<b>149,374,486</b>	<b>165,501,049</b>
Net finance costs	(39,498,496)	(40,819,969)
Change in fair value of investment properties	1,228,551	1,616,288
Change in fair value of biological assets	592,646	(10,323,877)
Change in fair value of Financial assets - fair value through profit or loss	5,914,655	2,577,855
Share of net results of equity accounted investee	(39,953)	(38,506)
<b>Profit before tax</b>	<b>117,571,889</b>	<b>118,512,840</b>
Current taxation	(41,784,763)	(40,483,061)
Deferred taxation	(5,628,554)	(1,621,804)
	(47,413,317)	(42,104,865)
<b>Profit from continuing operations</b>	<b>70,158,572</b>	<b>76,407,975</b>
<b>Discontinued operations</b>		
Loss from discontinued operations, (net of tax)	-	(1,814,677)
Gain on disposal of joint venture	-	13,967
Gain on disposal of subsidiary	-	6,393,208
<b>Net impact from discontinued operations, (net of tax)</b>	<b>-</b>	<b>4,592,498</b>
<b>Profit for the year</b>	<b>70,158,572</b>	<b>81,000,473</b>
Exchange rate (1 USD : LKR)	317.92	358.05

# Statement of Financial Position - USD

(Amounts expressed in USD)

As at 31st March	2024	Group 2023
<b>ASSETS</b>		
<b>Non - Current Assets</b>		
Property, plant & equipment	328,682,130	306,892,248
Bearer Plants	139,152,000	150,209,635
Investment properties	20,327,187	17,331,629
Intangible assets	36,918,776	37,675,717
Investments in equity accounted investee	2,507,000	2,687,003
Investment in equity and debt securities	36,205,941	35,026,774
Deferred tax assets	12,075,376	16,376,750
Other financial receivables	16,378,844	12,484,921
Other non financial receivables	45,662,505	48,106,312
<b>Total non - current assets</b>	<b>637,909,759</b>	<b>626,790,989</b>
<b>Current Assets</b>		
Inventories	67,501,348	54,299,055
Trade receivables	37,476,192	26,108,953
Other financial receivables	6,248,203	6,182,264
Other non financial receivables	24,724,211	34,658,027
Investment in equity and debt securities	32,113,773	26,925,209
Investment in Unit trusts	1,300,642	740,273
Derivative financial instruments	27,273	101,009
Biological assets	12,476,704	12,488,882
Cash and cash equivalents	138,114,416	127,270,630
<b>Total current assets</b>	<b>319,982,762</b>	<b>288,774,302</b>
<b>Total assets</b>	<b>957,892,521</b>	<b>915,565,291</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Stated capital	10,103,695	10,103,695
Capital reserves	19,743,523	11,335,077
Revenue reserves	209,237,221	188,098,072
<b>Equity attributable to owners of the Company</b>	<b>239,084,439</b>	<b>209,536,844</b>
Non-controlling interest	238,943,559	219,138,623
<b>Total equity</b>	<b>478,027,998</b>	<b>428,675,467</b>
<b>LIABILITIES</b>		
<b>Non - Current Liabilities</b>		
Loans and borrowings	196,505,272	194,559,730
Lease liabilities	1,523,955	1,999,211
Other financial payables	290,903	319,371
Other non financial liabilities	1,352,207	922,865
Employee Benefits	12,319,338	12,047,600
Derivative financial instruments	-	6,349,560
Deferred tax liabilities	53,675,849	48,390,921
<b>Total non - current liabilities</b>	<b>265,667,524</b>	<b>264,589,258</b>
<b>Current Liabilities</b>		
Trade payables	25,354,635	18,055,420
Other financial payables	71,171,412	67,889,012
Other non financial payables	16,241,958	12,648,591
Current tax liabilities	8,956,131	14,577,523
Loans and borrowings	91,235,664	107,174,937
Lease liabilities	1,237,199	1,955,083
<b>Total current liabilities</b>	<b>214,197,999</b>	<b>222,300,566</b>
<b>Total liabilities</b>	<b>479,864,523</b>	<b>486,889,824</b>
<b>Total equity and liabilities</b>	<b>957,892,521</b>	<b>915,565,291</b>
Exchange rate (1 USD : LKR)	300.44	327.14

# Glossary

## A

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### **ACTUARIAL GAINS AND LOSSES**

Gain or loss arising from the difference between estimates and actual experience in a company's pension plan.

