

Shalimar (Malay) PLC

ANNUAL REPORT 2020-21



Goodhope

A CARSON CUMBERBATCH COMPANY

Financial Calendar

Financial Year End 31st March 2021

Announcement of Results

First Quarter ended 30th June 2020 14th August 2020

Second Quarter ended 30th September 2020 13th November 2020

Third Quarter ended 31st December 2020 15th February 2021

Notice of 112th Annual General Meeting 12th May 2021

112th Annual General Meeting 07th June 2021

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Chairman's Statement

Dear Shareholders,

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

Financial Performance

The COVID-19 pandemic continues to pose challenges and risks to the operating environment. The management is taking all required safety measures within the plantations to mitigate any consequent business impact. The Global Crude Palm Oil prices (CPO) which witnessed historical low prices in the recent past, has started to show signs of recovery since the 3rd Quarter of this financial year. However, the simultaneous introduction of a new duty on CPO by the Indonesian government to support its bio-diesel mandate has dented the benefit of the CPO price upside which will impact all Indonesian plantation Companies. In the midst of these prevailing industry and economic uncertainties, the investee company has been taking several measures to preserve its liquidity position and remain resilient to withstand these external challenges.

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

Accordingly, your Company recorded a net profit after tax of Rs.1.07 Mn for the year as compared to the profit of Rs. 0.34 Mn recorded in the previous financial year.

Minimum Public Holding

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

As previously informed via annual and interim reports, the Company is not in compliance with the minimum public holding requirements in relation to a Company Listed on the Main Board of the Colombo Stock Exchange (CSE) as per Rule 7.13.1 (a) of the Listing Rules of CSE. Accordingly, the Company was transferred to the 'Watch List' of the CSE in terms of Rule 7.13.2 (b) of the previous Listing Rules of the CSE with effect from 2nd July 2018. However, the CSE via their Circular No. 03/2019 dated 3rd October 2019 amended the Listing Rules on enforcement actions applicable for non-compliance with minimum public holding requirements with effect from 12th September 2019. Accordingly, in terms of Rule 7.13.2 of the Listing Rules of the CSE, the company was transferred to the Second Board with effect from 15th November 2019.

Chairman's Statement

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

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

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

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

(Sgd.)

H. Selvanathan

Chairman

23rd April 2021

Management Discussion and Analysis

Review of Industry and Operational Performance

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

The Indonesian investment, PT Agro Indomas is managed by the group's fully owned management arm in Indonesia. PTAI consists of 26,981 hectares of plantation with processing facilities of 225 MT/hr. Statistics pertaining to the operating performance of the Indonesian Investment, PT Agro Indomas is provided in this annual report in section 7 under "Information to Shareholders and Investors" in pages 74 and 75.

The Investment in SDSB is recorded in the financial statements at fair value as determined by an independent professional valuer as more fully explained in Note 8 to the financial statements.

The outbreak of the COVID-19 pandemic in March 2020 continues to pose fresh challenges and risks to the operating environment in the plantations. The Global Crude Palm Oil prices (CPO) which witnessed historical low prices continuously in the past few years, has shown signs of recovery since the 3rd Quarter of this financial year. However, the CPO price upside has been constrained with the introduction of a new duty on CPO by the Indonesian government to support its bio-diesel mandate.

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

The Company recorded a profit after tax of Rs. 1.07 Mn from operations during the year under review compared to the profit of Rs. 0.34 Mn recorded in the previous financial year. Accordingly, no dividend has been proposed for the year under review.

Minimum Public Holding

As more fully noted in the Chairman's Review, the Company is not in compliance with the minimum public holding requirements in relation to a Company Listed on the Main Board as per Rule 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange (CSE). The CSE subsequently issued an amendment on enforcement actions applicable for non-compliance with minimum public holding requirements via their Circular No. 03/2019 dated 3rd October 2019. Accordingly, the company was transferred to the Second Board with effect from 15th November 2019.

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

Agro Harapan Lestari (Pvt) Ltd
Managers

23rd April 2021

Risk Management

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

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

Continuing Business Segment

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

(a) Investment Income Risk

I. Commodity Price Risk

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

II. Environmental Risk

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

(b) Investment Valuation Risk

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

(c) Foreign Exchange Risk

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

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

Agro Harapan Lestari (Pvt) Ltd

Managers

23rd April 2021

Profile of the Directors

HARIHARAN SELVANATHAN

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

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

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

He holds a Bachelor's Degree in Commerce.

MANOHARAN SELVANATHAN

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

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

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

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

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

He holds a Bachelor's Degree in Commerce.

Profile of the Directors

ISRAEL PAULRAJ

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

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

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

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

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

NALAKE FERNANDO

Nalake Fernando is a Director of the Property Management Companies of the Carson Cumberbatch Group, namely Equity One Limited, Equity Two PLC and Equity Three (Pvt) Ltd. He is also a Director of Carsons Management Services (Private) Limited, as well as Association for Individuals with learning Differences. He was the Country Representative for Sri Lanka of Dalekeller & Associates Ltd, Designers and Skidmore Owings & Merrill Architects. He was also a Director of SKC Management Services Ltd.

He counts over 40 years of work experience and holds a Technician's Certificate of the Institute of Work Study Practitioners of UK.

CHANDIMA GUNAWARDENA

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

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

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

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

SUBRAMANIAM MAHENDRARAJAH

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

PRITHIVIRAJ DE SILVA

Prithviraj De Silva has over 35 years of experience in the fields of Finance and General Management.

He has been practising as a Management Consultant since 1996. He moved to Melbourne in 2003 and worked as the Finance Controller of a company in the business of distributing specialty Beverages. He returned to Sri Lanka in 2005 and joined Wijeya Newspapers Ltd as the Finance Director.

He resigned from Wijeya Newspapers Ltd in 2015 and has been providing Management Consulting services to companies in the private sector from 2015 to-date.

Statement of Directors' Responsibilities

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

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

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

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

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

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

By Order of the Board,

(Sgd.)

K. D. De Silva (Mrs.)

Director

Carsons Management Services (Private) Limited

Secretaries

Colombo
23 April 2021

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

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

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

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

1. GENERAL

Shalimar (Malay) PLC (the “Company”) is a public limited liability Company incorporated in Sri Lanka in 1909.

2. PRINCIPAL ACTIVITY OF THE COMPANY

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

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

3. BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

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

4. FINANCIAL STATEMENTS

The financial statements which comprise of the Statement of Profit or Loss and Comprehensive Income, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Equity and Notes to the financial statements of the Company for the year ended 31st March 2021 are set out on pages 34 to 63. These financial statements comply with the requirements of Section 151 of the Companies Act No. 07 of 2007.

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

4.1 Financial results and appropriations

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

<i>For the year ended 31st March</i>	2021	2020
	Rs.'000	Rs.'000
Profit for the year	1,068	337
Retained earnings as at the beginning of the year	62,221	61,884
Profits available for appropriations	63,289	62,221
Comprehensive Income	-	-
Dividend Paid	-	-
Appropriations	-	-
Retained earnings as at the end of the year	63,289	62,221

4.2 Significant accounting policies

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

4.3 Investment in Financial Instruments

Investments in financial instruments of the Company represents investments in Financial Assets classified as Fair Value through OCI, categorized into,

- Fair value hierarchy Level 1 – quoted securities / unit trusts
- Fair value hierarchy Level 3 – unlisted entity

The details of financial instruments categorized in to levels in the fair value hierarchy are given in note 20 to the financial statements.

4.4 Capital expenditure

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

<i>For the year ended 31st March</i>	2021	2020
	Rs.'000	Rs.'000
Property, Plant & Equipment	-	177

4.5 Reserves

As at 31st March 2021, the total reserves of the Company stood at Rs. 6,867.59 Mn (2020 - Rs. 5,538.44 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 2021 is given in note 18.2 to the Financial Statements, on page 59.

