

# ANNUAL REPORT

## 2022-23

SELINSING PLC



**Goodhope**

A CARSON CUMBERBATCH COMPANY

## Financial Calendar

Financial Year End

31<sup>st</sup> March 2023

### ANNOUNCEMENT OF RESULTS

First Quarter ended 30<sup>th</sup> June 2022

05<sup>th</sup> August 2022

Second Quarter ended 30<sup>th</sup> September 2022

08<sup>th</sup> November 2022

Third Quarter ended 31<sup>st</sup> December 2022

08<sup>th</sup> February 2023

Fourth Quarter ended 31<sup>st</sup> March 2023

31<sup>st</sup> May 2023

Notice of 116<sup>th</sup> Annual General Meeting

27<sup>th</sup> June 2023

**116<sup>th</sup> Annual General Meeting**

04<sup>th</sup> August 2023

## Contents

Chairman's Statement	1	Statement of Changes in Equity	35
Management Discussion and Analysis	3	Cash Flow Statement	36
Risk Management	5	Notes to the Financial Statements	37
Profile of the Directors	7	Five Year Summary	62
Statement of Directors' Responsibilities	9	Statement of Value Added	64
Annual Report of the Board of Directors on the Affairs of the Company	10	US\$ Financials	66
Audit Committee Report	22	Information to Shareholders and Investors	71
Related Party Transactions Review Committee Report	25	Glossary of Financial Terms	74
		Notice of Meeting	76
		Notes	78
<b>Financial Reports</b>		Form of Proxy	79
Independent Auditors' Report	28	Corporate Information	IBC
Statement of Profit or Loss	32		
Statement of Comprehensive Income	33		
Statement of Financial Position	34		

# Chairman's Statement

## Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Selinsing PLC for the year ended 31 March 2023 and welcome you to the One Hundred and Sixteenth Annual General Meeting of the Company.

## Financial Performance

The year under review was faced with global economic challenges with most countries facing higher inflation and rising interest rates. Your Company has a minority equity stake in Shalimar Developments Sdn. Bhd (SDSB). The Indonesian plantation, in which your Company has an equity stake via SDSB, has exceeded its prime age, thus posing new challenges in maintaining the property amidst rising operational costs such as fertiliser and harvesting. On a positive note, the Crude Palm Oil (CPO) Prices increased compared to the previous year. However, the export ban implementation in Indonesia to control the domestic palm oil prices somewhat dented the CPO price upside. With the relaxation of export ban in the 2nd quarter, release of excess stock to the market resulted in a steep decline in CPO prices. Indonesia has since controlled the domestic vegetable oil prices via an export quota system and an aggressive export duty levy mechanism thus capping the producers price upside benefit.

The only source of income earned by the Company in the year under review is the interest income from short-term deposits. The interest rates witnessed an increase during the year. Accordingly, your Company recorded a net profit after tax of Rs.12.23 Mn for the year as compared to the profit of Rs. 28.12 Mn recorded in the previous financial year.

## Minimum Public Holding and Decision to De-list

As per Rule 7.14.1 (1) (a) of the Listing Rules of the Colombo Stock Exchange, a Listed Entity on the Main Board having a public holding below the specified requirement in terms of the said rules, must ensure that the public holding of such entity is maintained at a defined public holding percentage of shares in the hands of a minimum number of public shareholders as specified in the said rules.

As previously informed via annual and interim reports, the Company is not in compliance with the minimum public holding requirements for companies listed on the Main Board of the Colombo Stock Exchange (CSE). Due to such non-compliance, the Company was transferred to the 'Watch List' of the CSE in terms of Rule 7.14.2 (b) of the previous Listing Rules of the CSE with effect from 02nd July 2018 and thereafter transferred to the Second Board with effect from 15th November 2019 in accordance with the amended the Listing Rules of the CSE.

In this regard, we wish to highlight that the objective of the voluntary offer made to all shareholders in 2011 was to acquire the entire minority shareholding. The offer document dated 17th March 2011 also mentioned that upon completion of the voluntary offer, the rationale for remaining listed will be evaluated. Since the voluntary offer did not result in the acquisition of the entire minority shareholding, the Company continued to remain listed.

The CSE via letter dated 22nd February 2022 informed the Company that the CSE in consultation with the SEC, is contemplating to carry out enforcement actions for non-compliance with the Listing Rules relating to minimum public holding requirement.

## Chairman's Statement

The company was requested to submit an Action Plan for adoption to be compliant with this requirement by 15th March 2022. The company via letter dated 13th June 2022 communicated to CSE that it is conducting preliminary discussions with Goodhope Asia Holdings Limited (GAHL) being the majority shareholder, for the purchase of shares from shareholders of the company, who may wish to divest their shares. GAHL communicated to the Company an exit offer to acquire the shares of the minority shareholders who may wish to divest their shares. Accordingly, the Board of Directors of the Company decided on the 17th of May 2023 to accept the exit offer made by GAHL in order to acquire the minority shares and to facilitate the proposed de-listing of the ordinary shares of the Company from the official list of the Colombo Stock Exchange.

An Extraordinary General Meeting was held on 19th June 2023 and the delisting resolution was approved with more than 75% of the shareholders present at the said meeting. The Company has forwarded an application to the Securities and Exchange Commission of Sri Lanka [SEC] as per Rule 5(1) of the SEC Rules, 2001 on 22nd June 2023 and awaiting for SEC's decision on the said application made by the Company.

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

I am thankful to our management and staff for their hard work and dedication. Last but not least, I would like to thank my fellow Board Members for their support and guidance provided throughout the year, and to the members of the Audit Committee, Remuneration Committee and Related Party Transactions Review Committee for their invaluable efforts.

*(Sgd.)*

**M. Selvanathan**

*Chairman*

23<sup>rd</sup> June 2023

# Management Discussion and Analysis

## Review of Industry and Operational Performance

### Review of Industry and Operational Performance

The equity investment in Shalimar Developments Sdn. Bhd. (SDSB) comprises the sole business operation of the company. SDSB's investee company is managed by the group's fully owned management arm in Indonesia. Information pertaining to the operating performance of SDSB's investee company is provided in this Annual Report in section 7 under "Information to Shareholders and Investors" in pages 71 and 73.

The Investment in SDSB is recorded in the financial statements at fair value as determined by an independent professional valuer's on a basis consistent with that of previous years as more fully explained in Note 08 to the Financial Statements.

In the midst of global economic challenges, including high inflation rates and interest rates, the Indonesian Plantation operation has been taking several measures to sustain its operations and preserve its value to its stakeholders. The investee company's plantation has now surpassed its prime age posing fresh challenges in maintaining the property whilst managing operating cost escalations, including that of fertiliser and other key inputs. On a positive note, the Crude Palm Oil (CPO) Prices increased in the first half of the year whilst witnessing a downward price trend in the latter part of the year. The relaxation of the export ban in Quarter two, saw the release of excess stocks to the market which resulted in a sharp decline in CPO prices. Indonesia has since controlled the domestic Vegetable oil prices via an export quota system and an aggressive export duty levy mechanism resulting in thus capping the price benefit to plantations. In the backdrop of these industry and economic challenges,

the company is cautiously preserving its resources to ensure it remains strong and resilient.

The only source of income of the Company is the interest income it earns from short-term deposits in Sri Lanka. The Company did not receive dividends from its equity investments in the year under review. Accordingly, the Company recorded a profit after tax of Rs. 12.23 Mn from operations during the year under review compared to the profit of Rs. 28.12 Mn recorded in the previous financial year.

### Minimum Public Holding and Decision to De-List

As mentioned in the Chairman's Review, the Company is not in compliance with the minimum public holding requirements in relation to a Company Listed on the Main Board as per Rule 7.14.1 (a) of the Listing Rules of Colombo Stock Exchange (CSE). The CSE subsequently issued an amendment on enforcement actions applicable for non-compliance with minimum public holding requirements via their Circular No. 03/2019 dated 03rd October 2019. Accordingly, the Company was transferred to the Second Board with effect from 15th November 2019.

We wish to note that taking into consideration the voluntary offer made to all shareholders in 2011 and as mentioned in the offer document, the need for remaining listed was to be evaluated. Since the voluntary offer did not result in the acquisition of the entire minority shareholding, the Company continued to remain listed.

## **Management Discussion and Analysis**

### **Review of Industry and Operational Performance**

The CSE via letter dated 22nd February 2022 in consultation with the SEC advised that it is contemplating taking enforcement actions for non-compliance with Listing Rules relating to minimum public holding requirement.

The company communicated to the CSE that it is conducting preliminary discussions with Goodhope Asia Holdings Limited (GAHL), the majority shareholder, for the purchase of shares from shareholders of the company, who may wish to divest their shares. Accordingly, GAHL communicated to the Company an exit offer and the Board of Directors of the Company made a decision on the 23rd of May 2023 to accept the exit offer made by GAHL. In this connection an extra ordinary general meeting was held on 19th June 2023 where shareholder approval was obtained.

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

*Managers*

23<sup>rd</sup> June 2023

# Risk Management

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

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

## Continuing Business Segment

The continuing business of the Company consists of the equity investment made in Shalimar Development Sdn. Bhd. (SDSB) and shares held in Shalimar (Malay) PLC. The SDSB's investee Company carries out palm oil plantation operations in Indonesia. The Company's only source of operating income is any potential dividend income it may earn from its long term investments. The performance of the investments (both the investment value and the Dividend Returns) are subject to the following key risks.

### (a) Investment Income Risk

#### I. Commodity Price Risk

The price of Crude Palm Oil (CPO), the main produce of SDSB's investee Company, is determined by international market dynamics of demand and supply. The price of CPO is volatile along with the movements in the global commodities market. The sale of CPO is the prime

source of cash inflow for the SDSB's investee Company. Therefore, any volatility in CPO prices will have a direct impact on its operating results and cash flows and its ability to pay dividends.

#### II. Environmental Risk

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

#### (b) Investment Valuation Risk

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

## **Risk Management**

### **(c) Foreign Exchange Risk**

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

### **(d) Replanting risk**

The plantation is now exceeded its prime age posing new challenges in maintaining the property with cost escalations. At sometime in the future, the plantation will require to obtain renewed land licences and carry out replanting in a managed basis. The decision on replanting will be impacted by multiple variables such as expected CPO prices in the short to medium term, climate and weather conditions, the uncertainty in land renewal at the end of the current cycle and the initial capital expenditure among others.

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

*Managers*

23<sup>rd</sup> June 2023



## Profile of the Directors

### MANOHARAN SELVANATHAN

Manoharan Selvanathan is the Chairman of Sri Krishna Corporation (Private) 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 'PRAVASI BHARATIYA SAMMAN AWARD' by the President of India. He also received the Presidential Honour of 'ORDER OF KNIGHT COMMANDER' in October 2013 awarded by the Government of Chile.

He holds a Bachelor's Degree in Commerce.

### HARIHARAN SELVANATHAN

Hariharan 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 and the Chairman of Express Newspapers (Ceylon) Ltd.

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.