### **AVAILABLE FOR SALE FINANCIAL ASSETS**

Non derivative financial asset that are designated as available for sale or any other instruments that are not classified as loans and receivable, held to maturity investment or financial assets at fair value through profit and loss.

### **ASSETS HELD FOR SALE**

The carrying amount of the asset value which will be recovered through a sale transaction rather than through continuing use.

### **AWDR**

The Average Weighted Deposit Rate is calculated by the Central Bank monthly and half yearly based on the weighted average of all outstanding interest bearing deposits of commercial banks and the corresponding interest rates.

### **AWPLR**

The Average Weighted Prime Lending Rate is calculated by the Central Bank weekly, monthly and half yearly based on commercial bank's lending rates offered to their prime customers.

### **AMORTISATION**

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

## B

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### **BIOLOGICAL ASSET**

A living plant or animal used in the business.

## C

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### **CAPITAL EXPENDITURE**

The total of additions to property, plant & equipment, Biological assets, intangible assets, prepaid lease payments for lands and investment property.

### **CARRYING AMOUNT**

The amount at which an asset is recognised in the statement of Financial Position.

### **CREDIT RISK**

Risk that the counterparty to a transaction fails to meet its contractual obligations in accordance to the agreed terms and conditions.

### **CASH & CASH EQUIVALENTS**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **CONTINGENT LIABILITIES**

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

### **CURRENT RATIO**

Current Assets over Current Liabilities. A measure of liquidity.

### **CAPITAL EMPLOYED**

Shareholders' funds plus non-controlling interests and long term and short term borrowings.

### **CURRENCY SWAP**

An agreement between two parties to exchange two currencies at a certain exchange rate at a certain time in the future.

### **CURRENT SERVICE COST**

Is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

## D

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### **DEBENTURE**

A long-term debt instrument issued by a corporate.

### **DERIVATIVES**

Financial contracts whose values are derived from the values of underlying assets.

### **DIVIDENDS**

Distribution of profits to ordinary shareholders of equity investments.

### **DIVIDEND COVER**

Profit after tax divided by gross dividends. This ratio measures the number of times dividend is covered by the current year's distributable profits.

**DIVIDEND YIELD**

Dividend earned per share as a percentage of its market value.

**DIVIDENDS PER SHARE (DPS)**

Dividends paid and proposed, divided by the number of issued shares.

**DEBT/EQUITY RATIO**

Debt as a percentage of Shareholders Funds.

**DIVIDEND PAYOUT RATIO**

Dividend paid as a percentage of profits attributed to equity holders.

**E****EBIT**

Earnings before Interest and tax expenses.

**EBITDA**

Earnings before interest, tax, depreciation and amortization.

**EFFECTIVE RATE OF INTEREST**

Total long-term and short-term interest divided by average long-term and short-term liabilities at the beginning and end of the year.

**EFFECTIVE TAX RATE**

Income tax expense divided by profit before tax.

**EMISSIONS**

The release of greenhouse gases and/ or their precursors into the atmosphere over a specified area and period of time.

**EQUITY INSTRUMENTS**

A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

**ENTERPRISE VALUE (EV)**

The total sum value of market capitalization, equity attributable to non- controlling shareholders and net debt.

**EARNINGS PER SHARE (EPS)**

Profit attributable to ordinary shareholders, divided by the number of ordinary shares in issue.