5.2 Directors' Interest in Contracts and Shares

Directors' interests in contracts of the Company are disclosed in note 18.3 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 as at	
	31st March 2021	1st April 2020

H. Selvanathan (Chairman) (Appointed w.e.f. 12.08.2020)	-	-
M. Selvanathan (Appointed w.e.f. 12.08.2020)	1	1
I. Paulraj (Appointed w.e.f. 12.08.2020)	-	-
K.C.N. Fernando (Appointed w.e.f. 12.08.2020)	-	-
D. C. R. Gunawardena	-	-
S. Mahendrarajah	53	53
D.P. De Silva	-	-

6. DIRECTORS

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

6.1 Changes in Directorate

- Mr. H. Selvanathan was appointed to the Board as an Executive Director and the Chairman w.e.f. 12th August 2020.
- Mr. M. Selvanathan was appointed to the Board as an Executive Director w.e.f. 12th August 2020.

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

- (c) Mr. I. Paulraj was appointed to the Board as a Non-Executive Director w.e.f. 12th August 2020.
- (d) Mr. K.C.N. Fernando was appointed to the Board as an Executive Director w.e.f. 12th August 2020.

6.2 Directors to retire by rotation

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

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

In terms of Article 94 of the Articles of Association of the Company, Messrs. H. Selvanathan, M. Selvanathan, K. C. N. Fernando and I. Paulraj - Directors retire from the Board and being eligible offer themselves for re-election.

6.4 Re-Appointment of Directors who are over 70 years of age

Messrs. H. Selvanathan, M. Selvanathan, I. Paulraj and K.C.N. Fernando - Directors who are over 70 years of age and D. C. R. Gunawardena - Director who reached the age of 70 during the year, are to be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age

limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not be applicable to the said Directors.

7. CORPORATE GOVERNANCE

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

7.1 Board of Directors

The following Directors held office as at the reporting date and their brief profiles are given on pages 5 to 7 of the Annual Report.

Directors	Executive/ Non-Executive/ Independent
Mr. H. Selvanathan (Chairman) <i>(Appointed w.e.f. 12.08.2020)</i>	Executive
Mr. M. Selvanathan <i>(Appointed w.e.f. 12.08.2020)</i>	Executive
Mr. I. Paulraj <i>(Appointed w.e.f. 12.08.2020)</i>	Non-Executive
Mr. K.C.N. Fernando <i>(Appointed w.e.f. 12.08.2020)</i>	Executive
Mr. D. C. R. Gunawardena	Non-Executive
Mr. S. Mahendrarajah*	Non-Executive / Independent
Mr. D.P. De Silva**	Non-Executive / Independent

Each of the Non-Executive Directors of the Company have submitted a signed declaration on Independence/ Non-Independence as per Rule 7.10.2(b) of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at a Board Meeting of the Board of Directors of the Company held on 23rd April 2021, in order to enable the Board of Directors to determine the Independence/ Non-Independence of each of the Non-Executive Directors, in terms of Rule 7.10.3(a) of the Listing Rules of the CSE.

** Mr. S. Mahendrarajah is an Independent Director in spite of being a Director on the Boards of Indo-Malay PLC and Selinsing PLC, in which the majority of the other Directors of the Board are also Directors and being a Director of Selinsing PLC which has a significant shareholding in the Company, since he is not directly involved in the management of the Company.*

*** Mr. D.P.De Silva is an Independent Director in spite of being a Director of Good Hope PLC in which the majority of the Directors of the Board are also Directors, since he is not directly involved in the management of the Company.*

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

7.2 Directors' Meetings Attendance

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

The attendance of the Directors were as follows;

Directors	Meetings attended (Out of 3)
H. Selvanathan (Chairman) <i>(Appointed w.e.f. 12.08.2020)</i>	2/3
M. Selvanathan <i>(Appointed w.e.f. 12.08.2020)</i>	2/3
I. Paulraj <i>(Appointed w.e.f. 12.08.2020)</i>	2/3
K.C.N. Fernando <i>(Appointed w.e.f. 12.08.2020)</i>	2/3
D. C. R. Gunawardena	3/3
S. Mahendrarajah	3/3
D.P.De Silva	3/3

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

7.3 Audit Committee

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

Composition

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

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

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

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

7.4 Remuneration Committee

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

Composition

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

Functions and Proceedings

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

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

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

The Remuneration Committee meets at least twice a year.

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

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

Reporting and Responsibilities

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

Aggregated remuneration paid to the Non-Executive Directors of the Company are disclosed under note 18.2 on page 59 of the Annual Report. Executive Directors are not compensated for their role on the Board.

7.5 Related Party Transactions Review Committee

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

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

the Company and comprises of the following members;

Composition

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

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

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

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

Declaration

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

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

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

The details of the Related Party Transactions are given in Note 18 on page 58 to 60 of the Financial Statements.

7.5.1 Non-Recurrent Related Party Transactions

There were no non-recurrent related party transactions for the year ended 31st March 2021 which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31st March 2020 Audited Financial Statements as required by the Colombo Stock Exchange

Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

7.5.2 Recurrent Related Party Transactions

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

All the related party transactions are disclosed under Note 18 on page 59 to the Financial Statements.

8. INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

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

This allows the Board to have total control of the fulfillment of governance requirements by providing opportunity to take timely preventive action in case of potential deterioration of status quo. A comprehensive description of the risk management strategies of the Company are given on page 4 in the Annual Report.

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

9. INDEPENDENT AUDITORS

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

A sum of Rs. 231,750/- (2020 - Rs. 231,750/-) was paid to them by the Company as audit fees for the year ended 31st March 2021. Fees paid to Auditors on audit related services are given in note 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 authorizing the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

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

9.1 Auditors' relationship or any interest with the Company

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

10. INDEPENDENT AUDITORS' REPORT

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

11. HUMAN RESOURCES

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

12. EQUITABLE TREATMENT TO SHAREHOLDERS

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

13. ENVIRONMENT PROTECTION

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

14. DIVIDEND

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

15. SOLVENCY TEST

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

16. STATED CAPITAL

The Stated Capital of the Company as at 31st March 2021 was Rs. 69,400,800 consisting of 5,397,840 Ordinary Shares. There was no change in the Stated Capital of the Company during the year.

17. STATUTORY PAYMENTS

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

18. GOING CONCERN

The Board of Directors is satisfied that the Company has adequate resources to continue

its operations in the foreseeable future. Accordingly, these financial statements are prepared based on the 'Going Concern' concept.

19. EVENTS AFTER THE REPORTING DATE

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

20. CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

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

21. CORPORATE DONATIONS

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

22. OUTSTANDING LITIGATION

There were no outstanding litigations as at the reporting date.

