ACTIONING

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ACTIONING

We at CIC ventured on this journey with a shared vision of nurturing lives. Over the years, we calibrated our path and synergised our strength to position ourselves exactly where we needed to be today, a leading conglomerate actioning sustainable progress across every industry we operate.

The year under review proved to be a milestone year, as our Group's re-strategising efforts coupled with leaner processes enabled us to become an operating model delivering long-term growth with attractive returns. Moving into the future, we aim to consolidate on the firm foundation we have set today, to action our blueprint of continuous growth.

CONTENTS

VISION

To be the most respected and admired corporate for the positive impact we make on society by nurturing the lives of those we touch.

MISSION

Harnessing science and modern technology, we will provide solutions of superior quality which are efficient and safe. We will build rewarding and lasting relationships with our stakeholders and be a significant entity in every sector we operate.

VALUES

OWNERSHIP & ACCOUNTABILITY

This is my business and I take responsibility for my promises and actions.

TEAMWORK & TRUST

We rely on each other to unleash the power of working together.

INTEGRITY & RESPECT

Honesty and truth are paramount; we respect the law and each other.

ENTREPRENEURIAL & INNOVATIVE

We will constantly challenge boundaries seeking new horizons.

CUSTOMER FOCUS & QUALITY

The customer comes first; we will not compromise on the standards of our products and services.

BIAS FOR ACTION & WINNING SPIRIT

No stone will be left unturned in the pursuit of our goals.

STRATEGIC BUSINESS UNITS

"The 'starburst' symbol depicts both the convergence of CIC's various business entities towards one common purpose, which is 'Nurturing Life', and divergent positive impact of these businesses in their respective sectors."

- Agri produce retail chain
- Agri resort
- Dairy
- Farms
- Fruits and vegetables
- Grains
- Rice

- Feeds
- Poultry
- Vetcare
- Dairy breeding

- Herbal care
- Medical devices
- Personal care
- Pharmaceuticals

- Construction material
- Industrial raw material
- Packaging

- Lawn and garden
- Plant nutrition
- Plant protection
- Seeds

FINANCIAL & OPERATIONAL HIGHLIGHTS

For the year ended 31st March		Group 2020	2019
Earning Highlights and Ratios			
Group revenue	Rs. '000	30,535,563	30,701,977
Group profit before interest and tax	Rs. '000	3,186,802	2,314,408
Income tax expense	Rs. '000	(535,597)	(40,428)
Profit for the year from continuing operations	Rs. '000	1,336,135	860,114
Profit/(loss) for the year from discontinued operations	Rs. '000	(256,735)	(402,784)
Other comprehensive income	Rs. '000	(445,674)	302,191
Total comprehensive income	Rs. '000	633,726	759,521
Profit attributable to equity holders of the Company	Rs. '000	832,584	483,239
Dividend paid	Rs. '000	189,540	-
Basic/Diluted earnings per share	Rs.	8.79	5.10
Interest cover	Number of times	2.10	1.50
Return on equity	%	9	5
Return on assets	%	2	2
Pre-tax return on capital employed	%	12	10
Statement of Financial Position - Highlights and Ratios			
Total assets	Rs. '000	39,268,872	37,251,327
Total equity	Rs. '000	11,711,748	11,278,735
Total debts	Rs. '000	17,101,221	17,205,797
Equity attributable to equity holders of the Company	Rs. '000	9,575,528	9,217,396
Number of shares in issue	Number	94,770,000	94,770,000
Net assets per share	Rs.	101.04	97.26
Debt/Equity	%	146.02	152.55
Debt/Total assets	%	43.55	46.19
Market/Shareholder Information			
Market price per share as at 31st March			
Ordinary	Rs.	35.00	38.50
Non-Voting (Class X)	Rs.	28.90	25.60
Dividend per share			
Interim paid	Rs.	1.00	-
Second interim declared	Rs.	1.00	-
Final proposed	Rs.	-	1.00
Market capitalisation	Rs.Mn	3,184	3,367
Float adjusted market capitalisation	Rs.Mn	1,797	1,846
Price earnings ratio			
Ordinary	Number of times	3.98	7.55
Non-Voting (Class X)	Number of times	3.29	5.02
Other Information			
Total employees	Number	2,088	2,175
Revenue per employee	Rs. '000	14,624	14,132
Total value addition to employees	Rs. '000	2,162,697	2,216,017
Value addition to lenders of the capital	Rs. '000	2,247,042	1,871,665
Total taxes paid to Government	Rs. '000	1,238,079	1,364,513

CHAIRMAN'S STATEMENT

The year 2019/20 was one of continuity. The last phase of the CIC Re- Strategising Initiative which the Board had previously embarked upon and which was aimed at accelerating the CIC Group's migration towards becoming a world-class organisation, was implemented during the course of this year, with its positive impact already reflecting in the Group's performance during the course of this year.

On behalf of the Board of Directors of CIC Holdings PLC, it is my pleasure to present to you the Annual Report and Financial Statements of CIC Group for the year ending 31st March 2020 which demonstrates a significant improvement to that of the last financial year.

The year 2019/20 was one of continuity. The last phase of the CIC Re- Strategising Initiative which the Board had previously embarked upon and which was aimed at accelerating the CIC Group's migration towards becoming a world- class organisation, was implemented during the course of this year, with its positive impact already reflecting in the Group's performance during the course of this year. In that light, I am pleased to report an after tax profit of Rs. 1,079Mn which was a 236% increase over the previous year.

This report will not deal with the performance and future outlook of the individual business units as this is referred to in detail in the Business Sector Reviews. However, I am pleased to inform you that the Group's improved performance in the year 2019/20 as set out in the preceding paragraph was achieved notwithstanding the many challenges posed in the aftermath of the Easter Sunday bomb attacks in April 2019, its impact on the tourism sector and the cascading effect on the economy. Challenges faced by the Group were further exacerbated by political uncertainty in the lead up to the presidential elections in November 2019 as well as the COVID-19 outbreak in February / March 2020. In hindsight, the Re- Strategising Initiative was a timely move and held us in good stead to ride out these challenges and more importantly, increase our preparedness for the future.

In my report to the shareholders in the Annual Report of last year, I had referred to the proposed merger of the pharmaceutical divisions of Sunshine Holdings PLC and CIC. Following an extensive review

of our pharmaceutical business, the Board of CIC was of the view that it would be more prudent for us to continue with our pharmaceutical division as a stand-alone entity and hence a decision was made to call off the proposed merger, which decision was communicated to the Colombo Stock Exchange in July 2019. The performance of our pharmaceutical division even during a difficult year has vindicated that decision of the Board and CIC stands to benefit, in the long term, from a continued focus by retaining its unique identity in this space.

The unprecedented country-wide lockdown due to the COVID-19 saw the Group rallying together in order to minimise the adverse effects of the pandemic on its many stakeholders. The job security of our staff was given priority and employees across the Group were given the assurance that retrenchments or salary cuts would not be made until a reasonable assessment could be made of the impact of the pandemic on the Group as a whole. Prioritising the needs of our staff helped to strengthen the bonds of trust within the Group and garnered the support required to ensure the continued operation of our many businesses during lockdown period. We were also extremely proactive in our efforts to serve our customers during this period by arranging for the uninterrupted distribution of pharmaceuticals to the market, being sensitive to the needs of farmers when the rains came early by ensuring the timely availability and supply of the agri- inputs for their needs, ensuring our poultry farms were up and running and reinforcing our commitment to our suppliers by continuously sourcing from our out grower networks and in particular our individual suppliers of milk. We also ensured the availability of groceries, dairy, chicken and fresh produce through our Fresheez outlet at Jawatte.

LOOKING AHEAD

Moving forward, the CIC Group will adopt a cautious growth strategy and operate on the presumption that the COVID-19 pandemic will, in some way, influence most if not all of our businesses over the next 12 - 18 months. However, the main areas of business that your Company and Group is involved in are those which should, with carefully planning, be able to thrive even in these challenging times. Your Company is confident that with its significant investments in the fields of agri, agri-input, poultry and feeds, dairy, pharma and local chemical manufacturing, it is well placed to end this financial year with a profitability at least in keeping with what was achieved last year.

CHANGES TO THE BOARD OF DIRECTORS

Mr. Samantha Ranatunga, who served as the Group Managing Director / CEO for a considerable length of time, resigned from his position with effect from 31st August 2019. The Board joins me in thanking Mr. Ranatunga for the services rendered to the Group over his long tenure at CIC.

At the same time, I am pleased to welcome Mr. Shermal Fernando who was appointed as COO. He will also continue to serve as the Group CFO.

APPRECIATION

At the close of yet another eventful year, I would like to thank my colleagues on the Board for their able stewardship of the Group during these unprecedented times. My sincere gratitude is also extended to the senior management as well as to all staff of the CIC Group Companies for their dedication and the steadfast resolve to achieve the Group's goals even in the toughest of conditions.

CIC would not have been able to withstand the many challenges faced over the last year if not for the guidance, assistance and support of the regulatory authorities including the Ministries of Agriculture and Health, the Presidential Task Force on COVID-19 and the Sri Lanka Police.

Finally, to our shareholders and valued customers - I thank for your continued patronage over the years and ask that you remain invested in the CIC Group's success in the years to come.

S.H. Amarasekera
Chairman

24th August, 2020

BOARD OF DIRECTORS

S.H. Amarasekera
Independent, Non-Executive Director/ Chairman

Appointed to the Board of CIC on 28th October 2005 and appointed as acting Chairman on 1st January 2014 and as Chairman on 23rd May 2014, Mr. Harsha Amarasekera, President's Counsel is a leading light in the legal profession in Sri Lanka having a wide practice in the original courts as well as in the Appellate Courts. His fields of expertise include Commercial Law, Business Law, Securities Law, Banking Law and Intellectual Property Law.

He also serves as an Independent Director in several listed companies in the Colombo Stock Exchange including Swisstek (Ceylon) PLC (Chairman), Swisstek Aluminium Limited (Chairman), Chevron Lubricants Lanka PLC, Vallibel One PLC, Royal Ceramics Lanka PLC, Expo Lanka Holdings PLC, Ambeon Capital PLC, Amaya Leisure PLC and Vallibel Power Erathna PLC. He is also the Chairman of CIC Agri Businesses (Private) Limited.