### ISRAEL PAULRAJ

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

He served as the Past Chairman of the Federation of Exporters Associations of Sri Lanka and The Coconut Products Traders Association. He was a member of the Executive Committee of the Ceylon Chamber of Commerce, National Chamber of Commerce of Sri Lanka and Shippers Council. He served on the Board of Arbitrators of the Ceylon Chamber of Commerce. He has also served as the Hony. General Secretary of the Central Council of Social Services, Hony. Treasurer of the Christian Conference in Asia, President of the Church of Ceylon Youth Movement and Hony. Treasurer of the National Christian Council of Sri Lanka. He has also served as the Chairman of the Incorporated Trustees of the Church of Ceylon.

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

## Profile of the Directors

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

### CHANDIMA GUNAWARDENA

He serves as a Non-Independent, Non-Executive Director of most of the Carsons Group Companies in Sri Lanka and overseas. He is also a Director of Bukit Darah PLC. Since assuming Non- Executive status in the Group, he serves as an advisor to the Group's Strategic Planning and Management forums in Sri Lanka and serves on Board Committees, including the Audit Committees of the Group in Sri Lanka and overseas covering all operating sectors of the Group.

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

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

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

### SUBRAMANIAM MAHENDRARAJAH

Subramaniam Mahendrarajah is a Director of Indo-Malay PLC, Selinsing PLC, Shalimar (Malay) PLC, Equity One Limited and

Leechman & Company (Private) Ltd. He is also the Group Finance Director of Sri Krishna Group of Companies. He has over 40 years' experience in the fields of manufacturing, trading, financial services and management. He is also the Past President of the Rotary Club of Colombo Down Town and is the recipient of the prestigious 'Service above Self' award from Rotary International.

### SANJIV ALLES

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

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

# Statement of Directors' Responsibilities

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

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

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

- appropriate accounting policies have been selected and applied consistently while material departures, if any, have been disclosed and explained,
- all applicable Accounting Standards have been complied with,
- the tax liability arising from the Surcharge Tax Act No: 14 of 2022 has been accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka,
- reasonable and prudent judgments and estimates have been made,
- Listing rules of the Colombo Stock Exchange (CSE) have been met and
- Code of best practice on corporate governance issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC) has been adopted.

The Directors are responsible for ensuring that the Company maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company in order to ensure that the Financial Statements of the Company meet with the requirements of the Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995 and the Companies Act No. 07 of 2007. They are also responsible for taking reasonable measures to safeguard the assets of the Company and in this regard, to give proper consideration to the establishment of an appropriate system of internal controls with a view to prevent, detect and rectify frauds and other irregularities.

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

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

By Order of the Board,

(Sgd.)

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

*Director*

**Carsons Management Services (Pvt) Ltd**  
*Secretaries*

Colombo  
23<sup>rd</sup> June 2023

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

The Board of Directors of Selinsing PLC ("the Company") have pleasure in presenting to the Shareholders their Report, together with the Audited Financial Statements for the year ended 31st March 2023.

The details set out herein provide the pertinent information required by the Companies Act No. 07 of 2007, 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 23<sup>rd</sup> June 2023.

## **1. GENERAL**

Selinsing PLC (the "Company") is a public limited liability Company incorporated in Sri Lanka in 1907.

## **2. THE PRINCIPAL ACTIVITY OF THE COMPANY**

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

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

## **3. BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

The Chairman's Statement and Business Review on pages 1 to 4 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, 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 2023 are set out on pages 32 to 61. These financial statements comply with the requirements of Section 151 of the Companies Act No. 07 of 2007.

#### 4.1 Financial results and appropriations

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

For the year ended 31st March	2023	2022
	Rs.'000	Rs.'000
<b>Profit for the year</b>	<b>12,231</b>	28,117
Retained earnings as at the beginning of the year	<b>304,212</b>	330,038
Surcharge tax paid	<b>(1,996)</b>	-
<b>Profit available for Appropriation</b>	<b>314,447</b>	358,155
Dividend Paid	-	(53,943)
<b>Retained earnings as at the end of the year</b>	<b>314,447</b>	304,212

#### 4.2 Significant Accounting Policies

The accounting policies adopted in the preparation of these financial statements are given on pages 37 to 47.

#### 4.3 Investment in Financial Instruments

Investments in financial instruments of the Company represent investments in fair value through OCI financial assets categorised into,

- Fair value hierarchy Level 1 – Quoted Equity Shares
- Fair value hierarchy Level 3 – Unquoted Equity Shares

The details of financial instruments categorised in to levels in the fair value hierarchy are given in note 21 to the financial statements.

#### 4.4 Capital expenditure

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

For the year ended 31st March	2023	2022
	Rs.'000	Rs.'000
Property, Plant & Equipment	-	370

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

### 4.5 Reserves

As at 31st March 2023, the total reserves of the Company stood at Rs. 13,305 Mn (2022 - Rs. 11,192 Mn).

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

### 5. INTERESTS REGISTER

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

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

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

### 5.1 Remuneration of Directors

Directors' remuneration for the financial year ended 31st March 2023 is given in note 19.2 to the Financial Statements on page 57.

### 5.2 Directors' Interest in Contracts and Shares

Directors' interests in contracts of the Company are disclosed in note 19.3 to these financial statements and have been declared at meetings of the Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following

interests in the ordinary shares of the Company as shown in the table below:

Directors	No. of shares	
	31st March 2023	31st March 2022
M. Selvanathan (Chairman)	1	1
H. Selvanathan	-	-
I. Paulraj	-	-
D. C. R. Gunawardena	-	-
S. N. Alles	-	-
S. Mahendrarajah	66	66

### 6. DIRECTORS

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

#### 6.1 Directors to retire by rotation

In terms of Articles 87 and 88 of the Articles of Association of the Company, Mr. S. N. Alles retires by rotation and being eligible offers himself for re-election.

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

Messrs. H Selvanathan, M Selvanathan, I Paulraj and D. C. R Gunawardena – Directors who were over 70 years of age were re-appointed at the Extraordinary General Meeting held on 19th June 2023 as Directors of the Company until the forthcoming Annual General Meeting of the Company, or for a further period of one year commencing from 19th June 2023, whichever comes first.

Accordingly, the Board has recommended that Messrs. H Selvanathan, M Selvanathan, I Paulraj and D. C. R Gunawardena – Directors who are over 70 years of age be reappointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting scheduled for 4th August 2023 and that the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not be applicable to the said Directors.

The Board has also recommended that Mr. S. Mahendrarajah who reached the age of 70 years during the financial year be reappointed as a Director of the Company for a period of one year from the conclusion of the Annual General Meeting (AGM) scheduled for 4th August 2023 and that the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not be applicable to the said Director.

The necessary resolutions to give effect to the above recommendations are set out in the Notice convening the AGM.

## 7. CORPORATE GOVERNANCE

The Board has ensured that the Company has complied with the Corporate Governance Rules as per the Listing Rules of the Colombo Stock Exchange (CSE). The requirement with regard to the minimum public holding is noted in the Chairman's Statement.

### 7.1 Board of Directors

The following Directors held office as at the reporting date and their brief

profiles are given on pages 7 and 8 of the Annual Report.

<b>Directors</b>	<b>Executive/ Non-Executive/ Independent</b>
M. Selvanathan (Chairman)	Executive
H. Selvanathan	Executive
I. Paulraj	Non-Executive
D. C. R. Gunawardena	Non-Executive
S. N. Alles*	Non-Executive/ Independent
Mr. S. Mahendrarajah**	Non-Executive/ Independent

Each of the Non-Executive Directors of the Company have submitted a signed declaration on Independence/Non-Independence as per Rule 7.10.2(b) of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were circulated to the Board of Directors via Circular Resolution dated on 23rd June 2023 in order to enable the Board of Directors to determine the Independence/ Non- Independence of each of the Non- Executive Directors, in terms of Rule 7.10.3(a) of the Listing Rules of the CSE.

According, the Board has determined the following Non- Executive Directors as Independent Directors on the Board.

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

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

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

### 7.2 Directors' Meetings Attendance

As permitted by Article 95(ii) of the Articles of Association of the Company, the Board of Directors had four virtual Board Meetings by means of Microsoft Teams during the financial year.

The attendance of the Directors were as follows;

Directors	Meetings attended (Out of 4)
M. Selvanathan (Chairman)	4/4
H. Selvanathan	4/4
I. Paulraj	4/4
D.C.R. Gunawardena	4/4
S. N. Alles	4/4
Mr. S. Mahendrarajah	4/4

### 7.3 Audit Committee

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

### Composition

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

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

### 7.4 Remuneration Committee

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

### Composition

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



### Scope and Objective

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

The Chief Executive Officer, Director-in-charge and other members of senior management may be invited to attend meetings to discuss the performance of the Executive Directors and make proposals as necessary. Neither Executive nor Non-Executive Directors are involved in Remuneration Committee meetings when determinations are made in relation to the remuneration of the respective Directors.

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

The Remuneration Committee meets at least twice a year.

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

Remuneration Committee Members	Meetings Attended (Out of 02)
Mr. T. de Zoysa (Chairman)	2/2
Mr. D.C.R. Gunawardena	2/2
Mr. R. Theagarajah	2/2
Mr. W. M. R. S. Dias	2/2

### Reporting and Responsibilities

The Committee Chairman reports to the Board on its proceedings on all matters within its duties and responsibilities. The Committee makes recommendations to the Board as deemed appropriate on any area within its limit where action or improvements are needed.

Aggregated remuneration paid to the Non-Executive Directors of the Company are disclosed under note 19.2 on page 57 of the Annual Report. Executive Directors are not compensated for their role on the Board.

## 7.5 Related Party Transactions Review Committee

As permitted by the Colombo Stock Exchange, the Related Party Transactions Review Committee of CCPLC the parent Company of

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

Goodhope Asia Holdings Ltd (GAHL), functions as the Related Party Transactions Review Committee of the Company and comprises of the following members:

### Composition

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

The Related Party Transactions Review Committee Report is given on pages 25 to 26 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 transaction 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 current 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 2023, did not exceed 10% of Equity or 5% of the Total Assets of the Company as at 31st March 2022

The details of the Related Party Transactions are given in Note 19 on page 56 to 57 of the Financial Statements.

### 7.5.1 Non-Recurrent Related Party Transactions

There were no non-recurrent related party transactions for the year ended 31st March 2023 which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31st March 2022 Audited Financial Statements as required by the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

### 7.5.2 Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the revenue of the Company as per 31st March 2022 Audited Financial Statements as required by the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act. The details of the Related Party Transactions are given in Note 19 on page 56 to 57 of the Financial Statements.

## 8. INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

This allows the Board to have total control of the fulfilment 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 5 to 6 in the Annual Report.

## 9. INDEPENDENT AUDITORS

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

A sum of Rs. 253,072/- (2022 - Rs. 243,338/-) was paid to them by the Company as audit fees for the year

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

ended 31st March 2023. Fees paid to Auditors on audit related services are given in note 4 to the financial statements.