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

As at 31 March Name of shareholders	31st March 2021		31st March 2020	
	No. of shares	%	No. of shares	%
Goodhope Asia Holdings Ltd	4,491,047	83.20	4,491,047	83.20
Selinsing PLC	579,432	10.73	579,432	10.73
Good Hope PLC	167,328	3.10	167,328	3.10
Indo-Malay PLC	119,448	2.21	119,448	2.21
Mr. K.C. Vignarajah	21,481	0.40	21,422	0.40
Mrs. S. S. Vignarajah	3,716	0.07	3,716	0.07
Mr. J.A.A. Chandrasiri	1,798	0.03	1,798	0.03
Dr. D. Jayantha	1,480	0.03	1,480	0.03
Best Real Invest Co Services (Private) Limited	1,329	0.02	1,329	0.02
Miss. K.R. Vignarajah	810	0.02	810	0.02
Dr. R.D. Kahandawa arachchi	700	0.01	700	0.01
Mr. M.M.A. Ameen	591	0.01	846	0.02
Mr. N.K. Punchihewa	531	0.01	531	0.01
Mr. V.H.D.S.S. Siriwardena (Deceased)	409	0.01	409	0.01
Mr. N.S.C. DE Silva	362	0.01	374	0.01
Mr. M.A.J. Wahid	354	0.01	15	0.00
Mr. V. Baskarasundaram	351	0.01	351	0.01
Acuity Partners (Pvt) Limited/Mr.N.K.Punchihewa	300	0.01	362	0.01
Mr. S. Kunjithapatham	299	0.01	249	0.00
Mr. N.A.L. Keerthi	284	0.01	26	0.00

24. SHARE INFORMATION

The details relating to earnings, net assets, market value per share and information on share trading is given on pages 73 and 74 of this Annual Report.

25. ANNUAL REPORT

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

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

26. ANNUAL GENERAL MEETING

As permitted by Article 55(A) of the Articles of Association of the Company, the 112th Annual General Meeting of the Company will be held on Monday, the 7th day of June 2021, at 9.00 a.m. at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 07, Sri Lanka by means of audio or audio and visual technology.

The Notice of the Annual General Meeting setting out the business which will be transacted thereat is on page 78 of the Annual Report.

Signed on behalf of the Board,

(Sgd.)

H. Selvanathan

Chairman

(Sgd.)

M. Selvanathan

Director

(Sgd.)

K.D. De Silva (Mrs.)

Director

Carsons Management Services (Pvt) Ltd

Secretaries

Colombo

23rd April 2021

Audit Committee Report

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

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

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

The Audit Committee consists of the following Members:

Audit Committee Members	Executive/ Non-Executive/ Independent
Mr.A.S. Amaratunga <i>(Appointed Chairman w.e.f. 1st January 2021)</i>	Non-Executive, Independent (CCPLC)
Mr.D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr.Y.H. Ong <i>(Appointed Member w.e.f. 1st January 2021)</i>	Non-Executive, Independent (CCPLC)
Mr.V.P. Malalasekera <i>(Ceased to be Chairman w.e.f. 31st December 2020)</i>	Non-Executive, Independent (CCPLC)
Mr.F. Mohideen <i>(Ceased to be a Member w.e.f. 31st December 2020)</i>	Non-Executive, Independent (CCPLC)

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

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

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

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

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

The Company holds and manages an investment portfolio.

Meetings of the Audit Committee

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

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

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

*Appointed Member w.e.f. 1st January 2021

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

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

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

The Audit Committee met the External Auditors, Messrs.Ernst & Young twice during the year to discuss the audit scope and to deliberate the draft Financial Report and Accounts. The Committee also discussed the draft Financial Report and Accounts with the External Auditors, without the management being present.

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

Purpose of the Audit Committee

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

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

Financial Statements

The interim financial statements of Shalimar (Malay) PLC have been reviewed by the Audit Committee Members. The draft financial statements of Shalimar (Malay) PLC for the year ended 31st March 2021 were also reviewed at a Meeting of the Audit Committee Members, together with the External Auditors, Messrs. Ernst & Young, prior to release of same to the Regulatory Authorities and to the shareholders.

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

Audit Committee Report

Internal Audit

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

Performance of the investments held by the Company

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

External Audit

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

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

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

(Sgd.)

A.S. Amaratunga

Chairman – Audit Committee

Carson Cumberbatch PLC

Colombo
23rd April 2021

Related Party Transactions Review Committee Report

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

The Company holds and manages an investment portfolio.

Composition of the Committee

Mr.V.P. Malalasekera, Chairman and Mr.F. Mohideen, Member of the RPTRC

resigned from the Board of CCPLC w.e.f. 31st December 2020 and ceased to be Members of the RPTRC w.e.f. 31st December 2020.

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

The Members of the RPTRC are as follows :

RPTRC Members	Executive/Non-Executive/Independent
Mr.W.M.R.S. Dias (<i>Appointed Chairman w.e.f. 1st January 2021</i>)	Non-Executive, Independent (CCPLC)
Mr.D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr.H. Selvanathan	Executive Director (CCPLC)
Mr.M. Selvanathan	Executive Director (CCPLC)
Mr.S.K. Shah	Executive Director (CCPLC)
Mr.R. Theagarajah (<i>Appointed Member w.e.f. 1st January 2021</i>)	Non-Executive, Independent (CCPLC)
Mr.V.P. Malalasekera (<i>Ceased to be Chairman w.e.f. 31st December 2020</i>)	Non-Executive, Independent (CCPLC)
Mr.F. Mohideen (<i>Ceased to be a Member w.e.f. 31st December 2020</i>)	Non-Executive, Independent (CCPLC)

Meetings of the Related Party Transactions Review Committee

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

Related Party Transactions Review Committee Report

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

	Meetings (virtual) attended (out of 04)
Mr.W.M.R.S. Dias (<i>Chairman</i>)*	01
Mr.D.C.R. Gunawardena	04
Mr.H. Selvanathan	01
Mr.M. Selvanathan	-
Mr.S.K. Shah	04
Mr.R. Theagarajah**	01
Mr.V.P. Malalasekera***	03
Mr.F. Mohideen****	01

*Appointed Chairman w.e.f. 1st January 2021

** Appointed Member w.e.f. 1st January 2021

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

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

Purpose of the Committee

The objective of the RPTC 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 RPTC reviews the relevant Related Party Transactions of the Listed Companies of the Carsons Group and where the Committee decides that the approval of the Board of Directors of the respective Companies are necessary to approve a Related Party Transaction, such Board approval is obtained prior to entering into the relevant Related Party Transaction.
- When reviewing a transaction, the RPTC 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 RPTC 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 2020 to 31st March 2021 have been reviewed by the Members of the RPTRC and the comments and observations of the Committee have been communicated to the Board of Directors of the Company.

(Sgd.)

W.M.R.S. Dias

Chairman – Related Party Transactions Review Committee

Carson Cumberbatch PLC

Colombo

23rd April 2021

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Independent Auditors' Report



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

Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF SHALIMAR (MALAY) PLC

Report on the audit of the financial statements

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2021 and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards ("SLAuSs"). Our responsibilities under those standards

are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued 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

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

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Independent Auditors' Report

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.

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

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

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

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

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

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

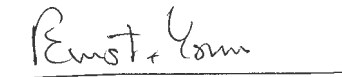
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation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

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the

audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

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



OF ERNST AND YOUNG
Chartered Accountants

23rd April 2021
Colombo

Statement of Profit or Loss

<i>For the year ended 31 March</i>		2021	2020
	Notes	Rs. '000	Rs. '000
Interest Income		2,385	3,956
Other Income	13.1	8	6
Administrative Expenses		(1,325)	(3,625)
Profit before Tax	4	1,068	337
Income Tax Expense	5	-	-
Profit for the year		1,068	337
Earnings per Share (Rs.)	6	0.20	0.06

The Accounting Policies and Notes from pages 39 to 63 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Comprehensive Income

<i>For the year ended 31 March</i>	Notes	2021 Rs. '000	2020 Rs. '000
Profit for the year		1,068	337
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods;			
Gain / (Loss) on Change in Fair Value of Financial Assets classified under FVOCI		1,328,082	(210,835)
Net Other Comprehensive Income / (Expense) not to be reclassified to Profit or Loss in subsequent periods;		1,328,082	(210,835)
Other Comprehensive Income / (Expense) for the year, Net of Tax		1,328,082	(210,835)
Total Comprehensive Income / (Expense) for the year, Net of Tax		1,329,150	(210,498)