S. Fernando
Chief Operating Officer/ Company Secretary

First appointed to the Board of CIC Holdings PLC on 4th November 2005 and held the position of Group Finance Director / Company Secretary till November 2010. He re-joined the Company as Group Finance Director / Company Secretary in July 2017 and was appointed as Chief Operating Officer in September 2019.

Holds a B.Sc. Degree in Physical Science from the University of Colombo and is a Fellow Member of Chartered Institute of Management Accountants UK with over 30 years of experience in Finance, General Management & Operations including 7 years of overseas experience. Has spent over 20 years of his professional career with CIC.

Also serves as CEO of Chemanex PLC and as a Non-Executive Director on the Boards of several unlisted companies of the Group.

R.S. Captain
Non-Independent, Non-Executive Director

Appointed to the Board on 10th March 2008. Mr. Captain is an entrepreneur and investor in Sri Lankan corporate sector, bringing with him a wealth of knowledge and over 15 years of business experience in a range of manufacturing sectors. His current business interests range from paints, garments, industrial gloves, cutting and polishing diamonds, plastics and other packing material. He is the co-founder of Asia Stock Brokers, Asia Capital, Dutch Lanka Trailers, Asia Siyaka and Asian Alliance. He is also a Non-Executive Director of Hatton National Bank PLC and many other unlisted companies. Mr. Captain was educated at the University of Miami, Florida, USA.

S.M. Enderby
Independent, Non-Executive Director

Joined CIC Board on 11th April 2013. He has had a successful track record in private equity with Actis, a leading global emerging markets fund until his retirement in 2011 as an Actis Partner. He has led many of the most successful private equity transactions in Sri Lanka.

Mr. Enderby joined Hemas Holdings PLC in March 2013 to head the Group's efforts in Mergers and Acquisitions. He took up the office of Deputy CEO and Director of Hemas Holdings PLC in November 2013 and was appointed the Chief Executive Officer of the company on 1st April 2014. He is also a Director of Serendib Hotels PLC and Morisons PLC.

He is the Non-Executive Chairman of Ironwood Capital Partners, Sri Lanka's leading private equity fund. He has also served on the Boards of many leading companies in Sri Lanka and India. He is a Fellow Member of the Chartered Institute of Management Accountants, holds a Degree in Economics and Accounting from Queen's University Belfast and a Master's Degree in Development Studies from the University of Melbourne.

M.P. Jayawardena
Independent, Non-Executive Director

Appointed alternate Director to ICI Nominee Director on 21st May 2002, thereafter as a Director on 25th October 2008. He is the Deputy Chairman of Commercial Bank of Ceylon PLC. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. He is also the Chairman of Commercial Insurance Brokers (Private) Limited. He also serves on the Boards of many other private companies. He served in Zambia Consolidated Copper Mines in Africa for over 13 years in various senior positions including Head of Treasury, managing a loan portfolio in excess of US$ 2Bn. He was the immediate past Chairman of The Sri Lanka Institute of Directors.

P. R. Saldin
Non-Independent, Non-Executive Director

First appointed to the Board of Directors in 1995 and served as Commercial Director and Group Finance Director till 2005. During this period he also served on the Board of Directors in many of the Subsidiaries and Associate Companies within the Group. On leaving the CIC Group he functioned as Country Controller and Group Finance Director for Shell Sri Lanka and subsequently as Group Chief Operating Officer of Browns Group of Companies and Managing Director of Browns Investment PLC.

He is currently employed as Director of Paints & General Industries Limited and Director/Chief Executive Officer of Polypak Secco Limited. He was re-appointed to the Board of CIC Holdings PLC on 1st July 2016. He also functions as Chairman of Chemanex PLC and serves on the Board of Directors of Akzo Nobel Paints Lanka (Private) Limited, Link Natural Products (Private) Limited and CISCO Speciality Packaging (Private) Limited. He also is alternate Director to Mr. R.S. Captain on the Board of Hatton National Bank PLC and Chairman of Sithma Development (Private) Limited.

Rimoe Saldin is a Fellow of the Institute of Chartered Accountants of Sri Lanka. An associate of Institute of Chartered Accountants of England and Wales. He is also a Fellow of the Chartered Institute of Management Accountants in UK and a Certified Management Accountant, Australia. He is an alumni of the Asian Institute of Management, Manila. He has over 20 years of top management level experience in the areas of Finance, Human Resource Development, General Management and Operations.

ACTIONING

PURPOSEFUL ACTIVATION

GOVERNANCE

CORPORATE GOVERNANCE

The Board of Directors of CIC Holdings PLC is committed to uphold the principles of Corporate Governance as directed by the rules of Colombo Stock Exchange.

BOARD OF DIRECTORS

Board is responsible for setting the financial and operational policies, reviewing and approving the strategic plans and annual budgets, monitoring of performance, approving Financial Statements and major transactions other than the transactions specified in Section 185 (1) of the Companies Act. It also monitors risk profile of the Group and the effectiveness of financial controls and compliance.

The Board of Directors consists of six (6) members, of which five (5) members are Non-Executive Directors. Of the Non- Executive Directors, three (3) are Independent, determined according to the guidelines issued to listed companies. The composition of the Board of Directors are as follows.

Independent Non-Executive Directors	Non-Executive Directors	Executive Directors
Mr. S.H. Amarasekera	Mr. R.S. Captain	Mr. S. Fernando
Mr. S.M. Enderby	Mr. P.R. Saldin	
Mr. M.P. Jayawardena		

Section 7.10.4 of Listing Rules requires the Board to make a determination annually, as to the independence or non-independence of each Non-Executive Director, based on declarations made by the Non-Executive Directors and other information available to the Board. On perusal of the declarations the Board noted that –

(a) Mr. S.M. Enderby is an Independent Director.

(b) The specified criteria categorise the following Directors as Non-Independent Directors:

Name of Director	Specific criteria, with the application of which, the Director shall not be considered independent.
Mr. S.H. Amarasekera	Served on the Board for a period exceeding 9 years
Mr. R.S. Captain	Director of another company which has a significant shareholding in the Company
Mr. M.P. Jayawardena	Served on the Board for a period exceeding 9 years
Mr. P.R. Saldin	Director of another company which has a significant shareholding in the Company

According to Rule 7.10.3 (b), in the event a Director does not qualify as 'Independent' against any of the criteria, but if the Board, taking into account all the circumstances, is of the opinion that the Director is nevertheless 'Independent', the Board shall specify the criteria not met and the basis for its determination in the Annual Report.

When applying Rule 7.10.4. the Board considered all related issues and the contribution made by such Directors, including the application of the following tests, to determine whether the directors, whose names are given in (b) above could be considered independent.

The simple meaning of the word 'Independent' is "not depending on authority or control", "self-governance".

i. Whether a director uses his position (eg. long standing position or other influential position) to influence the Board to take decisions
   - → to his benefit or
   - → according to his wishes or
   - → against the wishes of the majority of the other directors or
   - → against the interests of the Company

ii. Whether he uses his position to prevent the other directors from expressing their views and opinions at Board meetings or at any other discussions.

iii. Whether the views of the others (directors, professionals etc) are disregarded or ignored.

iv. Whether the matters are only referred to such director for a decision, generally or as a practice, without referring these matters to other directors.

v. Whether the other directors feel that their presence and their contribution is immaterial.

vi. Whether the directors are not given an opportunity to assess the performance of the Board, which includes the performance of every single director.

vii. One reason for non-existence of team spirit is undue influence of one or more directors. The test to be used is whether there is adequate team spirit in the Board.

viii. Whether there is a practice to refer matters, which can be dealt with at a lower level, to such director.

ix. Whether third parties deal with such director on matters which can be easily finalised by any other party at a lower level.

On the above basis, the Board determined that Mr. S.H. Amarasekera & Mr. M.P. Jayawardena, too, could be considered Independent.

CORPORATE GOVERNANCE

Appointment of Non-Executive Directors is based on the collective decision of the Board.

As per Article 25(6) of the Articles of Association, one-third of the directors of the Board must retire by rotation at every Annual General Meeting. The Managing Director is not subject to retirement by rotation, nor shall be taken into account in determining the Directors to retire. The person who has served for the longest period shall retire but is eligible for re-appointment.

The Board conducts an internal Board evaluation each year. The Evaluation considers a range of factors relevant to the effectiveness of the Board, including the balance of skills, experience, independence and knowledge of the Board, its diversity and how the Board works together as a unit. The review is led by the Board Chairman and supported by the Company Secretary. A questionnaire is completed by Members of the Board and the results are thereafter evaluated.

The Board met five (5) times during the year. In order to ensure robust discussion, informed deliberation and effective decision making the Directors were provided with necessary information well in advance, by way of Board papers.

At the outset of COVID-19 pandemic, the Board evaluated the impact of COVID-19 on each business of the Group and the ability of each business to manage its operations under extreme conditions and assessed cash and liquidity position of each business given the uncertain environment ahead and formulated strategies going forward and implemented the same.

The attendance at the Board and Committee meetings held during the year 2019/20 is given below in Table 01.

Name	Directorate	Board Meetings	Audit Committee	Human Capital & Compensation Committee	Nominations Committee	RPT Review Committee
Mr. S.H. Amarasekera	NED/ID	5/5		3/3	1/1*	
Mr. S.P.S. Ranatunga (Resigned w.e.f 31/8/19)	ED	3/3				2/2
Mr. R.S. Captain	NED	4/5		3/3	1/1	
Mr. S.M. Enderby	NED/ID	4/5	6/7	3/3		3/4
Mr. S. Fernando	ED	5/5				
Mr. M.P. Jayawardena	NED/ID	4/5	5/7	3/3		4/4*
Mr. P.R. Saldin	NED	5/5	7/7*	3/3*	1/1	

NED - Non-Executive Director ED - Executive Director ID - Independent Director *Chairman of Respective Committee

AUDIT COMMITTEE

Audit Committee consists of three (03) Non-Executive Directors, two (02) of whom are Independent. The Chairman of the Company & the Chief Operating Officer attends meetings by invitation.