**F****FAIR VALUE**

Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

**FAIR VALUE THROUGH PROFIT AND LOSS**

A financial asset/liability acquired/ incurred principally for the purpose of selling or repurchasing it in the near term.

**FORWARD EXCHANGE CONTRACT**

Agreement between two parties to exchange one currency for another at a future date at a rate agreed upon today.

**FINANCIAL ASSET**

Any asset that is cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity.

**FINANCIAL INSTRUMENT**

Any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity.

**FINANCIAL LIABILITY**

Any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

**FINANCE LEASE**

A contract whereby a lessor conveys to the lessee the right to use an asset for rent over an agreed period of time which is sufficient to amortise the capital outlay of the lessor. The lessor retains ownership of the asset but transfers substantially all the risks and rewards of ownership to the lessee.

**G****GROSS DIVIDENDS**

The portion of profit inclusive of tax withheld distributed to shareholders.

**GROUP**

A group is a parent and all its subsidiaries, associates and joint ventures.

**GAIN ON BARGAIN PURCHASE**

The amount of the identifiable assets acquired and liabilities assumed exceeds the aggregate consideration transferred.

**GEARING**

Proportion of total interest bearing borrowings to capital employed.

## Glossary

### GOODWILL ON CONSOLIDATION

The excess of the cost of acquisition over the fair value of the share of net assets acquired when purchasing an interest in a company.

### GUARANTEES

A contractual obligation made by a third party (Guarantor), who is not a party to a contract between two others, that the guarantor will be liable if the guarantee fails to fulfill the contractual obligations under that said contract.

## H

### HELD-TO-MATURITY

A financial asset with fixed and determinable payments and fixed maturity, other than loan and receivables, for which there is a positive intention and ability to hold to maturity.

## I

### IMPAIRMENT

This occurs when recoverable amount of an asset is less than its carrying amount.

### INTEREST COVER

Profit before tax and net finance cost divided by net finance cost. Measure of an entity's debt service ability.

### INTEREST RATE SWAP

An arrangement whereby two parties swap interest rate commitments with each other to reduce interest rate risks on fixed or floating rate loans.

### INTERNAL RATE OF RETURN (IRR)

Rate of return used in capital budgeting to measure and compare the profitability of investments.

### INTANGIBLE ASSET

An identifiable non-monetary asset without physical substance held for use in the production/supply of goods/services or for rental to others or for administrative purposes.

## K

### KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

## L

### LIBOR

The London Inter-Bank Offer Rate is an interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market.

### LIQUIDITY RISK

The risk of an entity having constraints to settle its financial liabilities.

### LOANS AND RECEIVABLES

A financial asset with fixed and determinable payments that are not quoted in an active market and do not qualify as trading assets.

### LIQUID ASSETS

Assets that are held in cash or in a form that can be converted to cash readily, such as deposits with other banks, bills of exchange and treasury bills.

## M

### MARKET CAPITALISATION

Number of Shares in issue at the end of the period multiplied by the Market price at end of period

### MARKET RISK

Possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices.

## N

### NON-CONTROLLING INTEREST (NCI)

Equity in subsidiary not attributable, directly or indirectly, to a parent.

### NET ASSET VALUE PER SHARE

Shareholders' funds divided by the number of ordinary shares in issue.

## O

### OTHER COMPREHENSIVE INCOME

An entry that is generally found in the shareholders' equity section of the balance sheet.

## P

### PRICE EARNINGS RATIO (P/E RATIO)

Market price of an ordinary share divided by earnings per share (EPS).

### PRICE TO BOOK VALUE RATIO (PBV)

Market price per share divided by net assets per share.

**PUBLIC HOLDING**

Percentage of shares held by the public calculated as per the Colombo Stock Exchange Listing Rules as at the date of the Report.

**Q****QUICK ASSET RATIO**

Total current assets less inventories divided by total current liabilities.