The Accounting Policies and Notes from pages 39 to 63 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Financial Position

<i>As at 31 March</i>	Notes	2021 Rs. '000	2020 Rs. '000
Assets			
Non-Current Asset			
Property, Plant and Equipment	7	113	172
Other Non-Current Financial Assets	8	6,896,135	5,568,053
Total Non-Current Asset		6,896,248	5,568,225
Current Assets			
Advances and Prepayments		429	197
Income Tax Receivable		764	764
Short Term Investment	10	37,308	35,038
Cash and Cash Equivalents	9	2,558	4,424
Total Current Assets		41,059	40,423
Total Assets		6,937,307	5,608,648
Equity and Liabilities			
Equity			
Stated Capital	11	69,401	69,401
Retained Earnings		63,289	62,221
Other Reserves	12	6,804,301	5,476,219
Total Shareholders' Funds		6,936,991	5,607,841
Current Liabilities			
Other Payables	13	17	25
Provisions and Accrued Expenses		299	782
Total Current Liabilities		316	807
Total Liabilities		316	807
Total Equity and Liabilities		6,937,307	5,608,648
Net Assets per Ordinary Share (Rs.)		1,285.14	1,038.90

The Accounting Policies and Notes from pages 39 to 63 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

Chairman

(Sgd.)

M. Selvanathan

Director

Agro Harapan Lestari (Pvt) Ltd

23rd April 2021

Colombo

Statement of Changes in Equity

	Stated Capital		Fair Value Reserve		Retained Earnings		Total Shareholders' Funds	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
For the Year ended 31 March								
Balance as at 1 April 2019	69,401	5,687,054	61,884	5,818,339				
Profit for the year	-	-	337	337				
Other Comprehensive Income	-	(210,835)	-	(210,835)				
Total Comprehensive Income for the year	-	(210,835)	337	(210,498)				
Balance as at 31 March 2020	69,401	5,476,219	62,221	5,607,841				
Balance as at 1 April 2020	69,401	5,476,219	62,221	5,607,841				
Profit for the year	-	-	1,068	1,068				
Other Comprehensive Income	-	1,328,082	-	1,328,082				
Total Comprehensive Income for the year	-	1,328,082	1,068	1,329,150				
Balance as at 31 March 2021	69,401	6,804,301	63,289	6,936,991				

The Accounting Policies and Notes from pages 39 to 63 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Cash Flow Statement

<i>For the year ended 31 March</i>		2021	2020
	Notes	Rs. '000	Rs. '000
Operating Activities			
Profit before Tax		1,068	337
Adjustments for:			
Depreciation	7	59	5
Unclaimed Dividend Forfeited	13.1	(8)	(6)
Interest Income		(2,385)	(3,956)
Operating Loss before Working Capital Changes		(1,266)	(3,620)
Working Capital Changes:			
Advances and Prepayments		787	1,614
Provisions and Accrued Expenses		(482)	(1,113)
Cash Flows (used in)/from Operations		(961)	(3,119)
Income Tax Paid		-	-
Net cash flows used in operating activities		(961)	(3,119)
Investing Activities			
Acquisition of Property, Plant and Equipment	7	-	(177)
Investment in Fixed Deposits	10	(2,269)	827
Interest Received		1,364	2,117
Net Cash Flows (Used In) / From Investing Activities		(905)	2,767
Financing Activities			
Net Cash Flows Used In Financing Activities		-	-
Net Decrease in Cash and Cash Equivalents		(1,866)	(352)
Cash and Cash Equivalents at the beginning of the year		4,424	4,776
Cash and Cash Equivalents at the end of the year	9	2,558	4,424

The Accounting Policies and Notes from pages 39 to 63 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

Shalimar (Malay) 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 Shalimar (Malay) PLC for the year ended 31st March 2021 was authorized for issue in accordance with a resolution of the Board of Directors on 23rd April 2021

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 GENERAL ACCOUNTING POLICIES

2.1.1 Statement of Compliance

The Financial Statements of Shalimar (Malay) 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 items in the statement of Financial Position;

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

2.1.3 Comparative Figures

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

2.1.4 Rounding

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

Notes to the Financial Statements

2.2 Changes in Accounting Policies and Disclosures

2.2.1 New and Amended Standards and Interpretations

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

2.2.2 Standards issued but not yet effective

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

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

While SLFRS 17 is effective for reporting periods beginning on or after 1 January 2023 all the other amendments are effective for the annual periods beginning on or after 1 January 2020.

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

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

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

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

Amendments to SLFRS 16 - COVID – 19 Related Rent Concessions

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

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

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

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

Amendments to LKAS 1 and LKAS 8: Definition of Material

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

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

Amendments to SLFRS 3: Definition of a Business

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

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

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

Amendments to references to the conceptual framework in SLFRS standards

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

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

Notes to the Financial Statements

The Company does not expect significant impact on its financial statements resulting from the application of the above standards, amendments and interpretations.

2.3 Summary of Significant Accounting Policies

2.3.1 Conversion of Foreign Currencies

(a) Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees.

(b) Investment Operations in Sri Lanka

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

2.3.2 Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment loss. Such cost includes the cost of replacing part of the property, plant and equipment. Other subsequent expenditure is capitalised

only when it increases future economic benefits of the related item of property, plant and equipment and the cost can be reliably measured. All other expenditure is recognised in profit or loss as incurred.

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

Computer Equipment Over 03 Years

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

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at

each financial year end and adjusted prospectively, if appropriate.

2.3.3 Financial Instruments — Initial Recognition and Subsequent Measurement (From 01/04/2018)

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 Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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

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

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

Notes to the Financial Statements

The Company elected to classify irrevocably its quoted and unquoted equity investments under this category as they intend to hold these investments for the foreseeable future as a strategic investment.

De-recognition

A financial asset is derecognised when:

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

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

Impairment of Financial Assets

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

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

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.

2.3.4 Provisions

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

2.3.5 Income

Gains and Losses

Net gains and losses of a revenue nature arising from the disposal of other noncurrent assets, are accounted in the Statement of Profit or Loss, after deducting the carrying amount from proceeds on disposal of such assets and the related selling expenses.

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

Interest Income

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

Notes to the Financial Statements

Dividend Income

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

Others

Other income is recognized on an accrual basis.

2.3.6 Expenditure Recognition

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

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

Others

Other expenses are recognized on an accrual basis.

2.3.7 Taxation

(a) Current Income Tax

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

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

(b) Deferred Taxation

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

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

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

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

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow

the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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

2.3.8 Current versus Non-Current Classification

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

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

used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

2.3.9 Fair Value Measurement

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

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

Notes to the Financial Statements

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.

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

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

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

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

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

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

At each reporting date, the Management analyses the movements in the values of assets which are

required to be remeasured or reassessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

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

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

2.3.10 Cash and Cash Equivalents

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

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

2.3.11 Segment Reporting

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

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

Company operates under one single segment.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Notes to the Financial Statements

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

Deferred Taxes

Deferred tax asset of Rs. 0.39 Mn (2020: 0.69 Mn) as at 31 March 2021 has not been recognized on the carried forward tax losses as the Company is unable to assess with reasonable certainty that taxable profits would be available to recover the deferred tax asset in the foreseeable future. If the Company recognize deferred tax asset, profit and equity would have increased by Rs. 0.39 Mn (2020: 0.69 Mn). Further details on deferred taxes are disclosed in Note 5.