The Committee reviews the financial information, which is provided to shareholders, the financial controls, compliance with laws, regulations and ethics, risk management, performance guidelines, qualifications and independence of the external auditors and the performance of the internal audit reviews. Both the internal auditors and external auditors have direct access to the Audit Committee.

The Audit Committee met seven (7) times during the year and the attendance is given above in Table 01.

Audit Committee Report is given in page 15.

HUMAN CAPITAL & COMPENSATION COMMITTEE (REMUNERATION COMMITTEE)

The Human Capital & Compensation Committee consists of five (5) Non-Executive Directors, three (3) of whom are Independent, reviews the salary and benefits programs of executive employees, including the executive directors.

DIRECTORS' REMUNERATION

Total remuneration paid to executive and Non-Executive Directors are given in page 73 and the Report of the Human Capital & Compensation Committee is given in page 16.

The Human Capital & Compensation Committee met three (3) times during the year and the attendance is given above in Table 01.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Committee consists of two (2) Independent Non-Executive Directors. The Chief Operating Officer attends meetings by invitation.

The scope of the Committee is to provide independent review, approval and oversight of related party transactions on the terms set forth in greater detail in the Committee Charter.

The Committee met four (4) times during the year and the attendance is given above in Table 01.

Related Party Transaction Review Committee Report is given in page 18.

Compliance with the Rules of the Colombo Stock Exchange on Corporate Governance and Related Party Transactions

Section	Subject	Description	Status	Details
7.10.1 (a)	Non-Executive Directors	At least two Non-Executive Directors or such number of Non-Executive Directors equivalent to one third of the total number of Directors, whichever is higher.	Compliant	5 Non-Executive Directors
7.10.2	Independent Directors	Where the Board includes only two Non-Executive Directors, both shall be Independent. In all other instances two or one third of Non-Executive Directors, whichever is higher.	Compliant	3 Independent Directors
7.10.2 (b)	Independent Directors	Each Non-Executive Director to submit a signed and dated declaration annually of his/her independence or Non-Independence.	Compliant	Refer page 11 for Corporate Governance Report.
7.10.3 (a)	Disclosure Relating to Directors	The Board shall make a determination annually as to the independence or non- independence of Non- Executive Directors.	Compliant	Regular evaluation is made against the criteria set out in Rule 7.10.4.
7.10.3 (b)	Disclosure relating to Directors	In the event a Director does not qualify as "Independent" but if the Board is of the opinion that the Director is "Independent", the Board shall specify the criteria not met and the basis for its determination.	Compliant	2 Non-Executive Directors qualify as Independent Directors according to the criteria set out in this Section.
7.10.3 (c)	Disclosure relating to Directors	The Board shall publish in its Annual Report a brief resume of each Director.	Compliant	Refer Page 8 for the profile of Board Members.
7.10.3 (d)	Disclosure relating to Directors	Upon the appointment of new Directors, the entity shall forthwith provide the Exchange a brief resume of such Director.	Compliant	Regular information provided to the Exchange upon the appointment of new directors.
7.10.5 (a)	Remuneration Committee	The Remuneration Committee shall comprise of a minimum of two Independent Non-Executive Directors or of Non-Executive Directors a majority of whom shall be Independent, whichever is higher.	Compliant	Of the 5 Non-Executive Directors who are members of the Committee 3 are Independent.
7.10.5 (b)	Remuneration Committee	Functions of Remuneration Committee.	Compliant	Refer page 16 for Remuneration Committee Report.
7.10.5 (c)	Remuneration Committee	Disclosure in the Annual Report about the name of Directors comprising the Remuneration Committee, contain a statement of the remuneration policy and set out the aggregate remuneration paid to Executive and Non-Executive Directors.	Compliant	Refer page 16 for the Remuneration Committee Report and the Note 11 to Financial Statements.

Section	Subject	Description	Status	Details
7.10.6 (a)	Composition of the Audit Committee	Minimum of two Independent Non-Executive Directors or of Non-Executive Directors a majority of whom shall be Independent, whichever shall be higher.	Compliant	The Audit Committee comprises three Non-Executive Directors, two of whom are Independent.
		One Non-Executive Director shall be appointed as Chairman of the Committee.		The Chairman of the Audit Committee is a Non-Executive Director.
		The Chief Executive Officer and the Chief Financial Officer of the Listed Entity shall attend Audit Committee meetings.		The Chairman, Chief Operating Officer and Chief Financial Officer attend Audit Committee meetings by invitation.
		The Chairman or one member of the committee should be a Member of a recognised professional accounting body.		Chairman is a Fellow member of the Institute of Chartered Accountants of Sri Lanka.
7.10.6 (b)	Audit Committee	Functions of the Audit Committee.	Compliant	Refer page 15 for the Audit Committee Report.
7.10.6 (c)	Audit Committee	Disclosure in the Annual Report.	Compliant	Refer page 15 for the Audit Committee Report.
9.2.1	Related Party Transactions Review Committee	All Related party Transactions should be reviewed by the "Related Party Transactions Review Committee".	Compliant	Refer the page 18 for Related Party Transactions Review Committee Report.
9.2.2	Composition of Related Party Transactions Review Committee	The Committee should comprise a combination of Non-Executive Directors and Independent Non-Executive Directors. The composition may also include Executive Directors. One Independent Non-Executive Director shall be appointed as Chairman of the Committee.	Compliant	The Committee comprise of two Independent Non-Executive Directors. Chairman of the Committee is an Independent Non-Executive Director.
9.2.4	Frequency of Meetings and Minutes	The Committee shall meet at least once a calendar quarter. The Committee shall ensure that the minute of the meeting are properly documented and communicated to the Board of Directors.	Compliant	Refer page 18 for the Related Party Transactions Review Committee Report.
9.3.2 (c)	Disclosure in the Annual Report	Requirements listed in the Section.	Compliant	Refer page 18 for the Report of the Related Party Transactions Review Committee.
9.3.2 (d)	Disclosure in the Annual Report	A declaration by the Board of Directors in the Annual Report as an affirmative / negative statement of the compliance with the Rules pertaining to Related Party Transactions.	Compliant	Refer page 32 for the Annual Report of the Directors on the Affairs of the Company.

AUDIT COMMITTEE REPORT

COMPOSITION

In accordance with the Corporate Governance Guidelines, the Board appointed Audit Committee comprises of three Non-Executive Directors majority of whom are Independent. The Audit Committee as of 31st March 2020 consisted of the following.

Mr. P.R. Saldin – *Committee Chairman*
Non-Executive Director

Mr. S.M. Enderby
Independent Non-Executive Director

Mr. M. P. Jayawardena
Independent Non-Executive Director

The Chairman, Mr. S. H. Amarasekera and Chief Operating Officer, Mr. S. Fernando attend meetings by invitation.

The financial knowledge and the business acumen and the independence of the members are brought to bear on the deliberations and judgements on matters that come within their purview.

ROLE

The Audit Committee charter which defines the role and responsibility of the Audit Committee is reviewed annually to ensure that new developments and other issues are properly addressed. The Committee among other functions reviews the operation and effectiveness of Internal Control Systems, ensuring that a good financial reporting system is in place, is well-managed and oversees the preparation, presentation and adequacy of disclosures in the Financial Statements in accordance with Sri Lanka Accounting Standards, Companies Act and other relevant financial reporting regulations. The Committee monitors the internal and external audit functions. The internal controls within the Company are designed to provide reasonable but not absolute assurance to the Directors and assist them to monitor the financial position of the Group.

The Audit Committee defines the responsibility for the internal audit function, monitors the internal audit programme and results of the internal audit process, considers recommendations made by the Internal and External Auditors, reviews their reports and takes necessary action. The Audit Committee is empowered to review any activity within the Company. The Committee makes recommendations to the Board on appointment, re-appointment and removal of External Auditors and approval of terms of engagement and remuneration.

MEETINGS

The Committee held seven meetings during the year. The attendance of the Committee members is given on page 12 The Internal Auditors, Messrs. BDO Partners attend meetings when required and the Audit Committee makes inquiries from any officer of the Company as deemed necessary.

ACTIVITIES

During the year, the Committee reviewed internal audit reports forwarded by the Internal Auditors. The reports are submitted on a quarterly basis as they carry out the audits according to a scheduled programme. In addition, they carry out special audits if the need arises. Having assessed the internal financial controls, the Committee is of the view that adequate controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded. The Company's procedures are in place to ensure compliance with statutory requirements. The compliances are monitored through the quarterly 'Statutory Compliance Report'.

The Committee had a meeting with the External Auditors in relation to the annual audit to ensure the independence in their approach and methodology. The Committee reviewed the Group Management Letter submitted by the External Auditors, Messrs. KPMG, along with the management response. These recommendations are implemented by the management and the Audit Committee follows up on the implementation of these recommendations. The Committee also reviewed the Audited Financial Statements with the External Auditors and the quarterly Financial Statements were reviewed prior to publication.

The Audit Committee has recommended to the Board of Directors, that Messrs. KPMG, be re-appointed as Auditors for the financial year ending 31st March 2021 subject to the approval of shareholders at the Annual General Meeting to be held on 30th September 2020.

CONCLUSION

The Audit Committee is satisfied that the Group's accounting policies, operational controls and risk management processes provide reasonable assurance that the affairs of the Group are managed in accordance with Group policies and that Group assets are properly accounted for and adequately safeguarded.

Finally, I would like to thank my colleagues in the Committee, Steven Enderby and Preethi Jayawardena for their valuable contribution with their vast commercial experience and professional expertise. I also thank the Chairman, Chief Operating Officer of the Company and the Secretary to the Committee for their contribution.

P.R. Saldin
Chairman
Audit Committee

24th August, 2020

REPORT OF THE HUMAN CAPITAL & COMPENSATION COMMITTEE

COMPOSITION

The Human Capital & Compensation Committee consists of Non-Executive Directors majority of whom are Independent. The Human Capital & Compensation Committee as of 31st March 2020 consisted of the following.