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

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

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

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

### **10. INDEPENDENT AUDITORS' REPORT**

The Independent Auditors' Report on the financial statements is given on pages 28 to 31 of the Annual Report.

### **11. HUMAN RESOURCES**

With the disposal of the Malaysian Plantation Property, the Company does not have any employees as at 31st March 2023.

### **12. EQUITABLE TREATMENT TO SHAREHOLDER**

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

### **13. ENVIRONMENT PROTECTION**

The Company is sensitive to the needs of the environment and makes every 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 minimises the detrimental effects on the environment and provides services that have a beneficial effect on the customers and the communities within which the Company operates.

### **14. DIVIDEND**

The Board of Directors have not recommended a final Dividend for the year ended 31st March 2023.

### **15. SOLVENCY TEST**

Since there is no recommendation for a payment of a Dividend for the year ended 31st March 2023, it is not required to prepare a solvency statement in accordance with section 56 of the Companies Act, No. 07 of 2007.

**16. STATED CAPITAL**

The Stated Capital of the Company as at 31st March 2023 was Rs. 69,400,800 consisting of 5,678,247 Ordinary Shares. There was no change in the Stated Capital of the Company during the year.

**17. STATUTORY PAYMENTS**

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

**18. GOING CONCERN**

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

**19. EVENTS AFTER THE REPORTING DATE**

Decision of the Board to delist the Company from the official list of the Colombo Stock Exchange (CSE)

As announced to the Colombo Stock Exchange on 17th May 2023, the Board of Directors decided on 17th May 2023 to delist the shares of the Company from the Official List of the CSE subject to obtaining shareholder and regulatory approvals.

The Company convened an Extraordinary General Meeting on 19th June 2023 to seek the sanction of the shareholders for the above delisting and that the resolution giving effect to delist the shares of the Company from the official list of the CSE was passed by the shareholders as required by Rule 5 (2) (a) of the Securities and Exchange Commission (SEC) Rules 2001. Subsequent to obtaining the shareholder approval, the Company has forwarded an application to the SEC in terms of Rule 5(1) of the SEC Rules, 2001 on 22nd June 2023 and awaiting for SEC's decision on the said application made by the Company.

**20. CONTINGENT LIABILITIES AND CAPITAL COMMITMENT**

There are no contingent liabilities and commitments made on account of capital expenditure as at 31st March 2023 as disclosed in note 15 and 18 to the financial statements respectively.

**21. CORPORATE DONATIONS**

There were no donations made during the year ended 31st March 2023.

**22. OUTSTANDING LITIGATION**

There were no outstanding litigations as at the reporting date.

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

### 23. TWENTY MAJOR SHAREHOLDERS

Name of shareholders	31st March 2023		31st March 2022	
	No. of shares	%	No. of shares	%
Goodhope Asia Holdings Ltd	5,432,943	95.68	5,432,943	95.68
Mr. D.A. Campbell	37,713	0.66	37,713	0.66
Mr. H.V. Cartwright (Decd)	23,328	0.41	23,328	0.41
Executer of the Estate of C. Peters (Decd)	20,605	0.36	20,605	0.36
Mr. F.W. Obeyesekere (Decd)	19,440	0.34	19,440	0.34
Mr. T. Velupillai (Decd)	15,552	0.27	15,552	0.27
Mr. K.C. Vignarajah	14,995	0.26	14,985	0.26
Admin. of the Estate of H.S. Gour (Decd)	9,720	0.17	9,720	0.17
Mr. S.T.S. Chettiar	9,486	0.17	9,486	0.17
Admin. of the Estate of Ramiah (Decd)	7,776	0.14	7,776	0.14
Executer of the Estate of C. Stoddart (Decd)	7,776	0.14	7,776	0.14
Mrs. H.L. Keiller (Decd)	7,776	0.14	7,776	0.14
Miss. M. Mack	7,776	0.14	7,776	0.14
Executer of the Estate of C.S. Nicol (Decd)	6,480	0.11	6,480	0.11
Mrs. S. Vignarajah	4,680	0.08	4,680	0.08
Mr. N.J.P. Hewett	4,042	0.07	4,042	0.07
Mrs. V. Cotton	3,888	0.07	3,888	0.07
Mrs. I.C. Smith (Decd)	3,888	0.07	3,888	0.07
Mr. W.P. Brown	3,447	0.06	3,447	0.06
Mr. P. Whitton.	2,592	0.05	2,592	0.05

### 24. SHARE INFORMATION

The details relating to earnings, net assets, market value per share and information on share trading are given on pages 71 and 72 of this Annual Report.

### 25. ANNUAL REPORT

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

The Board of Directors approved the Financial Statements of the Company together with the Reviews which form part of the Annual Report on 23<sup>rd</sup> June 2023. The appropriate number of copies of the Annual Report will be submitted to the Colombo Stock Exchange, the Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar General of Companies, within applicable time frames.

## **26. ANNUAL GENERAL MEETING**

The 116th Annual General Meeting of the Company will be held on Friday, the 4th day of August 2023, at 1.30 p.m. at the 08th Floor, No. 65C, Dharmapala Mawatha, Colombo 07, Sri Lanka.

The Notice of the Annual General Meeting setting out the business which will be transacted thereat is on pages 76 and 77 of the Annual Report.

Signed on behalf of the Board,

*(Sgd.)*

**H. Selvanathan**

*Director*

*(Sgd.)*

**D. C. R. Gunawardena**

*Director*

*(Sgd.)*

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

*Director*

**Carsons Management Services (Pvt) Ltd**

*Secretaries*

Colombo

23<sup>rd</sup> June 2023

# Audit Committee Report

## AUDIT COMMITTEE

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

The Members of the Audit Committee are as follows:

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

A Non-Executive, Independent Director of CCPLC, is also a Non-Executive, Independent Director of Hemas Holdings PLC, Chairman of Hemas Holdings PLC-Audit Committee, 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.

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

The Company holds and manages an investment portfolio.

## Meetings of the Audit Committee

As allowed by the CCPLC-Audit Committee Charter, CCPLC-Audit Committee held five (5) virtual Meetings during the financial year to discuss matters relating to the Company.

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

Audit Committee Members	Meetings attended
Mr.A.S. Amaratunga (Chairman)	5/5
Mr.D.C.R. Gunawardena	5/5
Mr.Y.H. Ong	5/5

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

The Audit Committee met the External Auditors, Messrs.Ernst & Young twice during the year to discuss the audit plan, scope and outcomes from the review, including Key Audit Matters and to deliberate the draft Financial Report and Accounts at the completion stage of the audit. The Committee also provides the opportunity to the External Auditors 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 Board, as relevant, indicating the important matters discussed and decisions taken in respect of



the Company. In addition, Minutes/extracts of the Minutes of Audit Committee Meetings are circulated to the Board of Directors.

### **Purpose of the Audit Committee**

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

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

### **Financial Statements**

The interim financial statements of Selinsing PLC have been reviewed by the Audit Committee Members. The financial statements of Selinsing PLC for the year ended 31st March 2023 were also reviewed at a Meeting of the Audit Committee Members, together with the External Auditors, Messrs. Ernst & Young, prior to approval by the Board of Directors and release of same to the Regulatory Authorities and to the shareholders.

The Audit Committee Members were provided with confirmations and declarations as required by management that the said financial statements were prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) and the information

required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

### **Internal Audit**

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

### **Performance of the investments held by the Company**

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

### **External Audit**

The External Auditors' Letter of Engagement was reviewed and discussed by the Committee with them and Management prior to the commencement of the audit, and the Committee followed up on the issues raised by the External Auditors.

## **Audit Committee Report**

The Members of the Audit Committee have determined that the independence of Messrs. Ernst & Young, Chartered Accountants has not been impaired by any event or service that gives rise to a conflict of interest. The Committee also reviewed 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 given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The Members of the Audit Committee have concurred to recommend to the Board of Directors the re-appointment of Messrs. Ernst & Young, Chartered Accountants, as Auditors for the financial year ending 31st March 2024, subject to the approval of the shareholders of Selinsing PLC at the Annual General Meeting.

*(Sgd.)*

**A.S. Amaratunga**

*Chairman – Audit Committee*

**Carson Cumberbatch PLC**

23<sup>rd</sup> June 2023

# Related Party Transactions Review Committee Report

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

The Company holds and manages an investment portfolio.

## Composition of the Committee

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	Executive (CCPLC)
Mr.M. Selvanathan	Executive (CCPLC)
Mr.S.K. Shah	Non-Executive (CCPLC)
Mr.R. Theagarajah	Non-Executive, Independent (CCPLC)

## 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 (02 virtual meetings and 02 physical meetings). In addition, the approval of the RPTRC Members were sought via 16 Circular Resolutions during the financial year.

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

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

## 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.

## Related Party Transactions Review Committee Report

- 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 2022 to 31st March 2023 have been reviewed by the Members of the RPTRC and the comments and observations of the Committee have been communicated to the Board of Directors of the Company.

*(Sgd.)*

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

*Chairman*

*Related Party Transactions Review Committee*

**Carson Cumberbatch PLC**

Colombo

23<sup>rd</sup> June 2023

---

## Financial Reports

Independent Auditors' Report	28
Statement of Profit or Loss	32
Statement of Comprehensive Income	33
Statement of Financial Position	34
Statement of Changes in Equity	35
Cash Flow Statement	36
Notes to the Financial Statements	37

---

# Independent Auditors' Report



Ernst & Young  
Chartered Accountants  
201, De Saram Place  
P.O. Box 101  
Colombo 10, Sri Lanka

Tel: +94 11 246 3500  
Fax (Gen): +94 11 269 7369  
Fax (Tax): +94 11 557 8180  
Email: [eysl@lk.ey.com](mailto:eysl@lk.ey.com)  
[ey.com](http://ey.com)

## TO THE SHAREHOLDERS OF SELINSING PLC

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Selinsing PLC ("the Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023 and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards ("SLAuSs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issue by The Institute

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Partners: H M A Jayasinghe FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, W R H De Silva FCA ACMA, Ms. Y A De Silva FCA, Ms. K R M Fernando FCA ACMA, N Y R L Fernando ACA, W K B S P Fernando FCA FCMA, Ms. L K H L Fonseka FCA, D N Gamage ACA ACMA, A P A Gunasekera FCA FCMA, A Herath FCA, D K Hulangamuwa FCA FCMA LLB (London), Ms. G G S Manatunga FCA, A A J R Perera ACA ACMA, Ms. P V K N Sajewani FCA, N M Sulaiman ACA ACMA, B E Wijesuriya FCA FCMA, C A Yalagala ACA ACMA

Principals: W S J De Silva BSc (Hons) MIS MSC-IT, G B Goudan ACA, D L B Karunathilaka ACA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), T P M Ruberu FCMA FCMA