Fair Value Measurement of Assets classified under FVOCI

The Company engaged an independent valuation specialist to assess fair value of unquoted equity shares as at 31 December 2020 and 31 December 2019. Unquoted equity shares of Shalimar Developments Sdn. Bhd. has been valued based on adjusted net asset basis. Such net assets represent the market value of PT Agro Indomas (PTAI) which was determined based on income approach using discounted cash flow method. A degree of

judgement is required in establishing fair value and changes in assumptions could affect the reported fair value. The key assumptions used to determine the fair value of the unquoted equity shares and sensitivity analyses are provided in Notes 8 and 20

Going Concern

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

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

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

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

4. PROFIT BEFORE TAX

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

<i>For the year ended 31 March</i>	2021	2020
	Rs. '000	Rs. '000
Auditors' Remuneration	232	232
Directors' Fees (Note 18.2)	140	40
Professional Fees	83	1,735

5. TAXATION

5.1 Major Components of Income Tax Expense of the Continuing Operations

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

<i>For the year ended 31 March</i>	2021	2020
	Rs. '000	Rs. '000
Statement of Profit or Loss		
Current Income Tax		
Current Income Tax Expense	-	-
Under Provision of Current Income Tax in respect of prior years	-	-
Income Tax Expense recognised in Statement of Profit or Loss	-	-

Notes to the Financial Statements

5.2 Relationship between Income Tax Expense and Accounting Profit

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

<i>For the year ended 31 March</i>	2021	2020
	Rs. '000	Rs. '000
Profit before Tax	1,068	337
Allowable Items	(2,429)	(3,998)
Disallowable Items	59	523
Taxable Loss	(1,302)	(3,138)
Interest Income	2,385	3,956
Deductions under Section 19	(2,385)	(3,956)
Taxable Income	-	-
Income Tax at 24% on Taxable Income	-	-
Notional Tax Credit	-	-
Current Income Tax Charge	-	-
Current Income Tax Charge	-	-
	-	-
Tax Losses		
Balance as at 01 April	2,479	3,297
Loss incurred during the year	1,302	3,138
Loss set-off for the current year	(2,385)	(3,956)
Balance as at 31 March	1,396	2,479

6. PROFIT 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:

<i>For the year ended 31 March</i>	2021	2020
Numerator		
Profit for the year (Rs.)	1,067,783	336,873
Profit attributable to Ordinary Shareholders (Rs.)	1,067,783	336,873
Denominator		
Weighted Average Number of Ordinary Shares	5,397,840	5,397,840
Earnings per Share (Rs.)	0.20	0.06

7.1 Gross Carrying Amounts

<i>For the year ended 31 March</i>	Balance As at 01.04.2020 Rs.'000	Additions Rs.'000	Write-off/ Disposals Rs.'000	Balance As at 31.03.2021 Rs.'000
At Cost				
Computer Equipment	177	-	-	177
Total Value of Depreciable Assets	177	-	-	177

Notes to the Financial Statements

7. PROPERTY, PLANT AND EQUIPMENT

7.2 Accumulated Depreciation

<i>For the year ended 31 March</i>	Balance As at 01.04.2020 Rs.'000	Charge for the year Rs.'000	Write-off/ Disposals Rs.'000	Balance As at 31.03.2021 Rs.'000
Computer Equipments	5	59		64
Total Depreciation	5	59	-	64

7.3 Net Book Values

<i>For the year ended 31 March</i>	2021 Rs.'000	2020 Rs.,000
Computer Equipments	113	172
	113	172

7.4 During the year, the Company acquired property plant and equipment to the aggregate value of Rs. Nil (2020: 177,000)

7.5 Cash payments amounting to Rs. Nil (2020: 177,000) were made during the period for the purchase of property, plant and equipment.

8. OTHER NON-CURRENT FINANCIAL ASSETS

<i>For the year ended 31 March</i>	Unquoted Equity Shares	
	2021 Rs. '000	2020 Rs. '000
Financial Assets classified as Fair Value through OCI		
Balance as at 01 April	5,568,053	5,778,888
Gain on Change in Fair Value	1,328,082	(210,835)
Balance as at 31 March	6,896,135	5,568,053

8.1 Financial Assets classified as Fair Value Through OCI— Unquoted Equity Shares

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

8.2 Fair Value of Unquoted Equity Shares

The Company obtained the services of PricewaterhouseCoopers (Private) Ltd (PwC Sri Lanka) to carry out an independent indicative fair market valuation of the equity interest in the unquoted investment in SDSB as at valuation date of 31 December 2020. The primary approach adopted 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 26 years (including the immature (2020: 26 years))
- (b) Consider one planting cycle (i.e. no replantation at the end of the economic life).
- (c) Yield per hectare based on year of planting, maturity profile and terrain.
- (d) CPO ex-mill prices in FY 2021/22 is estimated to be USD 543/MT (2020: USD 488/MT) this is assumed to change in line with the change in forward Rotterdam prices and Indonesia Palm oil levy during the forecast period , i.e until FY 2039/40. After FY 2030/31 prices are assumed to remain unchanged.
- (e) Weighted average cost of capital (WACC) of 9.12% (2020: 9.76%)
- (f) Indonesian corporate taxation rate at 22% p.a. In FY 2021 and 20% thereafter (2020: 25% p.a.)
- (g) Inflation assumed approximately 3% (2020: 3.25%)

Notes to the Financial Statements

8.3 Sensitivity of Key Assumptions

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

The below values are based on 13.33% (2020: 13.33%) equity stake in SDSB and base case is at WACC of 9.12% (2020: 9.76%).

<i>For the year ended 31 March</i>	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 2021

Effect of fair value in unquoted equity shares in SDSB designated as Financial Assets classified under FVOCI

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

Effect of fair value in unquoted equity shares in SDSB designated as Financial Assets classified under FVOCI classified under FVOCI

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

9. CASH AND CASH EQUIVALENTS

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

<i>As at 31 March</i>	2021 Rs. '000	2020 Rs. '000
Bank Balances	887	1,868
Short-term Deposits	1,671	2,556
	2,558	4,424

10. SHORT TERM INVESTMENT

<i>As at 31 March</i>	2021 Rs. '000	2020 Rs. '000
Fixed Deposit	37,308	35,038
	37,308	35,038

11. STATED CAPITAL

<i>As at 31 March</i>	2021 Number	2020 Number	2021 Rs. '000	2020 Rs. '000
Fully paid Ordinary Shares	5,397,840	5,397,840	69,401	69,401
	5,397,840	5,397,840	69,401	69,401

12. OTHER RESERVES

<i>As at 31 March</i>	2021 Rs. '000	2020 Rs. '000
Fair Value Reserve *	6,804,301	5,476,219
	6,804,301	5,476,219

*** Fair Value Reserve**

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

13. OTHER PAYABLES

<i>As at 31 March</i>	2021 Rs. '000	2020 Rs. '000
Unclaimed Dividend (Note 13.1)	17	25
	17	25

13.1 Movement in Unclaimed Dividend;

<i>As at 31 March</i>	2021 Rs. '000	2020 Rs. '000
Balance as at 01 April	25	31
Dividend Forfeited	(8)	(6)
Balance as at 31 March	17	25

Notes to the Financial Statements

14. CAPITAL COMMITMENTS

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

15. ASSETS PLEDGED

There were no assets pledged as at the reporting date.

16. EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the reporting date that require adjustments to or disclosures in the financial statements. The impact to our core markets and also to the Company's financial results cannot be reasonably estimated at the current stage.