Mr. P.R. Saldin – *Committee Chairman*
Non-Executive Director

Mr. S. H. Amarasekera
Independent Non-Executive Director/ Chairman

Mr. R. S. Captain
Non-Executive Director

Mr. S. M. Enderby
Independent Non-Executive Director

Mr. M. P. Jayawardena
Independent Non-Executive Director

The Chief Operating Officer
Mr. S. Fernando attends the meetings by invitation.

FUNCTIONS

The Human Capital & Compensation Committee is responsible for developing the Group's remuneration policy and determining the remuneration packages of executive employees of the Group. The Committee recommends to the Board and its subsidiaries the remuneration to be paid to Key Management Personnel. The Committee reviews HR policies and the policies pertaining to remuneration and perquisites of the Executives of the Company annually. The Committee will also review the Human Resource Strategies of the Company.

MEETINGS

The Committee will have meetings on need basis. The Committee met three (03) times during the year. The Chairman of the Committee can convene a special meeting in the event a requirement arises, provided all members are given sufficient notice of such special meeting. The quorum for a meeting is two members. The COO is invited to participate at the sittings of the Committee meetings as and when required by the Chairman considering the topics for deliberation at such meetings. The proceedings of the Committee meetings were regularly reported to the Board of Directors.

REMUNERATION

The Committee believes that the Company's remuneration strategy is paramount to differentiate us from the competitors and to retain our top performers. Therefore, our remuneration philosophy is anchored on a total rewards approach. The remuneration strategy has been designed to enable the company to develop, motivate and retain our internal talent pipeline; and when necessary to attract key talent externally to sustain the performance of the Group. With the re-strategising process the Company has carefully evaluated the various jobs and positions and taken steps to rationalise the structure. The Committee has reviewed this structure and is now in the process of reviewing the Company's Remuneration Policy.

SUCCESSION PLANNING

Succession planning within our Group is an ongoing process for responding to change, so that our Group operations would go on with as little disruption as possible. The Committee review the succession planning process in place to ensure that our best talent is in line for future leadership and critical roles and to mitigate the risk of future talent shortages and also to retain and develop critical knowledge capital.

The aggregate remuneration paid to Executive & Non-Executive Directors is given in Note 11 to the Financial Statements in page 73.

Finally, I would like to thank my colleagues in the Committee for their valuable contribution towards the progress of the Committee.

P.R. Saldin
Chairman
Human Capital & Compensation Committee

24th August, 2020

NOMINATIONS COMMITTEE REPORT

COMPOSITION

The Nominations Committee comprises of three members who are Non-Executive Directors. The Nominations Committee as of 31st March 2020 consisted of the following.

Mr. S. H. Amarasekera – *Committee Chairman*
Independent Non-Executive Director/ Chairman

Mr. R.S. Captain
Non-Executive Director

Mr. P.R. Saldin
Non-Executive Director

The Chief Operating Officer, Mr. S Fernando attends the meetings by invitation.

MEETINGS

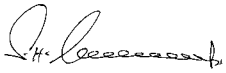
The Committee meets on need basis and held one (01) meeting during the year under review.

SCOPE

- To recommend to the Board the process of selecting the Chairman and CEO
- To identify suitable persons who could be considered for appointment to the Board as Executive and Non-Executive Directors
- To make recommendations on matters referred to it by the Board
- To review the composition of the Board
- To evaluate the independence and effectiveness of the Non- Executive Directors.
- To identify suitable persons for appointment to the Board of subsidiaries and ratify the appointment of any Director selected by them in order to ensure that required competencies are available in such companies.

The Committee is satisfied that the combined knowledge and experience of the Board matches the requirements of the Company.

The Committee in the absence of Mr. S.H. Amarasekera recommended that Messrs. S.H. Amarasekera and S. Fernando, who retire in terms of Article 25(6) of the Articles of Association of the Company, to be re-elected to the Board at the Annual General Meeting to be held on 30th September 2020.



S.H. Amarasekera
Chairman
Nominations Committee

24th August, 2020

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

COMPOSITION OF THE COMMITTEE

In accordance with the Code of Best Practices on Related Party Transactions, issued by the Colombo Stock Exchange, the Board appointed Related Party Transactions Review Committee comprises of two Independent Non-Executive Directors. The Related Party Transactions Review Committee as of 31st March 2020 consisted of the following.

Mr. M. P. Jayawardena – *Committee Chairman*
Independent Non-Executive Director

Mr. S. M. Enderby
Independent Non-Executive Director

The Chief Operating Officer, Mr. S Fernando attends the meetings by invitation.

TERMS OF REFERENCE OF THE COMMITTEE

Related Party Transactions Review Committee was formed by the Board during the year ended 31st March 2015 to assist the Board in reviewing all related party transactions of the Group.

Committee is responsible for,

- Developing and recommending the RPT policy consistent with guidelines of CSE for adoption by the Board of Directors of the Company and its subsidiaries.
- Making immediate market disclosures on applicable RPT as required by Section 9 of the Listing Rules of the CSE.
- Providing information to the Board of Directors on the RPT of each of the Group Companies.
- Making appropriate disclosures on RPT in the Annual Report of the Company as required by the continuing listing requirement of CSE.

The committee holds meetings on a quarterly basis to review and report to the Board on matters involving RPT falling under its terms of reference.

Any member of the Committee who has an interest in a RPT under discussion shall refrain from participating in the review discussion. Upon completion of its review of the transaction the Committee may determine to permit or prohibit the RPT. A RPT entered into without pre-approval of the Committee shall not be deemed to violate this policy or be invalid unenforceable so long as the transaction is brought to the Committee within a reasonable and practical time period. Thereafter it should be ratified by the Committee after it becomes reasonably apparent that the transaction falls within the policy framework. As such all RPT other than the exempted transactions will be reviewed either 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.

METHODOLOGY ADOPTED BY THE COMMITTEE

Monitoring systems are in place to obtain declarations from all Directors (at the time of joining the Board and annually thereafter) informing the Company Secretary, the primary contact point for Directors, of any existing or potential RPTs carried out by them or their Close Family Members (CFMs) or any changes to the position already disclosed.

Monitoring systems are in place to obtain confirmations on any new appointments accepted by Directors of the Company in other entities and from other Key Management Personnel (KMPs) to identify and capture such transactions carried out by the Group with such entities which need to be disclosed under 'Directors Interest in Contracts' in the Annual Report.

The Committee relies on the integrity of periodically reportable Related Party Transactions data sourced via a comprehensive list of Related Parties based on latest available declarations, signed off by the responsible Directors/ KMPs, which in turn is further reviewed by the Secretary. This review is carried out by comparing Related Party Transactions with benchmarked criteria applicable for comparable Non-Related Party Transactions, to determine that Related Parties have not received any favourable nor preferential consideration. Further the Committee has the right of access as well as the power to call for clarification and explanation from Management & Auditors (External & Internal).

ACTIVITIES DURING THE YEAR

Quarterly or earlier as necessary, meetings were held during the year to scrutinise all Related Party Transactions with Directors, Key Management Personnel (KMPs), substantial shareholders, Subsidiaries and Associate Companies of the Company and such other related parties as defined in the Code with a view to determining that they have not received any favourable nor preferential consideration vis a vis the other shareholders, suppliers and customers of the Company as well as to ascertain that their transactions and dealings are in strict conformity with Statutory and Regulatory requirements which the Company is obliged to adhere to.

M.P. Jayawardena
Chairman
Related Party Transactions Review Committee

24th August, 2020

BOARD OF DIRECTORS' STATEMENT ON INTERNAL CONTROLS

REQUIREMENT

The Code of Best Practice on Corporate Governance 2017 issued jointly by the Securities and Exchange Commission and the Institute of Chartered Accountants, Sri Lanka, recommends Board to present a statement on internal controls.

RESPONSIBILITY

The Board of Directors is responsible for the adequacy and effectiveness of the Group's system of internal controls. However, such a system is designed to manage the Group's key exposure areas within an acceptable risk profile rather than eliminating the risk of failure to achieve the Group's objectives. Accordingly, the system of internal controls can only provide a reasonable assurance but not absolute against the material misstatement of management and financial information and records or against financial losses or fraud. The Board has established an ongoing process for identifying, evaluating and managing the significant exposures faced by the Company and this process includes enhancing the system of internal controls as and when there are changes for the business environment or regulatory framework.

The Board has assessed the internal control system taking into account principles for the assessment of internal control systems as given in that guidance. The Board is of the view that the system of internal controls in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting and that the preparation of Financial Statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The management assists the Board in implementation of the Board policies and procedures.

KEY INTERNAL CONTROL PROCESSES

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls with respect to financial reporting includes the following:

The Board sub-committees are established to assist the Board in ensuring the effectiveness of the Group's operations and that they are in accordance with corporate objectives, strategy, annual budget, policies and business environment.

The Group's internal audit functions provide comfort on the efficiency and effectiveness of the internal control system. It monitors compliance on policies and procedures and highlights significant findings in respect of non-compliance. Audits are carried out on all subsidiaries and frequency of which is determined by the level of risk assessed. The annual audit plan is reviewed and approved by the Audit Committee.

The Audit Committee reviews internal control issues identified by the Group's internal auditors/external auditors, regulatory authorities and the management and evaluates the adequacy of internal controls.

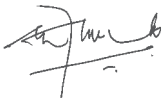
In assessing the internal control systems, the management of the Company continued to review and update all procedures and controls that are connected with significant accounts and disclosures of the Financial Statements of the Company/ Group.

CONFIRMATION STATEMENT

The Board of Directors of CIC Holdings PLC (Group) confirm that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting system and the preparation of Financial Statements for external purposes has been done in accordance with Sri Lanka Accounting Standards, Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange, requirements of Security and Exchange Commission of Sri Lanka and other regulatory requirements.

By order of the Board

S.H. Amarasekera
Chairman



S. Fernando
Chief Operating Officer

P.R. Saldin
Chairman
Audit Committee

24th August, 2020

ACTIONING

RESOURCEFUL IMPLEMENTATION

MANAGEMENT DISCUSSION AND ANALYSIS

SECTOR REVIEW

Agri Produce

CIC | Agri Produce

CIC's Agri Produce business, through its portfolio of Rice, Dairy and Fresheez aims to give Sri Lankans access to high quality nourishing food that will enhance their overall quality of life.