A member firm of Ernst & Young Global Limited

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Valuation of unquoted equity investment at Fair Value through Other Comprehensive Income (FVOCI)</b></p> <p>The Company's financial assets at Fair Value through Other Comprehensive Income (FVOCI) includes an unquoted equity investment in Shalimar Developments Sdn. Bhd (SDSB). In line with Accounting Policy 2.2.3 to the financial statements, such financial asset is measured and carried at fair value. The fair value of such unquoted equity investment as at the reporting date amounts to Rs. 12,527Mn based on the adjusted net asset basis. SDSB's net assets mainly represents the investment value of its investee company, PT Agro Indomas (PTAI) which was determined based on the income approach, using the discounted cash flow method. PTAI's investment value significantly depends on the fair value of its palm oil plantation.</p> <p>We determined the fair valuation of the unquoted equity investment as a key audit matter due to the following:</p> <ul style="list-style-type: none"> <li>• The materiality of the reported balance which represents 93.39% of total assets</li> <li>• The degree of management judgements, assumptions and estimates associated with the valuation of the unquoted equity investment at fair value, such as             <ol style="list-style-type: none"> <li>1. determining appropriate valuation techniques to be used for the valuation of SDSB's unquoted equity shares and PTAI's palm oil plantation and</li> <li>2. use of unobservable inputs such as crude palm oil price ("CPO"), discount rate and yield per hectare in the valuation of PTAI's palm oil plantation, as further disclosed in notes 3 and 8 to the financial statements</li> </ol> </li> </ul>	<p>Our audit procedures included among others:</p> <ul style="list-style-type: none"> <li>• We assessed the competency, capability and objectivity and expertise of the management's external expert engaged for the valuation.</li> <li>• We engaged our internal specialized resources to assist us in evaluating the appropriateness of valuation techniques used by management's external expert and reasonableness of the significant management judgements and assumptions used particularly relating to CPO prices, discount rate and yield per hectare.</li> <li>• We also cross checked other key data used in the fair valuation which included extent of the plantation and mature and immature land extents to company records.</li> <li>• We assessed the adequacy of the disclosures made in Notes 2.2.3, 3 and 8 in the financial statements.</li> </ul>

## Independent Auditors' Report

### Other information included in the Company's 2022/23 Annual Report

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

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

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

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

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

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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



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

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

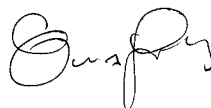
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

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

The Institute of Chartered Accountant of Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2471.



**OF ERNST AND YOUNG**  
*Chartered Accountants*

23<sup>rd</sup> June 2023  
Colombo

## Statement of Profit or Loss

Year ended 31 March		2023	2022
	Notes	Rs. '000	Rs. '000
Dividend Income		-	26,513
Interest Income		<b>17,909</b>	4,036
Other Income	13.1	<b>730</b>	498
Administrative Expenses		<b>(1,829)</b>	(2,019)
<b>Profit before Tax</b>	4	<b>16,810</b>	29,028
Income Tax Expense	5	<b>(4,579)</b>	(911)
<b>Profit for the year</b>		<b>12,231</b>	28,117
<b>Earnings per Share (Rs.)</b>	6	<b>2.15</b>	4.95

The Accounting Policies and Notes from pages 37 to 61 form an integral part of these Financial Statements.

Figures in brackets indicate deductions

# Statement of Comprehensive Income

Year ended 31 March		2023	2022
	Notes	Rs. '000	Rs. '000
<b>Profit for the year</b>		<b>12,231</b>	28,117
<b>Other Comprehensive Income</b>			
<b>Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods;</b>			
Gain on Change in Fair Value of Financial Assets classified under FVOCI	8	2,103,042	3,593,952
<b>Net Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods;</b>		<b>2,103,042</b>	3,593,952
<b>Other Comprehensive Income for the year, Net of Tax</b>		<b>2,103,042</b>	3,593,952
<b>Total Comprehensive Income for the year, Net of Tax</b>		<b>2,115,273</b>	3,622,069

The Accounting Policies and Notes from pages 37 to 61 form an integral part of these Financial Statements.

Figures in brackets indicate deductions

# Statement of Financial Position

As at 31 March		2023	2022
	Notes	Rs. '000	Rs. '000
<b>Assets</b>			
<b>Non-Current Asset</b>			
Property, Plant and Equipment	7	134	311
Other Non-Current Financial Assets	8	13,290,300	11,187,258
<b>Total Non-Current Asset</b>		<b>13,290,434</b>	<b>11,187,569</b>
<b>Current Assets</b>			
Advances and Prepayments		1,103	340
Income Tax Receivable		-	126
Short-term Investment	10	-	108,252
Cash and Cash Equivalents	9	122,284	3,367
<b>Total Current Assets</b>		<b>123,387</b>	<b>112,085</b>
<b>Total Assets</b>		<b>13,413,821</b>	<b>11,299,654</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated Capital	11	69,401	69,401
Retained Earnings		314,447	304,212
Other Reserves	12	12,990,934	10,887,892
<b>Total Shareholders' Funds</b>		<b>13,374,782</b>	<b>11,261,505</b>
<b>Current Liabilities</b>			
Other Payables	13	37,097	37,827
Provisions and Accrued Expenses		331	322
Income Tax Payable		1,611	-
<b>Total Current Liabilities</b>		<b>39,039</b>	<b>38,149</b>
<b>Total Liabilities</b>		<b>39,039</b>	<b>38,149</b>
<b>Total Equity and Liabilities</b>		<b>13,413,821</b>	<b>11,299,654</b>

Net Assets per Ordinary Share (Rs.) **2,355.44** 1,983.27

The Accounting Policies and Notes from pages 37 to 61 form an integral part of these Financial Statements.

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

(Sgd.)

**Aneesh Dudeja**

President / Chief Financial Officer

The Board of Directors is responsible for these Financial Statements.

Signed for and on behalf of the Managers.

Signed for and on behalf of the Board.

(Sgd.)

**A. R. Azeez**

Director

(Sgd.)

**H. Selvanathan**

Director

(Sgd.)

**D.C.R. Gunawardena**

Director

**Agro Harapan Lestari (Pvt) Ltd**

23<sup>rd</sup> June 2023

Colombo

## Statement of Changes In Equity

Year ended 31 March	Stated Capital	Fair Value Reserve	Retained Earnings	Total Shareholders' Funds
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Balance as at 1 April 2021</b>	69,401	7,293,940	330,038	7,693,379
Profit for the year	-	-	28,117	28,117
Other Comprehensive Income	-	3,593,952	-	3,593,952
Total Comprehensive Income for the year	-	3,593,952	28,117	3,622,069
Interim Dividend - Ordinary				
Share (Note - 6.1)	-	-	(53,943)	(53,943)
<b>Balance as at 31 March 2022</b>	<b>69,401</b>	<b>10,887,892</b>	<b>304,212</b>	<b>11,261,505</b>
<b>Surcharge tax (Note 14)</b>	<b>-</b>	<b>-</b>	<b>(1,996)</b>	<b>(1,996)</b>
<b>Balance as at 01st April 2022 (Adjusted)</b>	<b>69,401</b>	<b>10,887,892</b>	<b>302,216</b>	<b>11,259,509</b>
<b>Profit for the year</b>	<b>-</b>	<b>-</b>	<b>12,231</b>	<b>12,231</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>2,103,042</b>	<b>-</b>	<b>2,103,042</b>
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>2,103,042</b>	<b>12,231</b>	<b>2,115,273</b>
<b>Balance as at 31 March 2023</b>	<b>69,401</b>	<b>12,990,934</b>	<b>314,447</b>	<b>13,374,782</b>

The Accounting Policies and Notes from pages 37 to 61 form an integral part of these Financial Statements.

Figures in brackets indicate deductions

# Statement of Cash Flows

Year ended 31 March		2023	2022
	Notes	Rs. '000	Rs. '000
<b>Operating Activities</b>			
Profit before Tax		<b>16,810</b>	29,028
Adjustments for:			
Depreciation	7	<b>177</b>	172
Unclaimed Dividend Forfeited	13	<b>(730)</b>	(498)
Dividend Income		-	(26,513)
Interest Income		<b>(17,909)</b>	(4,036)
<b>Operating Loss before Working Capital Changes</b>		<b>(1,652)</b>	(1,847)
<b>Working Capital Changes:</b>			
Advances and Prepayments		<b>(762)</b>	31
Provisions and Accruals		<b>9</b>	68
<b>Cash Flows Used In Operations</b>		<b>(2,405)</b>	(1,748)
Surcharge Tax Paid		<b>(1,996)</b>	-
Income Tax Paid		<b>(2,843)</b>	(1,453)
<b>Net Cash Flows Used In Operating Activities</b>		<b>(7,244)</b>	(3,201)
<b>Investing Activities</b>			
Acquisition of Property, Plant and Equipment	7	-	(370)
Funds from Short Term Investments	10	<b>108,252</b>	30,114
Dividend Received		-	26,513
Interest Received		<b>17,909</b>	668
<b>Net Cash Flows From Investing Activities</b>		<b>126,161</b>	56,925
<b>Financing Activities</b>			
Dividend Paid		-	(53,943)
Unclaimed Dividend during the year	13.1	-	1,605
<b>Net Cash Flows Used In Financing Activities</b>		-	(52,338)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>118,917</b>	1,386
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>3,367</b>	1,981
<b>Cash and Cash Equivalents at the end of the year</b>	9	<b>122,284</b>	3,367

The Accounting Policies and Notes from pages 37 to 61 form an integral part of these Financial Statements.

Figures in brackets indicate deductions

# Notes to the Financial Statements

## 1. CORPORATE INFORMATION

### 1.1 General

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

### 1.2 Principal Activities and Nature of Operations

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

### 1.3 Parent Entity and Ultimate Parent Entity

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

### 1.4 Date of Authorization for Issue

The Financial Statements of Selinsing PLC for the year ended 31 March 2023 was authorized for issue in accordance with a resolution of the Board of Directors on 23<sup>rd</sup> June 2023.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 General Accounting Policies

#### 2.1.1 Statement of Compliance

The Financial Statements of Selinsing PLC comprises the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in

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

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

#### 2.1.2 Basis of Preparation

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

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

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

#### 2.1.3 Comparative Figures

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

## Notes to the Financial Statements

### 2.2 Summary of Significant Accounting Policies

#### 2.2.1 Conversion of Foreign Currencies

##### (a) Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees.

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

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the reporting date. The exchange gain or loss relating to the translation of a fair value gain or loss on a non-monetary item is recognized in line with the recognition of the fair value gain or loss of non-monetary items in other comprehensive income or statement of profit or loss.

#### 2.2.2 Property, Plant and Equipment

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

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

Computer Equipment - Over 03 Years

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

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

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

#### 2.2.3 Financial Instruments - Initial Recognition and Subsequent Measurement

##### Financial Assets

##### Initial Recognition and Measurement

Financial assets within the scope of SLFRS 09 are broadly categorised



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

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

### Subsequent Measurement

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

#### (a) Debt Instruments at Amortized Cost

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

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

principal and interest on the principal amount outstanding.

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

The Company's financial assets at amortised cost includes bank balances and short term deposits under current financial assets.