17. CONTINGENT LIABILITIES

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

18. RELATED PARTY DISCLOSURES

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

18.1 Related Party Transactions

Transactions with related parties are as follows:

Name of the Company	Relationship	Nature of Transaction	Terms	2021	2020
				Rs. '000	Rs. '000
Recurrent Transactions					
Carsons Management Services (Private) Limited	Fellow Subsidiary	Secretarial Expenses	Note (a)	218	230
				218	230
Aggregate Value of Related Party Transactions as a % of Net Revenue				6%	7%

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

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

Non-Recurrent Transactions

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

18.2 Transaction with Key Management Personnel

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

<i>As at 31 March</i>	2021	2020
	Rs. '000	Rs. '000
Short Term Employee Benefits	140	40

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

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

Notes to the Financial Statements

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

19. FINANCIAL RISK MANAGEMENT

Objectives and Policies

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

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

(a) Market risk

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

(b) Interest Rate Risk

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

(c) Foreign Currency Risk

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

<i>As at 31 March</i>	2021	2020
	'000	'000
Investment Value (in MYR)	143,908	127,450
If Rupee Depreciated by 1%	(-1%)	(-1%)
Impact on Equity (in Rs.)	68,961	55,681
If Rupee Appreciated by 1%	(+1%)	(+1%)
Impact on Equity (in Rs.)	(68,961)	(55,681)

(d) Equity Price Risk

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

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

(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:

<i>As at 31 March</i>	2021 Rs. '000	2020 Rs. '000
Bank Balances	887	1,868
Short-term Deposits	1,671	2,556
Short Term Investments	37,308	35,038
	39,866	39,462

(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 as at 31 March, based on contractual payment dates.

<i>As at 31 March</i>	2021 Less than 3 months Rs. '000	2020 Less than 3 months Rs. '000
Other Payables	16	25
	16	25

Notes to the Financial Statements

(g) Capital Management

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

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

Capital, which includes stated capital, fair value reserve and retained earnings is measured at Rs. 6,937 Mn as at 31 March 2021 (2020: Rs. 5,607.8 Mn).

20. FAIR VALUE MEASUREMENT

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

Financial liabilities consist of other payables.

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

Fair value measurement hierarchy for assets as at 31 March:

	Date of valuation	Total Rs. '000	Fair value measurement using		
			Quoted prices in active markets (Level 1) Rs. '000	Significant observable inputs (Level 2) Rs. '000	Significant unobservable inputs (Level 3) Rs. '000
As at 31 March 2021					
Financial Assets classified under FVOCI					
Unquoted Equity Shares					
Shallimar Developments Sdn. Bhd.	31 December 2020	6,896,135	-	-	6,896,135
Financial Assets classified under FVOCI as at 31st March 2021		6,896,135	-	-	6,896,135
As at 31 March 2020					
Financial Assets classified under FVOCI					
Unquoted Equity Shares					
Shallimar Developments Sdn. Bhd.	31 December 2019	5,568,053	-	-	5,568,053
Financial Assets classified under FVOCI as at 31st March 2020		5,568,053	-	-	5,568,053

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

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

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

Five Year Summary

<i>For the year ended 31 March</i>	2021	2020	2019	2018	2017
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Operating Results					
Continuing Operations					
Revenue	2,385	3,956	3,405	4,946	1,560
Profit/(Loss) before taxation from Continuing Operations	1,068	337	656	(1,888)	1,560
Taxation	-	-	-	(391)	(400)
Profit/(Loss) for the Year from Continuing Operations	1,068	337	656	(2,279)	1,160
Discontinued Operations					
Profit for the year from Operations	-	-	-	-	44,451
Profits from disposal of Overseas plantation assets	-	-	-	-	2,572,445
Transfer from translation reserve on discontinued Overseas Branch operations	-	-	-	-	(404,827)
Profit for the Year from Discontinued Operations	-	-	-	-	2,212,069
Total Profit/(Loss) for the year	1,068	337	656	(2,279)	2,213,229

<i>As at 31 March</i>	2021	2020	2019	2018	2017
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Statement of Financial Position					
Assets					
Non-Current Assets					
Property, plant and equipment	113	172	-	-	-
Bearer Plants	-	-	-	-	-
Non-current financial assets	6,896,135	5,568,053	5,778,888	5,604,580	5,374,448
	6,896,248	5,568,225	5,778,888	5,604,580	5,374,448
Current Assets	41,059	40,423	41,377	40,661	240,452
Total Assets	6,937,307	5,608,648	5,820,265	5,645,241	5,614,900
Equity and Liabilities					
Stated capital	69,401	69,401	69,401	69,401	69,401
Reserves	6,867,590	5,538,440	5,748,938	5,550,961	5,346,121
	6,936,991	5,607,841	5,818,339	5,620,362	5,415,522
Non-Current Liabilities					
Deferred tax liability	-	-	-	23,013	-
Retirement benefit obligations	-	-	-	-	-
	-	-	-	23,013	-
Current Liabilities	316	807	1,926	1,866	199,378
Total Equity & Liabilities	6,937,307	5,608,648	5,820,265	5,645,241	5,614,900

<i>For the year ended 31 March</i>	2021	2020	2019	2018	2017
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flow Statements					
Continuing Operations					
Net cash (outflows)/inflows from operating activities	(961)	(3,119)	(2,656)	(28,001)	(90)
Net cash inflows/(outflows) from investing activities	(905)	2,767	(32,460)	4,946	1,560
Net cash used in financing activities	-	-	-	(176,974)	(3,638,009)
Net (decrease)/increase in cash & cash equivalents from Continuing Operations	(1,866)	(352)	(35,116)	(200,029)	(3,636,539)
Discontinued Operations					
Net Cash Flows from Discontinued Operations	-	-	-	-	3,863,647
Net (decrease)/increase in cash & cash equivalents	(1,866)	(352)	(35,116)	(200,029)	227,108

<i>For the year ended 31 March</i>	2021	2020	2019	2018	2017
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Ratios and Statistics					
Return on ordinary shareholders' funds (%)	0.02	0.01	0.01	(0.04)	40.87
Current ratio (times)	129.93	50.09	21.48	21.79	1.21
Quick asset ratio (times)	129.93	50.09	21.48	21.79	1.21
Gross profit margin (%) (a)	-	-	-	-	71.09
Net profit margin (%) (a)	44.78	8.52	19.27	(46.08)	55.89
Combined Earnings per ordinary share (EPS) (Rs.) (b)	0.20	0.06	0.12	(0.42)	326.25
EPS from Continuing Operations	0.20	0.06	0.12	(0.42)	0.17
EPS from Discontinued Operations	-	-	-	-	326.08
Dividend per ordinary share (Rs.) (c)	-	-	-	-	42.24
Dividend payout (%)	-	-	-	-	12.95
Net assets per ordinary share (Rs.) (d)	1,285.14	1,038.90	1,077.90	1,041.22	1,003.28
Market value per share (Rs.)	1,203.20	1,497.60	1,497.60	1,497.60	1,726.60
P/E ratio (times)	6,081.16	23,987.55	12,322.87	(3,547.08)	5.29
Market capitalisation (Rs.'000)	6,494,681.09	8,083,805	8,083,805	8,083,805	9,319,911

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

Statement of Value Added

<i>For the year ended 31 March</i>	2021	%	2020	%
	Rs. '000		Rs. '000	
Revenue	2,385		3,956	
Other income & gains	8		6	
	2,393		3,962	
Bought in services	(1,266)		(3,620)	
	1,127		342	
Distributed as follows:				
Retained in the Business				
as depreciation	59	5.24%	5	1.46%
as retained profits	1,068	94.76%	337	98.54%
	1,127	100.00%	342	100.00%

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

<i>For the year ended 31 March</i>	2021	2020
	US\$	US\$
Continuing Operations		
Revenue	12,644	22,065
Other Income and Gains	42	35
Administration Expenses	(7,025)	(20,221)
Profit Before Tax	5,662	1,879
Income Tax Expense	-	-
Profit for the Year	5,662	1,879

Figures in brackets indicate deductions.