OPERATING CONTEXT

On average between 50% to 60% of Sri Lanka's GDP growth is fuelled by domestic consumer spending, of which the Fast Moving Consumer Goods (FMCG) sector takes up a significant component. Sri Lanka's FMCG sector contracted in 2019 amidst a prolonged period of low demand following the Easter Sunday attacks in April 2019. The COVID-19 pandemic and the subsequent lockdown in last two weeks of March 2020 also had an impact on the FMCG sector.

However seemingly unaffected by these externalities, the demand for specialty products especially those with enhanced health and nutritional value, have shown signs of consistent growth. Increased awareness regarding the importance of healthy lifestyle choices as well as Sri Lanka's expanding middle class are thought to be the main factors driving the demand for these specialty FMCG products in recent times.

PERFORMANCE SUMMARY

CIC's Agri Produce business, through its portfolio of Rice, Dairy and Fresheez aims to give Sri Lankans access to high quality nourishing food that will enhance their overall quality of life.

RICE

CIC Rice business focuses on providing consumers with superior quality rice having higher palatability and health benefits. The portfolio of over 16 uniquely different Rice products marketed under the flagship "Golden Crop" brand, reaches the retail market through the modern trade, while a network of HORECA partners ensure the same products are distributed to star class hotels and restaurants. Selected Rice varieties are also exported to key markets in Australia, America and Europe.

Keeping with the vision of focusing primarily on specialty Rice, "Golden Crop" range was further expanded with two new premium products being launched to the retail market in the latter part of 2019. Developed in-house at CIC's own R&D facility, both these new releases with their unique grain quality caters to the refined tastes of rice connoisseurs.

The Retail Rice segment recorded promising results in the year under review despite a temporary setback following the Easter Sunday attacks in April 2019. Due to the aggressive efforts to drive retail volumes, the demand for all varieties of Golden Crop Rice showed a consistent improvement for the remainder of 2019/20. With higher retail demand making up for the demand drop in the HORECA channel, which was severely affected by the Easter attacks, the Rice segment was able to meet its overall targets for the financial year.

DAIRY

CIC's Dairy segment, known for its range of premium quality curd and yoghurt products also performed well in 2019/20 compared to previous year. Efforts to capitalise on the growing trend for more nutritional products, saw CIC's entry to the fiercely competitive fresh milk space with its "Creamoo" brand Fresh Milk. CIC's fresh milk carton is hygienically packed using the latest UHT technology and comes with a guaranteed shelf life of 6 months.

SECTOR REVIEW

Agri Produce

Keeping with the vision of focusing primarily on specialty Rice, "Golden Crop" range was further expanded with two new premium products being launched to the retail market in the latter part of 2019.

CIC's dairy range is manufactured at a state of the art ISO 22000 certified production facility in Dambulla, using premium quality fresh milk sourced from over 2,000 small scale farmers across the country. End products are distributed through a network of over 20,000 general trade and modern trade outlets across the country, which has enabled CIC's Dairy products to gain solid island-wide traction.

Apart from a temporary dip following the Easter Sunday attacks in April 2019 and later during the COVID-19 lockdown in March 2020, the market demand for CIC's dairy range remained consistent throughout the year, which saw the Dairy segment register higher volumes and improved revenue in 2019/20.

FRESHEEZ

The Fresheez concept is designed to promote made-to-order fresh juices as a healthy and nutritious lifestyle choice and easy access to a range of fresh farm produce. In operation since 2004, Fresheez has set the benchmark for the juice retailing business in Sri Lanka. Today Fresheez operates through a network of ten ISO 22000 certified outlets located across the country.

Continuous new introductions over the years has been the key differentiator that has allowed Fresheez to stay ahead of peers. On this basis, a number of new initiatives were undertaken during the year including the expansion of fresh juice range, introduction of a home made pickle range and expansion of the snack range. These efforts helped Fresheez to meet its performance targets for the year.

OUTLOOK AND PROSPECTS

The focus for the Agri Produce business going forward, would be to build on the success achieved in the current financial year. This would require a concerted effort to deepen the penetration into existing strongholds in order to grow captive market share. Improving business scale to gain first mover advantage in key markets will also remain a key priority over the medium term.

Livestock Solutions

Hard hit by the Easter Sunday attacks in April 2019, the industry lost over 40% of demand overnight largely due to the slowdown in tourism in the aftermath of the attacks.

OPERATING CONTEXT

It has been a very challenging year for Sri Lanka's Poultry industry. Hard hit by the Easter Sunday attacks in April 2019, the industry lost over 40% of demand overnight largely due to the slowdown in tourism in the aftermath of the attacks. Furthermore, the disruption to the typical demand patterns resulted in overproduction of chicken causing a higher than normal stock build up, leading to oversupply and consequently to the collapse of prices for live birds by around 30% in mid 2019. Just as market conditions were normalising, the COVID-19 pandemic struck with travel bans, lockdowns and curfews once again derailing the industry, thrusting it into crisis mode in March 2020.

Just as market conditions were normalising, the COVID-19 pandemic struck with travel bans, lockdowns and curfews once again derailing the industry, thrusting it into crisis mode in March 2020.

PERFORMANCE SUMMARY

The performance of the Livestock Solutions sector was disrupted in 2019/20 with the Feeds & DOC (Day-old Chicks) operations as well as the Poultry segment coming under severe pressure owing to external challenges in the operating environment as detailed above.

However, despite the challenges, it is noteworthy that the feed operation on its own registered satisfactory results. Despite the lower demand for poultry feed, the feed business was able to meet its volume targets helped by consistent demand for feed products from other segments of the local livestock industry. However, the poor performance of the DOC operation was a major drawback on the overall results of the Feed operation. The DOC business experienced what is perhaps one of its toughest years in recent times. Poor demand for DOC's immediately after the Easter Sunday attacks persisted for an extended period of time thereafter, left the DOC operation with excess stocks of day old chicks. In the absence of a better option, these chicks were grown to maturity and processed, as did most others in the industry. This decision had a cascading effect on the entire value chain, causing the poultry segment to dispose of growing stockpiles at low prices. The poultry segment was thus unable to meet its targets for 2019/20. However, the segment did make use of the slow period to refine its operational model by streamlining cost structures and improving production efficiencies in readiness for the future.

On a more positive note, the Vetcare segment delivered consistent results for the year under review, backed by a healthy demand for all key products. The new NexGard product released in April 2019 too appeared to be gaining traction in the market as evinced by above-average volume growth.

SECTOR REVIEW

Livestock Solutions

OUTLOOK AND PROSPECTS

During the past several years, the Feed industry has faced a huge challenge due to the shortage of corn and its inflated prices. The cost of corn impacts heavily across the livestock businesses as it accounts for almost half of the cost of feed with feed being the largest cost component in poultry rearing. Only 50% of the Feed industry's corn requirements are produced locally. As a practice, the shortfall of this essential raw material has been filled through competitively priced imports of good quality. The industry has been badly affected due to inconsistent Government policies. The situation has further aggravated to serious proportions following the new policy of applying a complete ban on the import of corn. The industry has no option but to accept the alternative material allowed for importation. This will further escalate the cost of feed which will have a negative impact on the whole livestock sector in the coming year.

The prospects of CIC's Livestock Solution cluster in 2020/21 will continue to be hinged on the recovery of the country's poultry industry. Although it is unlikely that tourism will recover during the next financial year, with COVID-19 raising concerns regarding future food security, a rebound in the poultry and related industries is anticipated. This presents a good opportunity for both the Feed & DOC operations and the Poultry business to reaffirm their respective market positions in the coming months. With no major challenges in the horizon, except for the impact of possible currency depreciation, the Vetcare business too is expected to perform well in the next financial year.

Health & Personal Care

CIC | Health & Personal Care

The policy consistency in pharmaceutical manufacturing, supplies and regulation is going to be a key variable to infuse sustainability to the sector performance.

OPERATING CONTEXT

Sri Lanka has a universal healthcare system, which is a national priority and extends healthcare facilities to all citizens. The strength of Country's healthcare system is witnessed with the resilience displayed during the COVID-19 pandemic.

Availability of pharmaceuticals at the right price is a key to the Country's healthcare system. Both government and private sector expenditure on pharmaceuticals valued at Rs. 130Bn approximately. Pharmaceutical supply is characterised by higher import dependency, which accounts for 85% of total supplies.

Over the last few years, country's health policy recognised local manufacturing as means of creating stable and crisis proof supply chain of pharmaceuticals, allowing the industry to grow with the introduction of Guaranteed Buy Back Agreement (GBBA) with Medical Supplies Division (MSD) of Ministry of Health. These medicines are dispensed to the out patients of state sector hospitals, which accounts for 54Mn outpatient visits per annum.

In the mean time, National Medicines Regulatory Authority (NMRA) introduced a price control mechanism with the objective of making essential drugs affordable to all citizens.

However, the policy consistency in pharmaceutical manufacturing, supplies and regulation is going to be a key variable to infuse sustainability to the sector performance.

With over 90% of the in-patients being treated in the state sector, Medical Devices supplies are concentrated to the hospitals/ institutions in the State Sector. A notable increase in country's expenditure on healthcare in recent years along with heightened health awareness and Sri Lanka's aging population have culminated in creating a robust demand for medical equipment from both the state and private sector hospitals around the island. However, long outstanding payments from the State Sector continuously impaired the profit pool of Medical Devices Sector.

Herbal Health & Personal Care is growing to be a massive market absorbing the growth potential from medication, skin care, baby care, beauty care etc. With increasing Per capita and knowledgeable middle class, Sri Lanka is going to be one of the prominent markets for Herbal Products. It should also be noted that the rich heritage of time tested Sri Lankan Medicines can engender herbal products which are capable of reaching greater heights in International markets.