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

Financial Assets classified under Fair Value through Other Comprehensive Income only includes the equity instruments, which the Company intends to hold for the foreseeable future and which the Company has irrevocably elected to classify upon transition. There is no recycling of gains or losses to profit or loss on derecognition and the dividend received as a result of holding this investment will be recognized to profit or loss.

### De-recognition

A financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under

## Notes to the Financial Statements

a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

### Impairment of Financial Assets

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

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

Company presents its Short-term investments and short-term deposits at Amortised Cost. Financial assets have been assessed under 12-month expected credit loss model. Company holds these Financial Assets at Financial Institutions with high credit

ratings and therefore believes no evidence exist to make impairment provisions.

### Financial Assets categorized as Fair Value through OCI

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

### Financial Liabilities

#### Initial Recognition and Measurement

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include other payables.

#### Subsequent Measurement

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

#### Other Payables

Liabilities are recognised for amounts to be paid in the future for assets or services received, whether billed by the supplier or not. The financial

liabilities are subsequently measured at amortised cost using the (Effective Interest Rate) EIR method.

### **De-recognition**

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

### **Offsetting of Financial Instruments**

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

## **2.2.4 Provisions**

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

## **2.2.5 Income**

### **Gains and Losses**

Net gains and losses of a revenue nature arising from the disposal of other noncurrent assets, are accounted

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

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

### **Interest Income**

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

### **Dividend Income**

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

### **Others**

Other income is recognized on an accrual basis.

## **2.2.6 Expenditure Recognition**

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

For the purpose of presentation of the Statement of Profit or Loss, the Directors are of the opinion that "function of expenses" method presents fairly the elements of the Company's performance, and hence such presentation method is adopted.

## Notes to the Financial Statements

### Others

Other expenses are recognized on an accrual basis.

### 2.2.7 Taxation

#### (a) Current Income Tax

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

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

Liability to taxation of the Company is made after claiming relief available in terms of the Double Taxation Agreement entered into between the Governments of Malaysia and Sri Lanka.

#### (b) Deferred Taxation

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

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

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

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

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

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

Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the Statement of Profit or Loss. Deferred tax items are recognised in correlation

to the underlying transaction either in the Statement of Profit or Loss or Statement of Other Comprehensive Income.

2.2.8 Current versus Non-Current Classification

The Company presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

2.2.9 Fair Value Measurement

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

Notes	
Disclosures for valuation methods, significant estimates and assumptions	8
Quantitative disclosures of fair value measurement hierarchy	21
Investment in unquoted equity shares	8
Financial instruments	21

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

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

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

## Notes to the Financial Statements

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

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

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

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

For assets that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to

the fair value measurement as a whole) at the end of each reporting period.

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

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

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

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

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

## 2.2.10 Cash and Cash Equivalents

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

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

## 2.2.11 Segment Reporting

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

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

Company operates under one single segment.

## 2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

### 2.3.1 New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year.

#### Changes in accounting standards

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022.

The following amendments and improvements did not have a significant impact on the Group's Financial Statements.

Amendments to LKAS 16: Proceeds before Intended Use

Amendments to LKAS 37: Onerous Contracts – Costs of Fulfilling a Contract

Amendments to SLFRS 3: Reference to Conceptual Framework

### 2.3.2 Standards issued but not yet effective

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

#### Definition of Accounting Estimates - Amendments to LKAS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting

## Notes to the Financial Statements

policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

### Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to LKAS 12

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability

Also, under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and

deductible temporary differences that are not equal

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

### Disclosure of Accounting Policies - Amendments to LKAS 1 and IFRS Practice Statement 2

Amendments to LKAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies.
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

### Classification of Liabilities as Current or Noncurrent - Amendments to LKAS 1

Amendments to LKAS 1 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments clarify –



- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

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

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

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future.

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

The Company engaged an independent valuation specialist to assess fair value of unquoted equity shares as at 31 December 2022. Unquoted equity shares of Shalimar Developments Sdn. Bhd. has been valued based on adjusted net asset basis. Such net assets represent the investment value of PT Agro Indomas (PTAI) which was determined based on an income approach using the discounted cash flow method. Management uses judgements in establishing such fair value and changes in assumptions could affect the reported fair value. The key assumptions used to determine the fair value of the unquoted equity shares and sensitivity analyses are provided in Notes 8 and 21.

### **Going Concern**

In preparing these financial statements, based on available information, the management has assessed the existing and anticipated effects of current economic conditions on the Company and the appropriateness of the use of the going concern basis. Having presented the outlook to the Board, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing these financial statements.

## Notes to the Financial Statements

### 4. PROFIT BEFORE TAX

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

Year ended 31 March	2023 Rs. '000	2022 Rs. '000
Auditors' Remuneration	253	243
Directors' Fees (Note 19.2)	384	480
Professional Fees	69	108

### 5. TAXATION

#### 5.1 Major Components of Income Tax Expense of the Continuing Operations

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

Year ended 31 March	2023 Rs. '000	2022 Rs. '000
---------------------	------------------	------------------

#### Statement of Profit or Loss

##### Current Income Tax

Current Income Tax Expense	4,579	911
<b>Income Tax Expense recognised in Statement of Profit or Loss</b>	<b>4,579</b>	<b>911</b>

## 5.2 Relationship between Income Tax Expense and Accounting Profit

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

Year ended 31 March	2023 Rs. '000	2022 Rs. '000
Profit before Tax	16,810	29,028
Allowable Items	(18,748)	(31,157)
Disallowable Items	177	172
Taxable Loss	(1,761)	(1,957)
Interest Income	17,909	4,036
Dividend Income	-	26,513
Exempted Income	-	(23,569)
Deductions under Section 19	(1,761)	(1,956)
Taxable Income	16,148	5,023
Income Tax at 30% on Taxable Income (01 October 2022 - 31 March 2023)	1,060	-
Income Tax at 24% on Taxable Income (01 April 2022 - 30 September 2022)	3,519	412
Income Tax at 14% on Taxable Income	-	499
Current Income Tax Charge	4,579	911
<b>Tax Losses</b>		
Loss incurred during the year	1,761	1,957
Loss set-off for the current year	(1,761)	(1,957)
Balance as at 31 March	-	-

## Notes to the Financial Statements

### 6. EARNINGS PER SHARE

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

Given below is the computation of earnings per share:

Year ended 31 March	2023	2022
<b>Numerator</b>		
Profit for the year	12,230,460	28,116,769
Profit attributable to Ordinary Shareholders (Rs.)	12,230,460	28,116,769
<b>Denominator</b>		
Weighted Average Number of Ordinary Shares	5,678,247	5,678,247
<b>Earnings per Share (Rs.)</b>	<b>2.15</b>	<b>4.95</b>

### 6.1. Dividend Declared and Paid

Year ended 31 March	2023	2022
	Rs. '000	Rs. '000
<b>Dividend paid on Ordinary Shares during the year</b>		
Dividends Paid	-	53,943,347
Dividend per Share (Rs.)*	-	9.50

\*Dividend per share is calculated by considering the dividend paid for the year divided by the number of shares in issue.

## 7. PROPERTY, PLANT AND EQUIPMENT

### 7.1. Gross Carrying Amounts

	Balance As at 01.04.2022 Rs'000	Additions Rs'000	Write-off/ Disposals Rs'000	Balance As at 31.03.2023 Rs'000
<b>At Cost</b>				
Computer Equipment	547	-	-	<b>547</b>
<b>Total Value of Depreciable Assets</b>	<b>547</b>	<b>-</b>	<b>-</b>	<b>547</b>

### 7.2 Depreciation

	Balance As at 01.04.2022 Rs'000	Charge for the year Rs'000	Write-off/ Disposals Rs'000	Balance As at 31.03.2023 Rs'000
<b>At Cost</b>				
Computer Equipment	236	177		<b>413</b>
<b>Total Depreciation</b>	<b>236</b>	<b>177</b>	<b>-</b>	<b>413</b>

### 7.3 Net Book Values

As at 31 March	2023 Rs. '000	2022 Rs. '000
Computer Equipment	<b>134</b>	311
	<b>134</b>	311

7.4. During the year, the Company acquired property plant and equipment to the aggregate value of Rs. Nil (2022-Rs 370,000).

7.5 Cash payments amounting to Nil (2022: Rs. 370,000) were made during the period for the purchase of property, plant and equipment.

## Notes to the Financial Statements

### 8. OTHER NON-CURRENT FINANCIAL ASSETS

	Unquoted Equity Shares		Quoted Equity Shares		Total	
	2023	2022	2023	2022	2023	2022
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Financial Assets classified as Fair Value through OCI</b>						
As at 01 April	<b>10,486,435</b>	6,896,135	<b>700,823</b>	697,171	<b>11,187,258</b>	7,593,306
Gain / (Loss) on Change in Fair Value	<b>2,040,318</b>	3,590,300	<b>62,724</b>	3,652	<b>2,103,042</b>	3,593,952
As at 31 March	<b>12,526,753</b>	10,486,435	<b>763,547</b>	700,823	<b>13,290,300</b>	11,187,258

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

The Company holds a 13.33% equity investment (2022: 13.33%) in Shalimar Development Sdn. Bhd. (SDSB), an investment holding company incorporated in Malaysia. The sole equity investment of SDSB is in PT Agro Indomas (PTAI), an oil palm plantation company based in Indonesia, in which it has a controlling interest. The Company has designated its investment in SDSB as financial assets classified under Fair Value Through OCI, and is measured at fair value, the basis of which is detailed in Note 8.2 below.

#### 8.1.b Financial Assets classified as Fair Value through OCI— Quoted Equity Shares

The Company holds a non-controlling interests of 10.73% (2022: 10.73%) in Shalimar (Malay) PLC. The fair value of the said investment is determined by reference to published price quotations in the Colombo Stock Exchange.

### 8.2 Fair Value of Unquoted Equity Shares

The Company obtained the services of PricewaterhouseCoopers Advisory Services Sdn. Bhd, Malaysia (PwC) to carry out an independent indicative fair market valuation of the equity interest in the unquoted investment in SDSB as at valuation date of 31st December 2022. This independent professional valuation is carried out annually and recognized as at 31st March 2023. Any changes in fair value accordingly, is recognized on an annual basis. The primary approach adopted in arriving the fair market valuation of the equity interest of PT Agro Indomas (PTAI), was income approach. The fair market valuation of the equity interest in the unquoted investment in SDSB was derived using adjusted net assets basis, which was very much dependent on the fair value of the palm oil plantation held by PTAI. The fair market valuation of the equity interest in the unquoted investment of SDSB in PTAI was derived using discounted cash flows method.

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

- (a) Estimated economic life of the oil palm plantations of PTAI is 28 years.
- (b) Consider one planting cycle (i.e. no replantation at the end of the economic life).
- (c) Yield per hectare is estimated considering maturity profile, weather, soil and terrain conditions.
- (d) CPO ex-mill prices in FY 2022/23 and FY 2023/24 is estimated to be USD 760/MT and USD 675/MT respectively. FY 2024/25 onwards, prices are in line with the World Bank CPO price forecast (Oct 2021 and Oct 2022) and adjusted for the transportation cost and Indonesia palm export levy. After FY 2031/32, prices are assumed to remain unchanged.
- (e) Weighted average cost of capital (WACC) of 10.5%
- (f) Indonesian corporate taxation rate at 22% in FY 2023 and beyond.
- (g) Inflation is based on International Monetary Fund (IMF) forecasts.