**R****RETURN ON AVERAGE ASSETS (ROA)**

Net income expressed as a percentage of average total assets, used along with ROE, as a measure of profit and as a basis of intra-industry performance comparison.

**RETIREMENT BENEFITS**

Present value of a defined benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

**RETURN ON EQUITY**

Profit attributable to equity holders of the company divided by average equity less non-controlling interest at the beginning and end of the year.

**RETURN ON CAPITAL EMPLOYED**

Earnings before interest and tax as percentage of Capital Employed.

**RELATED PARTIES**

Parties where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

**REVALUATION SURPLUS**

Surplus amount due to revaluing assets in accordance with its fair value.

**S****SHAREHOLDERS' FUNDS**

Shareholders' funds consist of stated capital plus capital and revenue reserves.

**SEGMENTS**

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

**T****TOTAL VALUE ADDED**

The difference between revenue (including other income) and expenses, cost of materials and services purchased from external sources.

**TOTAL ASSETS**

Fixed Assets plus Investments plus Non-Current Assets plus Current Assets.

**V****VALUE ADDED**

Value added is the wealth created by providing products and services less the cost of providing such services. The value added is allocated among the employees, the providers of capital, to government by way of taxes and retained for expansion and growth.

**W****WEIGHTED AVERAGE COST OF CAPITAL (WACC)**

The rate that a company is expected to pay on average to all its equity and debt holders.

**WORKING CAPITAL**

Capital required to finance day- to-day operations, computed as the excess of current assets over current liabilities.

# Notice of Meeting

NOTICE IS HEREBY GIVEN that the 111th Annual General Meeting of Carson Cumberbatch PLC will be held on Friday, the 09th day of August 2024 at 9.00 a.m. at the Auditorium, the Institute of Chartered Accountants of Sri Lanka, Ground Floor, 30A, Malalasekera Mawatha, Colombo 07, Sri Lanka for the following purposes:

1. To consider the Annual Report of the Board of Directors including the financial statements of the Company for the financial year ended 31st March 2024 together with the Report of the Auditors thereon.
2. To re-elect Mr. M. M. Murugappan who retires by rotation in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.
3. To re-elect Mr. Y. H. Ong who retires by rotation in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.
4. To re-appoint Mr. Tilak de Zoysa as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution:

“IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. Tilak de Zoysa who is 77 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”

5. To re-appoint Mr. Manoharan Selvanathan as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution:

“IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. Manoharan Selvanathan who is 77 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”

6. To re-appoint Mr. Hariharan Selvanathan as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution:

“IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. Hariharan Selvanathan who is 75 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”

7. To re-appoint Mr. Don Chandima Rajakaruna Gunawardena as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution:

“IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. Don Chandima Rajakaruna Gunawardena who is 73 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”

8. To re-appoint Mr. Wadugamudalige Marius Ravindra Srilal Dias as a Director of the Company who is Seventy years of age and to consider and if deemed fit to pass the following resolution:

“IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. Wadugamudalige Marius Ravindra Srilal Dias who is 70 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”

9. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154(1) of the Companies Act No. 07 of 2007 and to authorize the Directors to determine their remuneration.
10. To amend the Articles of Association of the Company and to consider and if deemed fit to pass the following Resolutions as Special Resolutions;

## Special Resolution (1)

“That the first paragraph of Article 4(1) to be amended by deleting the word “Special” and replacing the same with the word “Ordinary” in line 4 thereof. The amended Article would read as follows:

“4 (1) Subject to the provisions of the Act, paragraphs (2) and (3) of this Article and in accordance with the provisions of the rules and regulations of the Colombo Stock Exchange in force for the time being and from time to time, the Shares of the Company shall be issued with the approval of the Shareholders by Ordinary Resolution as shall have been recommended by the Board. The Shares may be divided into several classes and there may be attached any preferential, deferred or other special rights, privileges, conditions or restrictions whether with regard to distributions, voting, return of capital or otherwise. The Company may also issue”:-