PERFORMANCE SUMMARY

CIC's Health and Personal Care business consists of three distinct segments; Pharmaceuticals, Medical Devices and Personal Care. Pharmaceuticals and Herbal Healthcare divisions recorded a satisfactory performance with both Revenue and Profit indicators consistent with target set for the 2019/20 financial year.

PHARMACEUTICALS

CIC's Pharmaceutical segment is among the top 5 players in the local market and one of the few players involved in both import and manufacture of pharmaceuticals. The segment has been

SECTOR REVIEW

Health & Personal Care

granted approval by the NMRA (National Medicine Regulatory Authority) to import several hundred licensed pharmaceutical products, including a number of formulations categorised by the state as essential drugs. The manufacturing facility in Ja-ela produces a range of essential medicines under license from global principles.

Overall, the 2019/20 proved to be productive for CIC's Pharmaceutical segment. Sales volumes were on par with the previous year, while year on year Revenue growth was marginal. Several other challenges also affected the performance of the import segment during the year, among them increased cost pressure caused by the ongoing Rupee depreciation and further compounded by the supply chain disruptions in the latter part of the financial year owing to the COVID-19 pandemic. Given the high dependence on imported raw materials, the manufacturing business too was affected by similar constraints. However thanks to a strong emphasis on timely marketing efforts, new product development, supply chain rationalisation and strict cost control measures rolled out by the Company, the pharmaceutical segment was able to register a substantial improvement in performance during the year under review.

In yet another positive, CIC's Pharmaceutical segment completed negotiations and received the approval of NMRA to commence importing agency operations for a large regional pharmaceutical manufacturing entity, a move that would significantly enhance the presence of CIC Healthcare brand in the market. NMRA approval was also granted to the manufacturing segment to commence mass production of anti-diabetic drugs, the first in a series of locally produced formulations to be marketed in the country.

CIC's Pharmaceutical segment is among the top 5 players in the local market and one of the few players involved in both import and manufacture of pharmaceuticals.

MEDICAL DEVICES

Medical Devices Division caters to the market segment for top-of-the-range medical devices for specific medical disciplines. Representing some of the world's leading brands, Medical Devices Division has time and again proven itself as the leading specialist for the supply of premium quality maxillofacial, trauma, spine and orthopaedic equipment in Sri Lanka. Leveraging on its network of global partnerships, the Division has succeeded in being a pioneer for making available the latest technological advancements to the local health sector. In the year under review, the Division continued to work towards introducing the latest medical technologies, with plans underway to launch two major advancements in fields of regenerative medicine and molecular biology, in due course.

Enhanced investment by the Government in healthcare sector and increasing awareness on new technology are some of the growth drivers for this division.

HERBAL HEALTH & PERSONAL CARE

The Group's Herbal Health & Personal Care range is marketed under the "LINK" brand of herbal care products, where LINK Samahan is one of the highly penetrated products in the outlet universe of country's retail business. All products are manufactured at the LINK production facility, ISO certified complex located in Dompe. HACCP, GMP certifications further enhances the credibility of the manufacturing processes and provides an assurance regarding product quality, packaging and labelling procedures. Research & Development and timely commercialisation play a vital role in ensuring LINK stays ahead of competition, both in terms of product quality and diversity. Premised on this, a full-fledged R & D center was opened in August 2019..

The LINK range continued to perform well in the local market, with key contributors being LINK Samahan, LINK Sudantha toothpaste, Sudantha toothbrush, Swastha Thripala and SP balm.

Setting industry benchmarks, the LINK production facility was audited and approved by USFDA (United States Foods and Drugs Administration), which is a cornerstone to succeed in quality conscious export markets. Furthermore, Link Samahan was approved by the National Health Regulatory Authority of Bahrain granting permission to officially market Samahan in Bahrain, while a private label brand of Link Samahan was approved by the Pharmacy and Poisons Control Board of the Republic of Kenya.

OUTLOOK AND PROSPECTS

Led by a positive medium term outlook, the CIC's Health and Personal Care business will focus on firming up their positions in their respective market segments. In this context, the main thrust for the Pharmaceutical business would be to scale up the manufacturing operation. The Medical Devices Division meanwhile will look to deepen the penetration into its chosen specialties, while the Herbal Health & Personal Care Division will seek to expand its reach in export markets.

Industrial Solutions

CIC | Industrial Solutions

The manufacture of food products, the largest sub sector in industrial production, slowed down in 2019, mainly due to the decreased domestic demand following the Easter Sunday attacks.

OPERATING CONTEXT

Data released by the CBSL indicates that the industry sector grew by 2.7% in 2019, compared to 1.2% in the previous year. The manufacturing sector, which accounts for around 60% of the total industry sector, registered only a limited growth in 2019 owing to numerous challenges such as the Easter Sunday attacks, volatile oil prices and unfavourable weather conditions. As per the Index of Industrial Production (IIP), a few sub sectors such as the manufacture of apparel reported marginal growth in 2019, while a majority of sub sectors, including the manufacturing of food, textiles, rubber, plastics, leather products etc. reportedly contracted.

The manufacture of food products, the largest sub sector in industrial production, slowed down in 2019, mainly due to the decreased domestic demand following the Easter Sunday attacks. The manufacturing of textile products, which showed an expansion in 2018, reported a decline in 2019, while manufacture of rubber and plastic products and leather and related products, which accounts for around 6% of the overall IIP, also contracted amidst subdued demand conditions from key markets such as China and USA.

PERFORMANCE SUMMARY

Notwithstanding the challenging operating environment, CIC's Industrial Solutions business tabled satisfactory results for the year under review, backed by a strong performance from the core business - the Binder segment. Widely regarded as the leading Binder manufacturer in Sri Lanka, CIC has for the last many years been offering premium Binder range that provides critical support for the country's coating industry. Moreover, the investment in a modern emulsion plant at Panagoda has greatly enhanced CIC's ability to provide customised emulsions to meet the new and emerging requirements of specific clients.

The Binder segment made some notable strides in the year under review. On the back of a contraction in demand for binders from the paint and textile industries, a concerted effort was made to deepen the penetration in these core markets. Meanwhile given the stiff competition in the market mainly with imported Binders, steps were taken to further widen the raw material supplier base through new tie ups. The product range was also expanded with a new binder range being developed with the collaboration of a global paint company. A combination of these efforts saw the Binder segment record significantly higher volumes, which helped boost CIC's captive market share and reaffirm its position as the leading supplier of binding agents in the country. Higher volume sales and strict cost control measures allowed the segment to achieve its performance targets.

Our packaging segment which manufacture & supply speciality plastic packaging mainly to local industries performed well during the year with significant volume increases in several sectors including water, oil, juices and carbonated soft drinks

SECTOR REVIEW

Industrial Solutions

Our packaging segment which manufacture & supply speciality plastic packaging mainly to local industries performed well during the year with significant volume increases in several sectors including water, oil, juices and carbonated soft drinks. We will invest further into packaging needs in pharmaceutical, juice, and agro sectors as the current policies of the Government encourage local manufacture in these sectors.

Currently we are working on a project & carrying out feasibility studies on using de-gradable plastics in our manufacturing process, if successful will help reducing the impact on environment by ordinary plastics.

Other segments within the Industrial Solutions business also performed reasonably well in the year under review. The adhesive segment, which caters to the needs of the local packaging industry, produced expected results, while the water treatment segment delivered satisfactory outcomes notwithstanding challenges.

OUTLOOK AND PROSPECTS

Going forward, it is quite likely that the economic fallout from COVID-19 pandemic will affect the demand for binders and industrial chemicals for the given manufacturing sectors. Furthermore with widespread global supply chain disruptions, price increases are also imminent. However with indications to suggest a return to normalcy by end-2020, a quick rebound is on the cards for CIC's Industrial Solutions business.

Crop Solutions

CIC | Crop Solutions

In spite of the temporary setback encountered in the minor Yala season, notable performances were recorded by each of its three segments: Seeds, Plant Nutrition and Plant Protection, enabling CIC's Crop Solutions to register a good performance in 2019/20.

OPERATING CONTEXT

The Country's agriculture sector recorded a modest performance in 2019. The Paddy production declined in the 2019 Yala season amidst persistent dry weather conditions. In contrast the production in the 2019/2020 Maha season was significantly increased with most of the reservoirs reaching full capacity. Meanwhile tea sector recorded a negative growth in 2019, as did rubber production which hit a record low, both the result of unfavourable weather. Moreover, the agriculture sector continued to be plagued by the spread of pests and diseases with the migrant pest Fall Army Worm and Brown Plant Hopper on Paddy causing substantial crop losses.

PERFORMANCE SUMMARY

In spite of the temporary setback encountered in the minor Yala season, notable performances were recorded by each of its three segments: Seeds, Plant Nutrition and Plant Protection, enabling CIC's Crop Solutions to register a good performance in 2019/20, and safeguard its position as the largest contributor to Group revenue and Operating profits.

SEEDS

With a track record of over three decades in the business, CIC Seeds remains as the most trusted seed supplier to the country's agriculture sector. Driven by a firm commitment to keep pace with the latest global developments and industry-leading technology, CIC Seeds has continuously expanded its portfolio, which today consist of over 50 seed varieties ranging from conventional seed types to more innovative high-yielding hybrids. CIC Seeds reach the market through an island-wide network of over 350 dealers. Impressive performance was recorded in seed business in 2019/20 with all key metrics showing improvements. Fuelled by the increased paddy production in the Maha season, the demand for Seed paddy picked up in the latter part of 2019 and cascaded into the early part of 2020 as well, enabling CIC Seed to register a record volume in 2019/20. Notable performance recorded in the year under review put the Seeds segment on a strong footing for future expansion.