### 8.3 Sensitivity of Key Assumptions

The significant unobservable inputs used in the above fair value measurement categorised within level 3 of the fair value hierarchy (Note 21) together with a quantitative sensitivity analysis are shown below:

The below values are based on 13.33% (2022: 13.33%) equity stake in SDSB and base case is at WACC of 10.5% (2022: 8.88%).

As at 31 March 2023	CPO Ex-mill Price		Discounted Rate (WACC)		Yield	
	5%	5%	1%	1%	5%	5%
	Increase Rs. '000	Decrease Rs. '000	increase Rs. '000	Decrease Rs. '000	Increase Rs. '000	Decrease Rs. '000

#### As at 31 March 2023

Effect of fair value in

unquoted equity shares

in SDSB designated

as Financial Assets

classified under FVOCI

<b>4,824</b>	<b>(4,824)</b>	<b>(965)</b>	<b>1,039</b>	<b>3,340</b>	<b>(3,340)</b>
--------------	----------------	--------------	--------------	--------------	----------------

#### As at 31 March 2022

Effect of fair value in

unquoted equity shares

in SDSB designated

as Financial Assets

classified under FVOCI

2,871	(2,871)	(831)	894	2,018	(2,018)
-------	---------	-------	-----	-------	---------

## Notes to the Financial Statements

### 9. CASH AND CASH EQUIVALENTS

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

As at 31 March	2023 Rs. '000	2022 Rs. '000
Bank Balances	918	1,288
Short-Term Deposits	121,366	2,079
	<b>122,284</b>	<b>3,367</b>

### 10. SHORT TERM INVESTMENTS

As at 31 March	2023 Rs. '000	2022 Rs. '000
Fixed Deposits	-	108,252
	<b>-</b>	<b>108,252</b>

### 11. STATED CAPITAL

As at 31 March	2023 Number	2022 Number	2023 Rs. '000	2022 Rs. '000
Fully paid Ordinary Shares	5,678,247	5,678,247	69,401	69,401
	<b>5,678,247</b>	<b>5,678,247</b>	<b>69,401</b>	<b>69,401</b>

The Stated capital of Rs. 69,400,800/- includes fully paid ordinary shares of 5,678,247

### 12. OTHER RESERVES

As at 31 March	2023 Rs. '000	2022 Rs. '000
Fair Value Reserve*	12,990,934	10,887,892
	<b>12,990,934</b>	<b>10,887,892</b>

\*Fair Value Reserve

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

### 13. OTHER PAYABLES

As at 31 March	2023 Rs. '000	2022 Rs. '000
Unclaimed Dividend (Note 13.1)	37,097	37,827
	<b>37,097</b>	<b>37,827</b>



**13.1 Movement in Unclaimed Dividend;**

As at 31 March	2023 Rs. '000	2022 Rs. '000
Balance as at 01 April	<b>37,827</b>	36,720
Dividend Forfeited	<b>(730)</b>	(498)
Dividend during the year	-	1,605
Balance as at 31 March	<b>37,097</b>	37,827

**14. SURCHARGE TAX**

Surcharge Tax Act No.14 of 2022 was enacted on 8 April 2022 and is applicable to the Carson Cumberbatch PLC Group as the collective taxable income of companies belonging to the Group, calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeds Rs.2,000 Mn, for the year of assessment 2020/2021. The liability is computed at the rate of 25% on the taxable income of the individual Group companies, net of dividends from subsidiaries.

Accordingly, the Company is liable for the surcharge tax of Rs. 1.99 Mn out of the taxable income of Rs. 7.99 Mn pertaining to the year of assessment 2020/21. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1st April 2020. Since the Act supersedes the requirements of the Sri Lanka Accounting Standards, the surcharge tax expense is accounted as recommended by Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka.

Accordingly, the resulting surcharge tax was recorded as an opening adjustment to the retained earnings reported in the Statement of Changes in Equity as of 01st April 2022.

**15. CAPITAL COMMITMENTS**

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

**16. ASSETS PLEDGED**

There were no assets pledged as at the reporting date.

## Notes to the Financial Statements

### 17. EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the reporting date that require adjustments to or disclosures in the financial statements other than what is disclosed below;

The Company made a market announcement on 17th May 2023 consequent to the Board of Directors of the Company having accepted the exit offer price made by the majority shareholder to acquire the minority shares so as to facilitate the proposed de-listing of the ordinary shares of the Company from the official list of the Colombo Stock Exchange subject to obtaining required regulatory approvals. In this regard, an Extra Ordinary Shareholder's meeting was held on 19th June, 2023 where shareholders' approval was duly obtained.

### 18. CONTINGENT LIABILITIES

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

### 19. RELATED PARTY DISCLOSURES

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

#### 19.1 Related Party Transactions

Transactions with related parties are as follows:

Name of the Company	Relationship	Nature of Transaction	Terms	Transaction Value	
				2023	2022
				Rs. '000	Rs. '000
<b>Recurrent Transactions</b>					
Carsons Management Services (Pvt) Ltd	Fellow Subsidiary	Secretarial Expenses	Note (a)	<b>319</b>	218
Shalimar Developments SDN BHD	Fellow Subsidiary	Dividend Income Received	Note (b)	-	21,356
Shalimar (Malay) PLC	Fellow Subsidiary	Dividend Income Received	Note (b)	-	5,157
				<b>319</b>	<b>26,731</b>
<b>Aggregate Value of Related Party Transactions as a % of Net Revenue (Excluding Dividend Income)</b>				<b>2%</b>	<b>1%</b>

### Non-Recurrent Transactions

There were no non-recurrent related party transactions for the year ended 31st March 2023.

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

**Note (b)** - Company has invested in Equity shares of Shalimar Developments SDN BHD and Shalimar (Malay) PLC

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

### 19.2 Transaction with Key Management Personnel

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

Year ended 31 March	2023 Rs. '000	2022 Rs. '000
Emoluments / Fees	384	480

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

Key Management Personnel of the Company to whom the above fees relates for the year ended 31st March 2023, are non-executive members of the Board of Directors.

- 19.3** No material transactions have taken place during the year with the parties/entities in which key management personnel or their close family members have control or jointly control, which require disclosure in these Financial Statements other than those disclosed under 19.1 and 19.2.

## Notes to the Financial Statements

### 20. FINANCIAL RISK MANAGEMENT

#### Objectives and Policies

The Company's principal financial assets include bank balances and short-term deposits that derive directly from its operations. The Company also holds Financial Assets classified under Fair Value through OCI. The Company's principal financial liabilities comprise other payables.

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

#### (a) Market risk

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

#### (b) Interest Rate Risk

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

#### (c) Foreign Currency Risk

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

As at 31 March	2023 Rs'000	2022 Rs'000
Equity Value (in MYR)	<b>168,772</b>	147,477
If Rupee Depreciated by 1%	<b>(-1%)</b>	(-1%)
Impact on OCI	<b>125,268</b>	104,864
 If Rupee Appreciated by 1%	 <b>(+1%)</b>	 (+1%)
Impact on OCI	<b>(125,268)</b>	(104,864)

**(d) Equity Price Risk**

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

At the reporting date, the unlisted equity security is fair valued at Rs. 12,527 Mn (2022: Rs. 10,486 Mn). Sensitivity analysis of this investment has been provided in Note 8.

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

	<b>Change in Equity Price 2023</b>	<b>Effect on Equity 2023 Rs. '000</b>	<b>Change in Equity Price 2022</b>	<b>Effect on Equity 2022 Rs. '000</b>
Quoted Equity Shares				
Shalimar (Malay) PLC	<b>+10%</b>	<b>76,355</b>	+10%	70,082

**(e) Credit Risk**

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

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

<b>As at 31 March</b>	<b>2023 Rs. '000</b>	<b>2022 Rs. '000</b>
Bank Balances	<b>918</b>	1,288
Short-term Deposits	<b>121,366</b>	2,079
Short Term Investments	-	108,252
	<b>122,284</b>	111,619

## Notes to the Financial Statements

### (f) Liquidity Risk

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

As at 31 March	2023	2022
	Less than 3 months	Less than 3 months
	Rs. '000	Rs. '000
Other Payables	37,097	37,827
	<b>37,097</b>	<b>37,827</b>

### (g) Capital Management

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

The Company makes adjustments to its capital structure, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Company may issue new shares or adjust dividend payments to shareholders. No changes were made in the objectives, policies or processes during the year ended 31 March 2023 and 2022.

Capital, which includes stated capital, fair value reserve and retained earnings is measured at Rs. 13,375 Mn as at 31 March 2023 (2022: Rs.11,261 Mn).

## 21. FAIR VALUE MEASUREMENT

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

Financial liabilities consist of other payables.

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

Fair value measurement hierarchy for assets as at 31 March:

	Date of valuation	Total  Rs. '000	Fair value measurement using		
			Quoted prices	Significant observable	Significant unobservable
			In active markets (Level 1) Rs. '000	inputs (Level 2) Rs. '000	inputs (Level 3) Rs. '000
<b>As at 31 March 2023</b>					
<b>Financial Assets classified under FVOCI</b>					
<b>Quoted Equity Shares</b>					
Shalimar (Malay) PLC	31 March 2023	763,547	763,547	-	-
<b>Unquoted Equity Shares</b>					
Shalimar Developments Sdn. Bhd.	31 December 2022	12,526,753	-	-	12,526,753
<b>Financial Assets classified under FVOCI as at 31 March 2023</b>					
		13,290,300	763,547	-	12,526,753
<b>As at 31 March 2022</b>					
<b>Financial Assets classified under FVOCI</b>					
<b>Quoted Equity Shares</b>					
Shalimar (Malay) PLC	31 March 2022	700,823	700,823	-	-
<b>Unquoted Equity Shares</b>					
Shalimar Developments Sdn. Bhd.	31 December 2021	10,486,435	-	-	10,486,435
<b>Financial Assets classified under FVOCI as at 31 March 2022</b>					
		11,187,258	700,823	-	10,486,435

Key assumptions, methods of valuations and significant unobservable inputs for assets categorised under level 3 of the fair value measurement hierarchy are disclosed under Note 8 to the Financial Statements.