Statement of Financial Position

<i>As at 31 March</i>	2021	2020
	US\$	US\$
Assets		
Non-Current Assets		
Property, Plant and Equipment	565	906
Other Non Current Financial Assets	34,510,009	29,320,094
Total Non-Current Assets	34,510,574	29,321,000
Current Assets		
Advance and Prepayments	2,147	1,035
Income Tax Receivable	3,823	4,021
Short Term Investments	186,699	184,504
Cash and Bank Balances	12,801	23,298
Total Current Assets	205,470	212,858
Total Assets	34,716,044	29,533,858
Equity and Liabilities		
Equity		
Stated Capital	868,000	868,000
Retained Earnings	426,791	421,129
Other Reserves	33,419,671	28,240,480
Total Shareholders' Funds	34,714,462	29,529,609
Current Liabilities		
Other Payables	80	130
Provision and Accrued Expenses	1,501	4,119
Total Current Liabilities	1,581	4,249
Total Equity & Liabilities	34,716,044	29,533,858

Notes to the Financial Statements

1. BASIS OF CONVERSION

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

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

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

2. RETAINED EARNINGS

	2021 US\$	2020 US\$.
Balance as at 01st April	421,129	419,250
Profit for the year	5,662	1,879
Other Comprehensive Income /(Loss)	-	-
Ordinary Dividend	-	-
Balance as at 31 March	426,791	421,129

Five Year Summary

<i>For the year ended 31 March</i>	2021	2020	2019	2018	2017
	US\$	US\$	US\$	US\$	US\$
Operating Results					
Continuing Operations					
Revenue	12,644	22,065	20,205	32,255	10,568
Profit/(Loss) before taxation from Continuing Operations	5,662	1,879	3,887	(12,312)	10,568
Taxation	-	-	-	(2,550)	(2,709)
Profit/(Loss) for the Year from Continuing Operations	5,662	1,879	3,887	(14,862)	7,859
Discontinued Operations					
Profit for the year from Operations	-	-	-	-	301,130
Profits from disposal of Overseas plantation assets	-	-	-	-	17,426,920
Transfer from translation reserve on discontinued Overseas Branch operations	-	-	-	-	(2,742,481)
Profit for the Year from Discontinued Operations	-	-	-	-	14,985,569
Total Profit/(Loss) for the year	5,662	1,879	3,887	(14,862)	14,993,428

<i>As at 31 March</i>	2021	2020	2019	2018	2017
	US\$	US\$	US\$	US\$	US\$

Statement of Financial Position

Assets

Non-Current Assets

Property, plant and equipment	565	906	-	-	-
Non-current financial assets	34,510,009	29,320,094	32,817,463	36,019,152	35,361,701
	34,510,574	29,321,000	32,817,463	36,019,152	35,361,701

Current Assets

	205,470	212,858	234,974	261,317	1,582,077
Total Assets	34,716,044	29,533,858	33,052,437	36,280,469	36,943,778

Equity and Liabilities

Stated capital	868,000	868,000	868,000	868,000	868,000
Reserves	33,846,462	28,661,609	32,173,499	35,252,579	34,763,953
	34,714,462	29,529,609	33,041,499	36,120,579	35,631,953

Non-Current Liabilities

Deferred tax liability	-	-	-	147,898	-
Liabilities directly associated with assets held for sale	-	-	-	147,898	-
Current Liabilities	1,582	4,249	10,938	11,992	1,311,825

Total Equity & Liabilities	34,716,044	29,533,858	33,052,437	36,280,469	36,943,778
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Five Year Summary

<i>For the year ended 31 March</i>	2021	2020	2019	2018	2017
	US\$	US\$	US\$	US\$	US\$
Cash Flow Statements					
Continuing Operations					
Net cash outflows from operating activities	(5,095)	(17,392)	(15,760)	(179,955)	(592)
Net cash inflows/(outflows) from investing activities	(4,798)	15,433	(192,613)	31,787	10,264
Net cash used in financing activities	-	-	-	(1,137,365)	(23,935,844)
Net (decrease)/increase in cash & cash equivalents from Continuing Operations	(9,893)	(1,959)	(208,373)	(1,285,533)	(23,926,172)
Discontinued Operations					
Net Cash Flows from Discontinued Operations					
	-	-	-	-	25,420,408
Net (decrease)/increase in cash & cash equivalents	(9,893)	(1,959)	(208,373)	(1,285,533)	1,494,236

	2021	2020	2019	2018	2017
Ratios and Statistics					
Return on ordinary shareholders' funds (%)	0.02	0.01	0.01	(0.04)	40.87
Current ratio (times)	129.88	50.09	21.48	21.79	1.21
Quick asset ratio (times)	129.88	50.09	21.48	21.79	1.21
Gross profit margin (%) (a)	-	-	-	-	71.09
Net profit margin (%) (a)	44.78	8.52	19.24	(46.08)	55.89
Combined Earnings per ordinary share (EPS) (US\$) (b)	0.001	0.001	0.001	(0.003)	2.21
EPS from Continuing Operations	0.001	0.001	0.001	(0.003)	0.001
EPS from Discontinued Operations	-	-	-	-	2.209
Dividend per ordinary share (US\$) (c)	-	-	-	-	0.29
Dividend payout (%)	-	-	-	-	12.95
Net assets per ordinary share (US\$) (d)	6.43	5.47	6.12	6.69	6.60
Market value per share (US\$)	6.02	7.89	8.50	9.62	11.36
P/E ratio (times)	5,740	22,654.86	11,811.41	(3,547.08)	5.29
Market capitalisation (US\$)	32,501	42,567	45,907	51,952	61,321

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

Information to Shareholders and Investors

1. Stock Exchange Listing

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

2. Share Valuation

Market value of the Company Shares as at 31st March 2021 was Rs. 1,203.20 per share (2020: Rs. 1,497.60 per share).

3. Shareholders

As at 31 March	2021	2020
No. of Ordinary Shareholders	370	353

The number of ordinary shares held by non-residents as 31st March 2021 was 4,491,864 which amounts to 83.22% of the total number of ordinary shares.

Resident/non-resident Shareholders as at 31st March 2021

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%
1 - 1,000	359	10,023	0.19	2	817	0.02	361	10,781	0.20
1001 - 10,000	4	8,323	0.15	-	-	-	4	8,323	0.15
10,001 - 100,000	1	21,422	0.40	-	-	-	1	21,481	0.40
100,001 - 1,000,000	3	866,208	16.05	-	-	-	3	866,208	16.05
Above 1,000,000	-	-	-	1	4,491,047	83.20	1	4,491,047	83.20
Grand Total	367	905,976	16.78	3	4,491,864	83.22	370	5,397,840	100.00

Categorization of Shareholders as at 31st March 2021

	No. of Shareholders	No. of Shares	%
Individuals	341	38,592	0.71%
Institutions	29	5,359,248	99.29%

Public Shareholding

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

Public Shareholding as at 31st March 2021

- Percentage of the Ordinary shares held by Public 0.75%
- Market capitalization of the public holding Rs. 48,710,108/-
- No of public shareholders - 354

Information to Shareholders and Investors

4. Market Performance - Ordinary Shares

<i>For the year ended 31 March</i>	2021	2020
Highest (Rs.)	1,461.75	1,850
Lowest (Rs.)	902.80	1,125
Volume Traded (Shares)	2,110	98
No. of Trades	346	38
Value of Shares Traded (Rs. '000)	2,329	129

5. Market Capitalization

Market capitalization of the Company, which is the number of ordinary shares multiplied by the market value of a share, was Rs. 6,494.68 Mn as at 31st March 2021 (2020: Rs. 8,083.81 Mn).