PLANT NUTRITION

CIC's Plant Nutrition segment, over the past 30 years has contributed significantly to the development of the country's agriculture sector through the provision of high-quality straight chemical fertilizer as well as other blended plant nourishment solutions to enable farmers to optimise their yields. CIC's Plant Nutrition segment has a clear advantage in the local market, thanks to its tie ups with some of the leading global suppliers which provides access to premium quality products, while the ISO certified fertilizer blending plants in Peliyagoda and Kurunegala further strengthen the segment's ability to provide customised solutions. For the past two years however, the growth of the Plant Nutrition segment has been hindered by the government-imposed quota system currently in place, where the importation and sale of fertilizer is limited to the annual allocation assigned to the Company. The price control mechanism in force for fertilizer also remains a major concern for the development of Plant Nutrition segment. Considering these challenges, a strategic decision was taken by the management to expand the

SECTOR REVIEW

Crop Solutions

The Paddy production declined in the 2019 Yala season amidst persistent dry weather conditions. In contrast the production in the 2019/2020 Maha season was significantly increased with most of the reservoirs reaching full capacity.

Compound Fertilizer sales operation. This was followed up with an aggressive field campaign to stimulate the demand for Compounds, a move that helped the Plant Nutrition segment to record improved performance in the year.

PLANT PROTECTION

CIC's Plant Protection segment offers a wide range of products for disease management as well as pest and weed control solutions for the local agriculture sector. All products are sourced from leading global manufacturers and repacked for the local retail market and made the product range available to the farmers through an island-wide network.

The year under review was a good one for the Plant Protection segment, with strong cultivation activity from the paddy sector driving the demand for pest and weed control solutions. The growing threat of migratory plant pests also continued to provide an opportunity for the segment to promote its range. Amidst this backdrop, the Plant Protection segment was able to register a consistent growth in volumes throughout the current financial year, which resulted in a notable improvement in the segment's performance.

Meanwhile to capitalise on the emerging demand for eco-friendly plant protection solutions, the segment began actively working with several of its leading global principles to seek new innovations in this area.

OUTLOOK AND PROSPECTS

The outlook for the Crop Solutions business remains positive for the foreseeable future, especially given the heightened concerns regarding food security and focus on local food production. While this is a seemingly ideal backdrop for all three segments to accelerate their growth trajectories the impact of climate change and subsequent extreme weather will continue to have a profound impact on the prospects of each segment. Increased competitive pressure and frequent changes to regulations are few other notable challenges likely to be encountered in the coming years.

ACTIONING

SUCCESSFUL PERFORMANCE

FINANCIAL REPORTS

FINANCIAL CALENDAR

1st Quarter Financial Results	Released on 5th August, 2019
2nd Quarter Financial Results	Released on 7th November, 2019
3rd Quarter Financial Results	Released on 10th February, 2020
4th Quarter Financial Results	Released on 18th June, 2020
Interim Dividend Payment due Date	09th September, 2020
57th Annual General Meeting	30th September, 2020

ANNUAL REPORT OF THE DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Directors have pleasure in presenting to members the 57th Annual Report together with the Audited Financial Statements for the year ended 31st March 2020 of CIC Holdings PLC, a public limited liability Company.

GENERAL

CIC Holdings PLC (formerly known as Chemical Industries (Colombo) PLC) was incorporated on 12th May 1964 under the Companies Ordinance No. 51 of 1938 quoted in the Colombo Brokers Association (now Colombo Stock Exchange) from 1964 and re-registered as per the Companies Act No. 7 of 2007 on 21st November 2007. The name of the company was changed to CIC Holdings PLC from 14th January 2011.

The registered office of the Company is at 199, Kew Road, Colombo 02, at which the Company's head office is situated.

REVIEW OF THE YEAR

The Statement of Accounts was approved by the Board of Directors on 24th August 2020. The Chairman's Statement and Review of the Business set out the state of affairs and performance of the Company during the year and incorporate events subsequent to the date of the Balance Sheet.

PRINCIPAL ACTIVITIES

The Company carries on the business of merchandising and manufacturing as its principal activities. There were no significant changes in the activities of the Company during the year under review. During the year, the subsidiary Chemanex PLC divested its investment in its associate Commercial Insurance Brokers (Private) Limited as Chemanex PLC rationalised its business activities and the subsidiary Cropwiz (Private) Limited stopped operational activities during the same period.

Other than the above there has been no changes in subsidiary companies which include Chemanex PLC and its subsidiaries, CIC Agri Businesses (Private) Limited and its subsidiaries, CISCO Speciality Packaging (Private) Limited, CIC Feeds (Private) Limited and its subsidiaries, Link Natural Products (Private) Limited, CIC CropGuard (Private) Limited, Crop Management Services (Private) Limited, Colombo Industrial Agencies Limited, CIC Lifesciences Limited, CIC Properties (Private) Limited, Cropwiz (Private) Limited, Unipower (Private) Limited and CIC Healthcare (Private) Limited. Subsidiary company Precision Agricultural Technologies (Private) Limited is under liquidation

ULTIMATE PARENT

The ultimate holding company is Paints & General Industries Limited.

SUBSIDIARIES

- **CIC Agri Businesses (Private) Limited** and its subsidiaries blend and market fertilizer, seed, planting material, fruit, vegetable, animal based farm produce and grains, namely, Rice and Corn. Subsidiary companies of CIC Agri Businesses (Private) Limited are:
  - **CIC Seeds (Private) Limited,** Wayamba Agro Fertilizers Company Limited, CIC Agri Biotech (Private) Limited, CIC Agri Produce Exports (Private) Limited, CIC Dairies (Private) Limited and CIC Grains (Private) Limited. CIC Dairy Breeding & Management (Private) Limited and CIC Agri Produce Marketing (Private) Limited are subsidiaries of CIC Seeds (Private) Limited.
- **CIC Feeds (Private) Limited** markets animal feed and day-old chicks, while its subsidiaries market Veterinary Medicines and produce and process Poultry products. The subsidiary companies of CIC Feeds (Private) Limited are: CIC Vetcare (Private) Limited, CIC Poultry Farms Limited and CIC Bio Security Breeder Farms Limited.
- **Chemanex PLC** carries on the business of merchandising and manufacturing as its principal activity. The subsidiary companies of Chemanex PLC, Chemanex Exports (Private) Limited and Chemcel (Private) Limited are under liquidation and the subsidiary Yasui Lanka (Private) Limited was liquidated during the year. Rainforest Eco Lodge (Private) Limited is an associate company.
- **CISCO Speciality Packaging (Private) Limited** manufactures speciality plastic packaging.
- **Link Natural Products (Private) Limited** manufactures and markets Herbal Pharmaceuticals, Herbal Healthcare products and essential oils.
- **Colombo Industrial Agencies Limited** owns and manages a Stores Complex at Ekala.
- **Crop Management Services (Private) Limited** remains as an investment company since losing the management contract of Maturata Plantations Limited.
- **CIC CropGuard (Private) Limited** markets a range of Pesticides from principals other than Syngenta.
- **CIC Lifesciences Limited** manufactures and markets Pharmaceuticals.
- **CIC Properties (Private) Limited** owns properties for the Group.
- **Cropwiz (Private) Limited** grows and exports vegetables.
- **Unipower (Private) Limited** imports, blends and markets specialised fertilizer
- **CIC Healthcare (Private) Limited** merchandising Healthcare products

EQUITY ACCOUNTED INVESTEES

Akzo Nobel Paints Lanka (Private) Limited markets surface coatings, automotive paints and ancillaries.

CORPORATE DONATIONS

Donations made during the year amounted to Rs. 633,000/-. (2019 – Rs. 633,000/-)

FUTURE DEVELOPMENTS

The companies within the Group will look to further access the market for agricultural input as well as produce and will seek to develop export markets for its speciality rice. The Group will also seek to consolidate its market share in respect of adhesives and speciality chemicals and will further seek to strengthen and broad base its presence in the local pharmaceutical manufacturing space by also accessing the private market while conforming and supporting the Government's policy to promote locally manufactured pharmaceuticals.

FINANCIAL STATEMENTS

The Financial Statements of the Company and the Group which are duly certified by the General Manager - Finance and approved by the Board of Directors and signed by two directors of the Company in compliance with the requirements of the Sections 151, 152 and 168 of the Companies Act No 07 of 2007 are given on pages 43 to 121 of the Annual Report.

PROFITS AND APPROPRIATIONS

For the year ended 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit for the year after depreciation	644,529	125,425	1,871,732	900,542
From which a deduction is made for taxation and	(261,738)	(8,869)	(535,597)	(40,428)
adjusted for discontinued operations	18,803	(17,992)	(256,735)	(402,784)
	401,594	98,564	1,079,400	457,330
From which an adjustment is made for non-controlling interest	-	-	(246,816)	25,909
	401,594	98,564	832,584	483,239
To which must be added/ (deducted) other comprehensive income	(20,213)	6,717	(22,259)	26,935
Total comprehensive income	381,381	105,281	810,325	510,174
To which must be added the unappropriated profit brought forward from the previous year and	748,602	844,906	5,100,447	4,813,625
Adjustment on initial application of SLFRS 09, 15 & 16	-	(46,334)	(731)	(67,614)
De-recognition of financial assets due to disposal	-	(155,251)	(80,267)	(154,626)
Change in non- controlling interest	-	-	-	(1,112)
Liquidation of sub-subsidiary	-	-	185	-
Adjustment due to share repurchase of a subsidiary	-	-	(1,398)	-
Making available for appropriation amount of	1,129,983	748,602	5,828,561	5,100,447
Out of which a dividend was paid (2020 - Rs. 2.00)	(189,540)	-	(189,540)	-
So that the unappropriated profit carried forward will be	940,443	748,602	5,639,021,	5,100,447

DIVIDENDS

For the year ended 31st March 2020,

1) first interim dividend of Rs. 1.00 per share amounting to Rs. 94.77Mn on Ordinary & Non-Voting (Class X) shares was paid on 28th February 2020.

2) second interim dividend of Rs. 1.00 per share amounting to Rs. 94.77Mn on Ordinary & Non-Voting (Class X) shares was declared on 18th August 2020 and payable on 9th September 2020.

ANNUAL REPORT OF THE DIRECTORS ON THE AFFAIRS OF THE COMPANY

INDEPENDENT AUDITOR'S REPORT

The Company's Auditors Messrs. KPMG, Chartered Accountants performed the audit on the Consolidated Financial Statements for the year ended 31st March 2020 and the Independent Auditor's Report on the Financial Statements is given on page 40 of the Annual Report as required by Section 168(1) (C) of the Companies Act No 07 of 2007.