**Special Resolution (2)**

- (i) "That Article 16(1) to be amended by inserting the words and numbers "and 60" in between the words and numbers "56" and "of" in line two thereof and by deleting the sentence "Subject to paragraph (2) of this Article, every dividend must be authorized by the Board and approved by an Ordinary Resolution of the Shareholders" appearing in lines two to four thereof. The amended Article 16(1) would read as follows;

"16(1) The Company may make distributions to Shareholders in accordance with section 56 and 60 of the Act. The Board must be satisfied that the Company will immediately after the distribution, satisfy the solvency test. The Directors who vote in favour of the distribution must sign a certificate of their opinion to that effect."

- (ii) "That Article 16(2) to be amended by deleting the words "an interim dividend" and replacing the same with the words "interim and final dividends", appearing between the words "of" and "to" in line 1 thereof and by deleting the rest of the words commencing from "notwithstanding" in line 4 thereof. The amended Article would read as follows;

"16(2) The Board may from time to time approve the payment of interim and final dividends to Shareholders, where that appears to be justified by the Company's profits, without the need for approval by an Ordinary Resolution of the Shareholders."

The side note to Article 16(2) to be deleted and replaced with "interim and final dividends".

**Special Resolution (3)**

"That Article 17 to be amended by inserting the words within brackets

"(which shall include a particular class of shares in the Company)," between the words "Shares" and "from" in line 1 thereof and inserting the words "without the need for approval of Shareholders" in between the words "Board" and "and" in line 3 thereof. The amended Article would read as follows;

"17. The Company may agree to purchase or otherwise acquire its own Shares (which shall include a particular class of shares in the Company), from one or more of the Shareholders or from all of the Shareholders with the approval of the Board without the need for approval of the Shareholders and in accordance with the provisions of the Act".

**Special Resolution (4)**

"That Article 47(2) to be amended by adding the phrase "or any other method of expression as may be used in the context of and allowed by the electronic platform and/or application used by the Company to conduct such meeting" at the end of it to make provision for method of voting at virtual meetings. The amended Article 47(2) would read as follows;

"47(2) In the case of a meeting of Shareholders held under paragraph (b) of Article 43, unless a poll is demanded, voting at the meeting shall be by Shareholders signifying individually their assent or dissent by voice or any other method of expression as may be used in the context of and allowed by the electronic platform and/or application used by the Company to conduct such meeting."

**Special Resolution (5)**

"That Article 47(4) to be amended by insertion of a new item "(i) the chairman of the meeting; or" and

renumbering the balance items as (ii) and (iii). The renumbered Article 47(4) (ii) to be amended by insertion of the words within brackets "(present in person or by proxy)" in between the words "Shareholders" and "having".

The amended Article would read as follows;

"47(4) At a meeting of Shareholders, a poll may be demanded by:

- (i) the chairman of the meeting; or
- (ii) not less than five (05) Shareholders (present in person or by proxy) having the right to vote at that meeting; or
- (iii) by a Shareholder or Shareholders representing not less than one-tenth (1/10th) of the total voting rights of all the Shareholders having the right to vote at the meeting."

**Special Resolution (6)**

"That Article 74 to be amended by inserting the phrase "subject to being recommended by the Board" in between the words "re-election" and "and" in line 1 thereof. The amended Article would read as follows;

"74. Every retiring Director shall be eligible for re-election subject to being recommended by the Board and shall act as a Director throughout the meeting at which he retires".

**Special Resolution (7)**

"That Article 81(1) be amended as follows;

- Article 81(1) to be deleted in its entirety and replaced with the following Article;

"81 (1) Alternate directors shall only be appointed in exceptional circumstances as determined by the Board. Any Director who wishes to appoint one of his co-directors

## Notice of Meeting

or any other person as an alternate director to act in his place shall obtain the prior approval of the Board and appoint such alternate director by notice in Writing left at the Office. The provisions contained in the following sub- Articles shall apply to any such alternate director”.