During the reporting period ending 31 March 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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

## Five Year Summary

For the year ended 31st March	2023	2022	2021	2020	2019
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000

### Operating Results

Revenue	17,909	30,549	9,172	11,628	10,196
<b>Profit before taxation</b>	<b>16,810</b>	29,028	10,435	11,368	11,026
Taxation	(4,579)	(911)	(1,910)	(2,330)	(2,582)
<b>Profit for the Year</b>	<b>12,231</b>	28,117	8,525	9,038	8,444

As at 31st March	2023	2022	2021	2020	2019
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000

### Statement of Financial Position

#### Assets

##### Non-Current Assets

Property, plant and equipment	134	311	113	172	-
Non-current financial assets	13,290,300	11,187,258	7,593,306	6,435,811	6,646,646
	<b>13,290,434</b>	11,187,569	7,593,419	6,435,983	6,646,646

Current Assets	123,387	112,085	137,348	131,342	127,694
----------------	---------	---------	---------	---------	---------

<b>Total Assets</b>	<b>13,413,821</b>	11,299,654	7,730,767	6,567,325	6,774,340
---------------------	-------------------	------------	-----------	-----------	-----------

#### Equity and Liabilities

Stated capital	69,401	69,401	69,401	69,401	69,401
Reserves	13,305,381	11,192,104	7,623,978	6,457,958	6,659,755
	<b>13,374,782</b>	11,261,505	7,693,379	6,527,359	6,729,156

Current Liabilities	39,039	38,149	37,388	39,966	45,184
---------------------	--------	--------	--------	--------	--------

<b>Total Equity &amp; Liabilities</b>	<b>13,413,821</b>	11,299,654	7,730,767	6,567,325	6,774,340
---------------------------------------	-------------------	------------	-----------	-----------	-----------

For the year ended 31st March	2023	2022	2021	2020	2019
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000

### Cash Flow Statements

Net cash (outflows)/inflows from operating activities	(7,244)	(3,201)	174	(2,674)	(4,572)
---	---------	---------	-----	---------	---------

Net cash inflows/(outflows) from investing activities	126,161	56,925	(8,562)	(627)	(103,722)
---	---------	--------	---------	-------	-----------

Net cash (outflows)/ inflows from financing activities	-	(52,338)	-	-	8,571
--	---	----------	---	---	-------

<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>118,917</b>	1,386	(8,388)	(3,301)	(99,723)
---	----------------	-------	---------	---------	----------



For the year ended 31st March	2023	2022	2021	2020	2019
<b>Ratios and Statistics</b>					
Return on ordinary shareholders' funds (%)	<b>0.09</b>	0.25	0.11	0.14	0.13
Current ratio (times)	<b>3.16</b>	2.94	3.67	3.29	2.83
Quick asset ratio (times)	<b>3.16</b>	2.94	3.67	3.29	2.83
Net profit margin (%) (a)	<b>68.30</b>	92.04	92.95	77.73	82.82
Earnings per ordinary share (EPS) (US\$) (b)	<b>2.15</b>	4.95	1.50	1.59	1.49
Dividend per ordinary share (Rs.) (c)	-	9.50	-	-	-
Dividend payout	-	1.92	-	-	-
Net assets per ordinary share (Rs.) (d)	<b>2,355.44</b>	1,983.27	1,354.89	1,149.54	1,185.08
Market value per share (Rs.)	<b>696.25</b>	608.75	817.25	699.90	711.40
P/E ratio (times)	<b>323.23</b>	122.94	544.35	439.74	478.39
Market capitalisation (Rs.)	<b>3,953,479</b>	3,456,633	4,640,547	3,974,205	4,039,505

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

## Statement of Value Added

For the year ended 31 March	2023 '000	%	2022 '000	%
<b>Revenue</b>	<b>17,909</b>		30,549	
Other income & gains	730		498	
	<b>18,639</b>		31,047	
Bought in services	(1,569)		(1,477)	
	<b>17,070</b>		29,570	
<b>Distributed as follows:</b>				
<b>To Government</b>				
as taxation	4,839	28%	1,453	5%
<b>To Providers of capital</b>				
as ordinary dividends	-	0%	53,943	182%
<b>Retained in the Business</b>				
as depreciation	177	1%	172	1%
as retained profits	12,054	71%	(25,998)	-88%
	<b>17,070</b>	<b>100%</b>	29,570	100%

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

---

## **US\$ Financial**

Preparation of  
US Dollar Financial

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

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

---

## Statement of Profit or Loss

For the year ended 31 March	2023	2022
	US\$	US\$
<b>Revenue</b>	<b>50,018</b>	148,947
Other Income and Gains	<b>2,039</b>	2,428
Administration Expenses	<b>(5,108)</b>	(9,844)
<b>Profit Before Tax</b>	<b>46,949</b>	141,531
Income Tax Expense	<b>(12,789)</b>	(4,442)
<b>Profit for the Year</b>	<b>34,160</b>	137,089

*Figures in brackets indicate deductions.*

# Statement of Financial Position

As at 31 March	2023	2022
	US\$	US\$
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	410	1,058
Other Non Current Financial Assets	40,625,149	38,068,517
<b>Total Non-Current Assets</b>	<b>40,625,559</b>	<b>38,069,575</b>
<b>Current Assets</b>		
Advance and Prepayments	3,372	1,157
Short Term Investments	-	368,365
Income Tax Receivable	-	428
Cash and Bank Balances	373,792	11,457
<b>Total Current Assets</b>	<b>377,164</b>	<b>381,407</b>
<b>Total Assets</b>	<b>41,002,723</b>	<b>38,450,982</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Stated Capital	923,888	923,888
Retained Earnings	2,102,329	2,074,961
Other Reserves	37,857,174	35,322,317
<b>Total Shareholders' Funds</b>	<b>40,883,391</b>	<b>38,321,166</b>
<b>Current Liabilities</b>		
Other Payables	113,396	128,719
Provision and Accrued Expenses	1,012	1,097
Income Tax Payable	4,924	-
<b>Total Current Liabilities</b>	<b>119,332</b>	<b>129,816</b>
<b>Total Equity &amp; Liabilities</b>	<b>41,002,723</b>	<b>38,450,982</b>

# Notes to the Financial Statements

## 1. BASIS OF CONVERSION

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

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

	2023 Rs.	2022 Rs.
Income Statement	<b>358.05</b>	205.10
Monetary assets and liabilities	<b>327.14</b>	293.87
Non-current assets and liabilities	<b>327.14</b>	293.87

## 2. RETAINED EARNINGS

	2023 US\$	2022 US\$
<b>Balance as at 31st March</b>	<b>2,074,961</b>	2,203,601
Surcharge tax	<b>(6,792)</b>	-
<b>Balance as at 01st April 2022 (Adjusted)</b>	<b>2,068,169</b>	-
Profit for the year	<b>34,160</b>	137,090
Ordinary Dividend	-	(265,729)
<b>Balance as at 31 March</b>	<b>2,102,329</b>	2,074,961

## Five Year Summary

For the year ended 31st March	2023	2022	2021	2020	2019
	US\$	US\$	US\$	US\$	US\$

### Operating Results

Revenue	50,018	148,947	48,626	64,853	60,502
<b>Profit before taxation</b>	<b>46,949</b>	141,531	55,322	63,401	65,427
Taxation	(12,789)	(4,442)	(10,126)	(12,994)	(15,321)
<b>Total Profit for the year</b>	<b>34,160</b>	137,090	45,196	50,407	50,106

As at 31st March	2023	2022	2021	2020	2019
	US\$	US\$	US\$	US\$	US\$

### Statement of Financial Position

#### Assets

##### Non-Current Assets

Property, plant and equipment	410	1,058	565	906	-
Non-current financial assets	40,625,149	38,068,517	37,998,829	33,889,509	37,745,334
	<b>40,625,559</b>	38,069,575	37,999,394	33,890,415	37,745,334
Current Assets	377,164	381,407	687,329	691,614	725,156
<b>Total Assets</b>	<b>41,002,723</b>	38,450,982	38,686,724	34,582,029	38,470,490

##### Equity and Liabilities

Stated capital	923,888	923,888	923,888	923,888	923,888
Reserves	39,959,503	37,397,278	37,575,736	33,447,683	37,290,009
	<b>40,883,391</b>	38,321,166	38,499,624	34,371,571	38,213,897
Current Liabilities	119,332	129,816	187,100	210,458	256,593
<b>Total Equity &amp; Liabilities</b>	<b>41,002,723</b>	38,450,982	38,686,724	38,582,029	38,470,490

For the year ended 31st March	2023	2022	2021	2020	2019
	US\$	US\$	US\$	US\$	US\$

### Cash Flow Statements

Net cash (outflows)/inflows from operating activities	(20,232)	(15,607)	922	(14,909)	(27,130)
Net cash inflows/(outflows) from investing activities	352,353	277,548	(45,392)	(3,499)	(615,488)
Net cash (Outflows) / inflows used in financing activities	-	(255,183)	-	-	50,860
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>332,121</b>	6,758	(44,470)	(18,408)	(591,758)

## Five Year Summary

For the year ended 31st March	2023	2022	2021	2020	2019
<b>Ratios and Statistics</b>					
Return on ordinary shareholders' funds (%)	<b>0.08</b>	0.36	0.12	0.15	0.13
Current ratio (times)	<b>3.16</b>	2.94	3.67	3.29	2.83
Quick asset ratio (times)	<b>3.16</b>	2.94	3.67	3.29	2.83
Net profit margin (%) (a)	<b>68.30</b>	92.04	92.95	77.73	82.82
Earnings per ordinary share (EPS) (US\$) (b)	<b>0.01</b>	0.02	0.01	0.01	0.01
Dividend per ordinary share (US\$) (c)	-	0.05	-	-	-
Dividend payout	-	1.94	-	-	-
Net assets per ordinary share (US\$) (d)	<b>7.20</b>	6.75	6.78	6.05	6.73
Market value per share (US\$)	<b>2.13</b>	2.07	4.09	3.69	4.04
P/E ratio (times)	<b>353.77</b>	85.80	513.81	415.15	457.83
Market capitalisation (US\$'000)	<b>12,085</b>	11,762	23,222	20,927	22,940

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



# Information to Shareholders and Investors

## 1. STOCK EXCHANGE LISTING

Selinsing PLC, is a Public Quoted Company, the ordinary shares of which are listed on the Second board of the Colombo Stock Exchange of Sri Lanka.

## 2. Share Valuation

Market value of the Company Shares as at 31st March 2023 was Rs. 696.25 per share (2022: Rs. 608.75).

## 3. SHAREHOLDERS

	2023	2022
No. of Ordinary Shareholders	438	450

The number of ordinary shares held by non-residents as 31st March 2023 were which amounts to 97.91% of the total number of ordinary shares.

### Resident/Non-Resident Shareholders as at 31st March 2023

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%
1-1,000	419	18,964	0.33	3	702	0.01	422	19,666	0.35
1001-10,000	13	44,396	0.78	9	49,609	0.87	22	94,005	1.66
10,001-100,000	3	55,040	0.97	3	76,593	1.35	6	131,633	2.32
100,001-1,000,000	0	0	0.00	0	0	0.00	0	0	0.00
Above 1,000,000	0	0	0.00	1	5,432,943	95.68	1	5,432,943	95.68
<b>Grand Total</b>	<b>435</b>	<b>118,400</b>	<b>2.09</b>	<b>16</b>	<b>5,559,847</b>	<b>97.91</b>	<b>451</b>	<b>5,678,247</b>	<b>100.00</b>

### Categorisation of shareholders as at 31st March 2022

	No. of Shareholders	No. of Shares	%
Individuals	418	239,042	4.21
Institutions	33	5,439,205	95.79

### Public Shareholding

The Company is not in compliance with the minimum public holding requirements set out in Rule 7.14.1 (a) of the Listing Rules of the Colombo Stock Exchange.