6. Record of Scrip Issues

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

Year ended 31 March	Issue	Basis	No. of Ordinary Shares Capital	Cumulative Ordinary Shares (Rs.)
1998	-	-	270,000	2,700,000
1999	Bonus	10.9:1	2,943,000	32,130,000
2002 April	Bonus	1:5	642,600	38,554,000
2003 May	Bonus	1:5	771,120	46,263,260
2004 March	Bonus	1:2	2,313,360	69,400,800

During the financial year 2016/2017, the Company repurchased 1,542,240 shares.

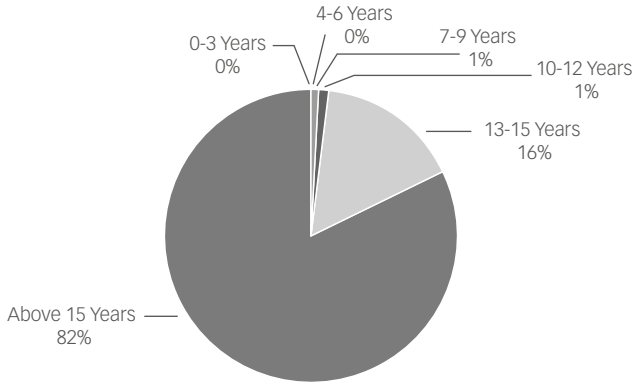
7. Indonesian Property

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

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

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

Plantation Age Analysis of PTAI



Glossary of Financial Terms

Capital Reserves

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

Cash Equivalents

Liquid investments with original maturities of six months or less.

Contingent Liabilities

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

Discontinued Operations

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

Current Ratio

Current assets divided by current liabilities.

Quick Ratio

Current assets less inventories divided by current liabilities.

Gross Profit Margin

Gross profit divided by revenue.

Net Profit Margin

Net profit divided by revenue.

Dividend Per Share

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

Dividend Payout

Total interim and proposed dividends divided by profit after tax.

Earnings Per Ordinary Share

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

Equity

Shareholders' funds.

Events Occurring after Reporting Date

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

Market Capitalization

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

Net Assets Per Share

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

Net Current Assets

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

Price Earnings Ratio (P/E)

Market price of a share divided by earnings per share.

Rate of Ordinary Dividend

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

Reserves

The total of capital and revenue reserves.

Related Parties

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

Return on Shareholders' Funds

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

Revenue Reserves

Reserves considered as being available for distribution.

Segment

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

Value Addition

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

Others

CPO - Crude Palm Oil

PK - Palm Kernel

FFB - Fresh Fruit Bunches

Ha - Hectare

MYR - Malaysian Ringgit

MPC - Malaysian Plantation Companies

MT – Metric Tonnes

Notice of Meeting

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND TWELFTH ANNUAL GENERAL MEETING OF SHALIMAR (MALAY) PLC will be held on Monday, the 7th day of June 2021, at 9.00 a.m. at the 8th Floor, No.65C, Dharmapala Mawatha, Colombo 07, Sri Lanka, by means of audio or audio and visual technology for the following purposes:

1. To consider the Annual Report of the Board of Directors including the financial statements of the Company for the financial year ended 31st March 2021, together with the Report of the Auditors thereon.
2. To re-elect Mr. S.Mahendrarajah who retires by rotation in terms of Articles 87 & 88 of the Articles of Association of the Company.
3. To re-elect Mr. H. Selvanathan as a Director in terms of Article 94 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

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

4. To re-elect Mr. M. Selvanathan as a Director in terms of Article 94 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. M. Selvanathan who is seventy four

years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year".

5. To re-elect Mr. I. Paulraj as a Director in terms of Article 94 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

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

6. To re-elect Mr. K. C. N. Fernando as a Director in terms of Article 94 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. K. C. N. Fernando who is seventy four years of age and that he be 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. D. C. R. Gunawardena as a Director of the Company who is seventy years of age and to consider and if deemed fit to pass the following resolution:

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. D. C. R. Gunawardena who is seventy

years of age and that he be re-appointed 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
23rd April 2021

Notes

1. THIS NOTICE SHOULD BE READ IN CONJUNCTION with the Circular to Shareholders titled “Procedure to be followed at the 112th Annual General Meeting of the Company” which is enclosed with the Annual Report.
2. Having considered the prevailing COVID 19 pandemic situation in the country and the health and safety guidelines issued by the Health authorities in order to prevent the spread of COVID-19, the Board of Directors decided to convene the Annual General Meeting (AGM) through an “audio-visual” technology in conformity with the applicable regulatory provisions and Article 55(A) of the Articles of Association of the Company.
3. Shareholders who wish to participate the AGM through the online platform are kindly requested to complete and forward the “Registration Form (Annexure 1) as morefully explained in the said “Procedure to be followed at the 112th Annual General Meeting of the Company” enclosed to the Annual Report.
4. A member is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A Form of Proxy accompanies this notice.
5. The completed Form of Proxy should be submitted to the Company not later than 4.45 p.m. on 5th June 2021 via email to SHALAGM2021@carcumb.com or by fax to +94 11 2337671 or by post to or handed over to the Registered Office of the Company at No. 61, Janadhipathi Mawatha, Colombo 1.
6. A person representing a Corporation is required to submit a certified copy of the resolution authorising him/her to act as the representative of the Corporation. A representative need not be a member.
7. The transfer books of the Company will remain open.

Form of Proxy

*I/We being *a
 of Member/Members of SHALIMAR (MALAY) PLC, hereby appoint of
 bearing NIC
 No./Passport No. or failing him/her.

Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Israel Paulraj	or failing him,
Kurukulasuriya Calisanctus Nalake Fernando	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Subramaniam Mahendrarajah	or failing him,
Diyangukankani Prithiviraj De Silva	

As *my/our proxy to attend at the Annual General Meeting of the Company to be held on Monday, the 7th day of June 2021 at 9.00 a.m. at the 8th Floor, No. 65 C, Dharmapala Mawatha, Colombo 07 by means of audio or audio and visual technology and any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To re-elect Mr. S.Mahendrarajah 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 re-elect Mr. H. Selvanathan as a Director in terms of Article 94 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. M. Selvanathan as a Director in terms of Article 94 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr. I. Paulraj as a Director in terms of Article 94 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect Mr. K. C. N. Fernando as a Director in terms of Article 94 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is over seventy years of age.	<input type="checkbox"/>	<input type="checkbox"/>
6. To reappoint Mr. D. C. R. Gunawardena who is seventy years of age as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
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 One.

.....
 Signature/s

Notes

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

Form of Proxy

Instructions as to Completion

1. Kindly perfect the form of proxy 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 5th June 2021 or via e-mail to SHALAGM2021@carcumb.com or by fax to +94 11 2337671 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

Shalimar (Malay) PLC

COMPANY REGISTRATION NO.

PQ 51

LEGAL FORM

A Public Quoted Company with Limited Liability.
Incorporated in Sri Lanka in 1909

DIRECTORS

H. Selvanathan
(Appointed w.e.f 12.08.2020) (Chairman)
M. Selvanathan (Appointed w.e.f 12.08.2020)
I. Paulraj (Appointed w.e.f 12.08.2020)
K. C. N. Fernando (Appointed w.e.f 12.08.2020)
D. C. R. Gunawardena
S. Mahendrarajah
D. P. De Silva

BANKERS

Standard Chartered Bank
Commercial Bank of Ceylon 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
Level 20, East Tower,
World Trade Centre,
Echelon Square,
Colombo 01, 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

HOLDING COMPANY

Goodhope Asia Holdings Ltd

ULTIMATE PARENT & CONTROLLING ENTITY

Bukit Darah PLC

Designed & produced by

emagewise

Printed by Printage (Pvt) Ltd



Goodhope

A CARSON CUMBERBATCH COMPANY

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