- First paragraph of Article 81(5) to be deleted in its entirety and be replaced with the following new Article;

“81(5) An alternate director shall be appointed for a maximum period of one (01) year unless provided otherwise in the Listing Rules of the Colombo Stock Exchange, but he shall ipso facto cease to be an alternate director in any one of the following events prior to completion of his term:-”

- That the following sub-articles will be introduced immediately after Article 81(7);

“81(8) If an alternate director is appointed for a Non-Executive Director such alternate should not be an executive of the Company.

81(9) If an alternate director is appointed by an Independent Director, the person so appointed should meet the criteria for independence specified in any applicable rules of the Company including the Listing Rules of the Colombo Stock Exchange and shall satisfy the requirements relating to the minimum number of Independent Directors specified therein. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.

81(10) The Company shall make an immediate Market Announcement regarding the appointment of an alternate director. Such Market Announcement shall include the following:-

- a) the exceptional circumstances leading to such appointment;
- b) the information on the capacity in which such alternate director is appointed, i.e. whether as an Executive Director, Non-Executive Director or Independent Director;
- c) the time period for which he is appointed, which shall not exceed one (01) year from the date of appointment; and
- d) a statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company.

81(11) The attendance of any alternate director at any meeting, including a board committee meeting shall be counted for the purpose of quorum.

81(12) The words “Executive Director”, “Independent Director”, “Non-Executive Director”, “Market Announcement” and “Nominations and Governance Committee” shall have the meanings and definitions applicable to them in the Listing Rules of the Colombo Stock Exchange.”

### Special Resolution (8)

“That Sub Article (1) (iv) of Article 87(1) to be deleted in its entirety; and the balance sub Articles from (v) to (xii) to be renumbered accordingly as a corresponding amendment to the amendment proposed to Article 4(1) above.”

### Special Resolution (9)

“That the existing Article 91 to be deleted in its entirety and be replaced by the following:

“91. The Board may, from time to time by Resolution, appoint any person or persons as its attorney for such purposes and with such powers, authorities and discretions [not exceeding those vested in or exercisable by the Board under these Articles] and for such periods and subject to such conditions as the Board may from time to time think fit.”

### Special Resolution (10)

“That Article 101 to be amended by the introduction of a new sub Article as follows;

“101(3) Notwithstanding the above, the Board may by Resolution authorize any contract or other enforceable obligation executed in terms of Section 19 of the Act to be entered into on behalf of the Company in writing, without the Common Seal being affixed thereon, and signed under the name of the Company by:

- (i) any two Directors of the Company;
- (ii) any one Director signing together with the Company Secretary or any other person or class of persons duly authorized by the Board; or
- (iii) one or more Attorneys appointed by the Company

By Order of the Board

(Sgd.)  
K. D. De Silva (Mrs.)  
Director  
CARSONS MANAGEMENT SERVICES  
(PRIVATE) LIMITED  
Secretaries

Colombo  
16th July 2024

**Notes:**

1. The Annual Report 2023/24 and the Notice convening the Annual General Meeting (AGM) will be made available on the Colombo Stock Exchange website [www.cse.lk](http://www.cse.lk) and on the Group's website [www.carsoncumberbatch.com](http://www.carsoncumberbatch.com)
2. A member is entitled to appoint a proxy to attend and vote instead of him/herself. A proxy need not be a member of the Company. A Form of Proxy accompanies this Notice.
3. The completed Form of Proxy must be submitted to the Company not later than 4.45 p.m. on 7th August 2024,
  - via email to [CARSAGM2024@carcumb.com](mailto:CARSAGM2024@carcumb.com), or
  - via WhatsApp or Viber to mobile no. +94 764 765 463 or +94 767 410 683, or
  - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1
4. A person representing a Corporation is required to carry a certified copy of the resolution authorizing him/her to act as the representative of the Corporation. A representative need not be a member.
5. The transfer books of the Company will remain open.
6. Security Check -

We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance lobby.