Public Shareholding as at 31st March 2023

- Market capitalisation of the public holding - Rs. 169,999,617/-
- Percentage of the Ordinary Shares held by Public – 4.30% (2022- 4.32%)
- No of Public Shareholders - 438

## Information to Shareholders and Investors

### 4. MARKET PERFORMANCE - ORDINARY SHARES

For the year ended 31 March	2023	2022
Highest (Rs.)	<b>799.50</b>	1,025.00
Lowest (Rs.)	<b>501.00</b>	600.00
Volume Traded (Shares)	<b>1,087</b>	6,710
No. of Trades	<b>155</b>	518
Value of Shares Traded (Rs. '000)	<b>681</b>	5,049

### 5. MARKET CAPITALISATION

Market capitalisation of the Company, which is the number of ordinary shares multiplied by the market value of a share was Rs. 3,953.48 Mn as at 31st March 2023 (2022 :Rs. 3,456.63 Mn).

### 6. RECORD OF SCRIP ISSUES

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

Year ended 31 March	Issue	Basis	No. of Ordinary Shares Capital	Cumulative Ordinary Share Capital Rs.
1994	-	-	803,250	8,032,500
1995	Bonus	1:03	267,750	10,710,000
1998	Bonus	1:02	535,500	16,065,000
1999	Bonus	1:01	1,606,500	32,130,000
2002 April	Bonus	1:05	642,600	38,556,000
2003 May	Bonus	1:05	771,120	46,267,200
2004 March	Bonus	1:02	2,313,360	69,400,800

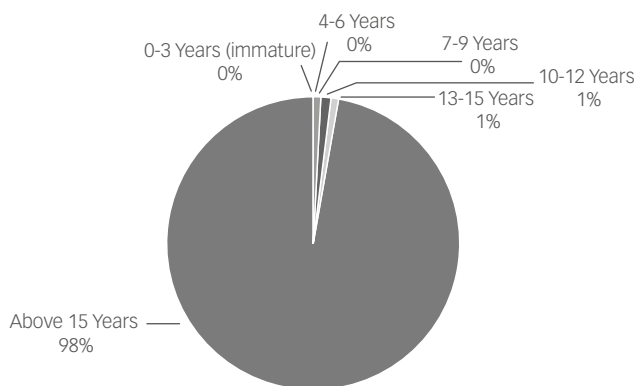
During the financial year 2016/2017, the Company repurchased 1,261,833 shares at a price of Rs 1,349.80 per share, and that the said shares that were repurchased by the company were cancelled on 22nd February 2017.

## 7. INDONESIAN PROPERTY

PT Agro Indomas (PTAI), the Company's investment made through Shalimar Developments Sdn. Bhd. (Investment vehicle in Malaysia) is located in Kalimantan province, Indonesia. The Indonesian investment, PT Agro Indomas is managed through the group's (GAHL) fully owned management arm in Indonesia. The Indonesia operation consists of 26,516 hectares of plantation with processing facilities of 225 MT/hr within the plantations.

	2023	2022	2021	2020	2019
Crop Production - Internal (MT)	<b>472,085</b>	406,644	511,283	462,813	530,944
Crop Production - External (MT)	<b>409,057</b>	215,628	102,711	189,060	180,483
Total Crop Production (MT)	<b>881,142</b>	622,272	613,994	651,873	711,427
Total CPO (MT)	<b>178,022</b>	128,787	130,553	134,612	139,405
Total PK (MT)	<b>41,294</b>	30,317	30,602	32,644	31,559
CPO Ex Mill Price (US\$)	<b>759</b>	679	484	474	459
FFB Yield (MT per Hectare)	<b>23.72</b>	20.43	25.57	23.15	26.57
CPO / Ha (MT)	<b>5.01</b>	4.41	5.57	4.92	5.24
Milling Capacity (MT per Hour)	<b>225</b>	225	225	225	225

**Plantation Age Analysis of PTAI**



# Glossary of Financial Terms

## Capital Reserves

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

## Cash Equivalents

Liquid investments with original maturities of three months or less.

## Contingent liabilities

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

## Current Ratio

Current assets divided by current liabilities.

## Quick Ratio

Current assets less inventories divided by current liabilities.

## Net Profit Margin

Net profit divided by revenue.

## Dividend Per Share

Dividend paid interim and proposed, divided by the number of shares in issue.

## Dividend Payout

Total interim and proposed dividends divided by profit after tax.

## Earnings Per Ordinary Share

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

## Equity

Shareholders' funds.

## Events Occurring after Reporting Date

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

## Market Capitalisation

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

## Net Assets Per Share

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

## Net Current Assets

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

## Price Earnings Ratio (P/E)

Market price of a share divided by earnings per share.

## Rate of Ordinary Dividend

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

## Reserves

The total of capital and revenue reserves.

## Related Parties

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

## Glossary of Financial Terms

### Return on Shareholders' Funds

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

### Revenue Reserves

Reserves considered as being available for distribution.

### Segment

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

### Value Addition

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

### Others

- CPO - Crude Palm Oil
- PK - Palm Kernel
- FFB - Fresh Fruit Bunches
- Ha - Hectare
- MYR - Malaysian Ringgit
- MT - Metric Tonnes

## Notice of Meeting

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND SIXTEENTH ANNUAL GENERAL MEETING of SELINSING PLC will be held on Friday, the 4th day of August 2023, at 1.30 p.m. at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 07, Sri Lanka.

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 2023, together with the Report of the Auditors thereon.

2. To re-elect Mr. S. N. Alles who retires by rotation in terms of Articles 87 & 88 of the Articles of Association of the Company.

3. To reappoint Mr. M. 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. 7 of 2007 shall not be applicable to Mr. M. Selvanathan who is seventy six years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year".

4. To reappoint Mr. H. 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. 7 of 2007 shall not be applicable to Mr. H. Selvanathan who is seventy four years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year".

5. To reappoint Mr. I. Paulraj as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

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

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

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

7. To reappoint Mr. S Mahendrarajah as a Director of the Company who is seventy years of age and to consider and if deemed fit to pass the following ordinary resolution:

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

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

By Order of the Board

(Sgd.)

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

*Director*

**Carsons Management Services (Pvt) Ltd.**

*Secretaries*

Colombo

23<sup>rd</sup> June 2023

## Notes

1. The Annual Report FY 2022/23 and the notice convening the AGM together with the procedure to be followed at the 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) and you may access same directly through the URL link

[http://www.carsoncumberbatch.com/investor\\_information/investor\\_information\\_selinsing\\_plc.php](http://www.carsoncumberbatch.com/investor_information/investor_information_selinsing_plc.php)

2. A member is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a

member of the Company. A Form of Proxy accompanies this notice.

3. The completed Form of Proxy should be submitted to the Company not later than 4.45 p.m. on 2<sup>nd</sup> August 2023 via email to [4MPCGM@carcumb.com](mailto:4MPCGM@carcumb.com) or via whatsapp or viber to mobile no. +94 764 765 463 or +94 712 791 246 or by post to or handed over to the Registered Office of the Company at No. 61, Janadhipathi Mawatha, Colombo 1.
4. A person representing a Corporation is required to submit a certified copy of the resolution authorising him/her to act as the representative of the Corporation. A representative need not be a member.

## Notes

[illegible]



# Form of Proxy

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

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

as \*my/our proxy to attend at the Annual General Meeting of the Company to be held on Friday, the 4th day of August 2023 at 1.30 p.m. at the 8th Floor, No. 65 C, Dharmapala Mawatha, Colombo 07.

		For	Against
1.	To re-elect Mr. S. N Alles who retires by rotation in terms of Articles 87 & 88 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
2.	To reappoint Mr. M. Selvanathan who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3.	To reappoint Mr. H. Selvanathan who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4.	To reappoint Mr. I. Paulraj who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5.	To reappoint Mr. D. C. R. Gunawardena who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
6.	To reappoint Mr. S Mahendrarajah who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
7.	To re-appoint Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act No. 7 of 2007 and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

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

.....  
 Signature/s

## Notes

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

## Form of Proxy

### INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy after filling in legibly your full name and address, by signing 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 69 of the Articles of Association of the Company: The instrument appointing a proxy shall be in writing and -

- (i) in the case of an individual shall be signed by the Appointor or by his Attorney; and
- (ii) in the case of a Corporation shall be either under its common seal or signed by its Attorney or by an officer on behalf of the Corporation.

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

A proxy need not be a member of the Company.

4. In terms of Article 65 of the Articles of Association of the Company;  
In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by Attorney or by representative, shall be accepted to the exclusion of the votes of the other joint- holders and for this purpose seniority shall be determined by the order in which the names stands in the Register of Members in respect of the joint holding.
5. To be valid the completed Form of Proxy should be submitted to the Company not later than 4.45 p.m. on 2<sup>nd</sup> August 2023 or via e-mail to 4MPCGM@carcumb.com or via whatsapp or viber to mobile no. +94 764 765 463 or +94 712 791 246 or by post to or handed over 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

Selinsing PLC

## COMPANY REGISTRATION NO.

PQ 46

## LEGAL FORM

A Public Quoted Company with Limited Liability. Incorporated in Sri Lanka in 1907

## DIRECTORS

M. Selvanathan (Chairman)

H. Selvanathan

I. Paulraj

D. C. R. Gunawardena

S. N. Alles

S. Mahendrarajah

## BANKERS

Standard Chartered Bank

Commercial Bank of Ceylon PLC

Hatton National Bank PLC

## AUDITORS OF THE COMPANY

Messrs. Ernst & Young

Chartered Accountants

No. 201, De Saram Place,

Colombo 10, Sri Lanka.

Tel: + 94 11 2463500

Fax: +94 11 2697369

## SECRETARIES

Carsons Management Services (Pvt) Ltd

No. 61, Janadhipathi Mawatha,

Colombo 01, Sri Lanka.

Tel: + 94 11 2039200

Fax: + 94 11 2039300

## MANAGERS

Agro Harapan Lestari (Pvt) Ltd

03rd Floor,

No. 65C,

Dharmapala Mawatha,

Colombo 7, Sri Lanka

Tel: +94 114357777

Fax: +94 114357788

## REGISTERED OFFICE

No. 61, Janadhipathi Mawatha,

Colombo 01, Sri Lanka.

Tel: + 94 11 2039200

Fax: + 94 11 2039300

## CORPORATE WEBSITE

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

## HOLDING COMPANY

Goodhope Asia Holdings Ltd

## ULTIMATE PARENT & CONTROLLING ENTITY

Bukit Darah PLC

Designed & produced by



Digital Plates & Printing by Nethu Print Solutions



**Goodhope**

A CARSON CLIMBERBATCH COMPANY

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