# Form of Proxy

\*I/We.....  
of.....  
being \*a Shareholder/Shareholders of **CARSON CUMBERBATCH PLC** hereby appoint .....  
of..... bearing NIC No./ Passport  
No ..... or failing him/her\*,  
Tilak de Zoysa or failing him,  
Hariharan Selvanathan or failing him,  
Manoharan Selvanathan or failing him,  
Don Chandima Rajakaruna Gunawardena or failing him,  
Suresh Kumar Shah or failing him,  
Rajendra Theagarajah or failing him,  
Wadugamudalige Marius Ravindra Srilal Dias or failing him,  
Amitha Saktha Amaratunga or failing him,  
Sharada Selvanathan (Ms.) or failing her,  
Murugappan Muthiah Murugappan or failing him,  
Yew Huat Ong

as \*my/our proxy to attend at the 111th Annual General Meeting of the Company to be held on Friday, the 09th day of August 2024 at 9.00 a.m. at the Auditorium, the Institute of Chartered Accountants of Sri Lanka, Ground Floor, 30A, Malalasekera Mawatha, Colombo 07, Sri Lanka and any adjournment thereof and at every poll which may be taken in consequence thereof.

		For	Against
1.	To re-elect Mr. M. M. Murugappan who retires by rotation in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.		
2.	To re-elect Mr. Y. H. Ong who retires by rotation in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.		
3.	To re-appoint Mr. T. de Zoysa who is over Seventy years of age as a Director of the Company.		
4.	To re-appoint Mr. M. Selvanathan who is over Seventy years of age as a Director of the Company.		
5.	To re-appoint Mr. H. Selvanathan who is over Seventy years of age as a Director of the Company.		
6.	To re-appoint Mr. D. C. R. Gunawardena who is over Seventy years of age as a Director of the Company.		
7.	To re-appoint Mr. W. M. R. S. Dias who is Seventy years of age as a Director of the Company.		
8.	To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act. No. 07 of 2007 and to authorize the Directors to determine their remuneration.		
9.	To pass the following Special Resolutions to amend the Articles of Association of the Company as set out in the Notice.		
	Special Resolution 1		
	Special Resolution 2		
	Special Resolution 3		
	Special Resolution 4		
	Special Resolution 5		
	Special Resolution 6		
	Special Resolution 7		
	Special Resolution 8		
	Special Resolution 9		
	Special Resolution 10		

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

Signature /s

**Note:**

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

## Form of Proxy

### INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy by filling in legibly your full name and address and sign in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.
3. In terms of Article 54 of the Articles of Association of the Company:
  - 1) Any Shareholder entitled to attend and vote at a meeting shall be entitled to appoint another person (whether a shareholder or not) as his proxy to attend and vote instead of him. A proxy so appointed shall have the same right as the Shareholder to vote on a show of hands or on a poll and to speak at the meeting.
  - 2) An instrument appointing a proxy shall be in writing and:
    - (a) in the case of an individual shall be signed by the appointor or by his attorney; and
    - (b) in the case of a corporation shall be either under the common seal, or signed by its attorney, or by an authorized officer on behalf of the corporation.The Company may, but shall not be bound to, require evidence of the authority of any such attorney or officer.  
A proxy need not be a shareholder of the Company.
  - 3) An instrument appointing a proxy or the power of attorney or other authority, if any, must be left or received at the Office or such other place (if any) as is specified for the purpose in the notice convening the meeting not less than forty eight (48) hours before the time appointed for the holding of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used and in default shall not be treated as valid unless the Directors otherwise determine.
4. In terms of Article 50 of the Company  
Where there are joint registered holders of any Share, any one (01) of such persons may vote and be reckoned in a quorum at any meeting either personally or by proxy as if he were solely entitled thereto and if more than one (01) of such joint holders be so present at any meeting, one (01) of such persons so present whose name stands first in the Register in respect of such Share, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Shareholder in whose name any Share stands shall for the purpose of this Article be deemed joint holders thereof.
5. To be valid the completed Form of Proxy should be submitted to the Company not later than 4.45 p.m. on 7th August 2024;
  - via email to [CARSAGM2024@carcumb.com](mailto:CARSAGM2024@carcumb.com), or
  - via WhatsApp or Viber to mobile no. +94 764 765 463 or +94 767 410 683, or
  - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.

Please fill in the following details

Name : .....

Address : .....

Jointly with : .....

Share Folio No. : .....

# Corporate Information

## NAME OF THE COMPANY

Carson Cumberbatch PLC

## COMPANY REGISTRATION NO.

PQ 41

## LEGAL FORM

A Public Quoted Company with limited liability. Incorporated in Sri Lanka in 1913.

## BOARD OF DIRECTORS

Mr. T. de Zoysa (Chairman)  
Mr. H. Selvanathan (Deputy Chairman)  
Mr. M. Selvanathan  
Mr. D.C.R. Gunawardena  
Mr. S.K. Shah  
Mr. R. Theagarajah  
Mr. W.M.R.S. Dias  
Mr. A.S. Amaratunga  
Ms. Sharada Selvanathan  
Mr. M.M. Murugappan  
Mr. Y. H. Ong

## ALTERNATE DIRECTORS

Mr. K. Selvanathan  
(For Mr. M. Selvanathan)  
(Ceased to be an Alternate Director  
w.e.f. 31.12.2023)  
Mr. S. Selvanathan  
(For Mr. D. C. R. Gunawardena)  
(Ceased to be an Alternate Director  
w.e.f. 31.12.2023)

## AUDIT COMMITTEE

Mr. A.S. Amaratunga (Chairman)  
*Non Executive/Independent Director*  
Mr. D.C.R. Gunawardena  
*Non Executive Director*  
Mr. Y.H. Ong  
*Non Executive/Independent Director*

## REMUNERATION COMMITTEE

Mr. T. de Zoysa (Chairman)  
*Non Executive/Independent Director*  
Mr. D.C.R. Gunawardena  
*Non Executive Director*  
Mr. R. Theagarajah  
*Non Executive/Independent Director*  
Mr. W.M.R.S. Dias  
*Non Executive/Independent Director*

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. W.M.R.S. Dias (Chairman)  
*Non Executive/Independent Director*  
Mr. R. Theagarajah  
*Non Executive/Independent Director*  
Mr. D.C.R. Gunawardena  
*Non Executive Director*  
Mr. H. Selvanathan  
*Executive Director/Non-Executive Director  
of CCPLC w.e.f. 06th November 2023*  
Mr. M. Selvanathan  
*Executive Director/Non-Executive Director  
of CCPLC w.e.f. 06th November 2023*  
Mr. S.K. Shah  
*Non-Executive Director*

## NOMINATION COMMITTEE

Mr. T. de Zoysa (Chairman)  
*Non Executive/Independent Director*  
Mr. D.C.R. Gunawardena  
*Non Executive Director*  
Mr. R. Theagarajah  
*Non Executive/Independent Director*  
Mr. W.M.R.S. Dias  
*Non Executive/Independent Director*

## BANKERS

Standard Chartered Bank  
Bank of Ceylon  
Commercial Bank of Ceylon PLC  
Hatton National Bank PLC  
Nations Trust Bank PLC  
Sampath Bank PLC  
Peoples' Bank  
State Bank of India

## AUDITORS

Messrs KPMG, Chartered Accountants  
No. 32A,  
Sir Mohamed Macan Markar Mawatha,  
Colombo 3  
Sri Lanka

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## PARENT COMPANY

Bukit Darah PLC

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