SIGNIFICANT ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The Company and the Group prepared their Financial Statements in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS). The significant Accounting Policies adopted in the Financial Statement is given on pages 50 to 68 of the Annual Report as required by the Section 168 (1) (d) of the Companies Act No. 7 of 2007, the Board of Directors wish to confirm that there were no changes to the Accounting Policies used by the Company and the Group during the year.

INTERESTS REGISTER

The Interests Register is maintained by the Company as per the Companies Act No. 7 of 2007. All Directors have made declarations as provided for in Section 192 (2) of the said Act. The related entries were made in the Interests Register during the year under review.

The share ownership of the Directors is indicated on page 35 of the Annual Report.

Directors interest in contracts and remuneration paid to Directors, etc., have been included in the Interests Register which is made available for inspection under the Companies Act No. 7 of 2007 under reference. The details are given on page 111 and 112 of this Annual Report.

DIRECTORS

The qualifications and experience of the Directors are provided on page 8 The following persons were Directors of the Company at the end of the financial year.

S.H. Amarasekera – Chairman

S. Fernando – COO/ Company Secretary

R.S. Captain

S.M. Enderby

M.P. Jayawardena

P. R. Saldin

APPOINTMENTS & RESIGNATIONS

During the year Mr. S.P.S. Ranatunga resigned from the Board of Directors.

RETIREMENT BY ROTATION AND RE-ELECTION

Mr. S.H. Amarasekera retires in terms of Article 25 (6) of the Articles of Association of the Company and being eligible, offers himself for re-election with the unanimous support of the Board.

Mr. S. Fernando retires in terms of Article 25 (6) of the Articles of Association of the Company and being eligible, offers himself for re- election with the unanimous support of the Board.

DIRECTORS' REMUNERATION

Directors' remuneration in respect of the Group and the Company, for the financial year ended 31st March 2020 are given in Note 11 of the Financial Statement on page 73 of this Annual Report.

LIST OF DIRECTORS OF SUBSIDIARIES AND ASSOCIATES OF THE COMPANY

Names of Directors of all Subsidiaries and Associates of the Company are given on page 128 of this Annual Report.

RELATED PARTY TRANSACTIONS

Related party transactions have been declared at meetings of the Directors and are detailed in Note 44 to the Financial Statements.

EMPLOYEE SHARE OPTION PLAN (ESOP)

ESOP of the Company was approved by the shareholders of the Company on 30th June 2016. Under this plan the company was authorised to issue up to 20% of Non-Voting share capital. The option granted under this plan has to be exercised within 10 years of such grant. No employees have been provided with any financial assistance to exercise the option.

DIRECTORS' SHAREHOLDING

The Directors together with their close family members' shareholdings in the Company are as follows:

As at 31st March	2020		2019	
	Voting	Non-Voting	Voting	Non-Voting
S.H. Amarasekera	-	-	-	-
R.S. Captain	80	139	80	139
S.M. Enderby	-	-	-	-
S Fernando	-	36,210	-	36,210
M.P. Jayawardena	-	16,200	-	16,200
P.R. Saldin	-	500	-	500

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company and the Group, which reflect a true and fair view of the state of affairs. The Directors' Responsibility in relation to the Financial Statements is detailed on page 38.

AUDIT COMMITTEE

The following Non-Executive Directors of the Board are members of the Audit Committee.

Mr. P. R. Saldin (Chairman), Mr. S. M. Enderby and Mr. M. P. Jayawardena.

Mr. S. H. Amarasekera and Mr. S. Fernando attend the meetings by invitation. Details of the Audit Committee are given on page 15.

HUMAN CAPITAL & COMPENSATION COMMITTEE (REMUNERATION COMMITTEE)

The following Non-Executive Directors of the Board are members of the Remuneration Committee.

Mr. P. R. Saldin (Chairman), Mr. S. H. Amarasekera, Mr. R. S. Captain, Mr. S. M. Enderby and Mr. M. P. Jayawardena.

Mr. S. Fernando attends the meetings by invitation.

NOMINATIONS COMMITTEE

The following Non-Executive Directors of the Board are members of the Nominations Committee.

Mr. S. H. Amarasekera (Chairman), Mr. R.S. Captain and Mr. P.R.Saldin.

Mr. S. Fernando attends the meetings by invitation.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The following Non-Executive Directors of the Board are members of the Related Party Transactions Review Committee.

Mr. M.P. Jayawardena (Chairman), and S.M. Enderby.

Mr. S. Fernando attends the meetings by invitation.

COMPLIANCE WITH SECTION 9 OF LISTING RULES

The Directors confirm compliance with Section 9 of the Listing Rules in relation to Related Party Transactions

ENTERPRISE GOVERNANCE

Systems and procedures which are in place as good Enterprise Governance is an essential component in today's corporate culture.

The practices in this regard are given in Enterprise Governance of this Annual Report on pages 11 to 14.

VISION, MISSION AND CORPORATE CONDUCT

The Company's Vision and Mission are given on page 3 of this Report. The business activities of the Company are conducted with the highest level of ethical standards in achieving its Vision and Mission. The Company issues a copy of its code of ethics to each and every employee who are required to abide by the Company's code of conduct.

EQUITABLE TREATMENT TO SHAREHOLDERS

The Company has made all endeavours to ensure equitable treatment to all shareholders.

ANNUAL REPORT OF THE DIRECTORS ON THE AFFAIRS OF THE COMPANY

SYSTEMS AND INTERNAL CONTROLS

The Directors acknowledge their responsibility for the Group's system of internal control. The system is designed to give assurance, inter alia, regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of the financial information generated. However, any system can only ensure reasonable but not absolute assurance that errors and irregularities are either prevented or detected within a reasonable time period.

The Board having reviewed the system of internal control, is satisfied with the Group's adherence to and effectiveness of these controls for the period up to the date of signing the Financial Statements.

INCOME TAX EXPENSES

Income tax expenses have been computed at the rates given in Note 12 to the Financial Statements. The Group has also provided deferred tax on all known temporary differences under the liability method, as permitted by the Sri Lanka Accounting standards – LKAS 12 on "Income Taxes"

REVENUE

The revenue of the Group was Rs 30.53Bn (2019 – Rs 30.71Bn). A detailed analysis of the Group revenue that identifies the contributions from different segments of the Group businesses is given in Note 6 to the Financial Statements.

CAPITAL EXPENDITURE

Details of property, plant & equipment and their movements during the year are listed in Note 16 to the Financial Statements. Capital Expenditure approved and contracted for are given on page 80.

MARKET VALUE OF FREEHOLD PROPERTIES

All freehold lands of the Group Companies were re-valued by professionally qualified independent valuers as at 31st, March 2019 and brought into Financial Statements. The Directors are of the opinion that the re-valued amounts are not in excess of the current market values of such properties. Details of revaluations are listed in Note 16 to the Financial Statements.

INVESTMENTS

Details of investments and their movements during the year are listed in Notes 22,23,24 and 29 to the Financial Statements.

RESERVES

Total reserves of the Group stood at Rs 8.6Bn as at 31st March 2020 (Rs. 8.2Bn as at 31st March 2019) details of which are given in the Statement of Changes in Equity.

STATED CAPITAL

The Stated Capital is the total of all amounts received by the Company in respect of the issue of shares. The Stated Capital of the Company amounts to Rs. 1,008,450,000/- comprising of 72,900,000 Ordinary Shares and 21,870,000 Non-Voting (Class X) Shares.

SHARE INFORMATION

Information relating to earnings, dividends, net assets per share, market value of a share and information on share trading are stated under Shareholder and Investor Information.

SHAREHOLDING

A list of top 20 shareholders for both Voting and Non-Voting is given on pages 123 to 124 of the Annual Report.

ENVIRONMENTAL PROTECTION

The Company has not engaged in any activity which is harmful to the environment.

ANNUAL REPORT

The Board of Directors approved the Consolidated Financial Statements on 24th August 2020. The appropriate number of copies of this Report will be submitted to the Colombo Stock Exchange and the Sri Lanka Accounting Standards and Monitoring Board. As required by Section 170 (1) of the Companies Act No 07 of 2007 duly signed Financial Statement of the Company and the Group together with Auditors' Report will also be delivered to Registrar of Companies for registration within 20 working days after the Financial Statements of the Company and Group are signed.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company has not engaged in any activity against the prevailing laws and regulations. Compliances with provisions in laws and regulations are confirmed to the Board of Directors at all Board Meetings.

STATUTORY PAYMENTS

The Directors are satisfied that all Statutory Payments to the Government and other Statutory Institutions including employee related payments have been made on time to the best of their knowledge and belief.

HUMAN RESOURCE

The Company's Human Resource Management Policies and Practices are designed to improve efficiency, effectiveness and productivity and also nurture collaborative teams that enrich the work and learning environment of all our staff.

There were no material issues pertaining to employees and industrial relations of the Company for the period ended 31st March 2020.

GOING CONCERN

After considering the financial position, operating conditions, regulatory and other factors and such matters required to be addressed in the Corporate Governance Code, the Directors have reasonable expectation that the Company possesses adequate resources to continue to be in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

EVENTS AFTER THE REPORTING DATE

No material events have taken place after the reporting date which require an adjustment to or a disclosure other than those disclosed in Note 42 to the Financial Statements.

AUDITORS' REMUNERATION AND INTEREST IN CONTRACTS WITH THE COMPANY

The Company's auditors during the period under review were Messrs. KPMG, Chartered Accountants. A sum of Rs. 5.69Mn was paid to them as consolidated audit fees during the year under review (Company– Rs. 2.05Mn) and a sum of Rs. 1.32Mn was paid by the Company for tax and other related services.

Based on the declaration from Messrs. KPMG, and as far as the Directors are aware, the auditors do not have any relationship or interest in the Company or its subsidiaries other than those disclosed in the above paragraph.

RE-APPOINTMENT OF AUDITORS

The retiring auditors Messrs. KPMG have intimated their willingness to continue in office and a resolution to re-appoint them as auditors and authorising the Directors to fix their remuneration will be proposed at the upcoming Annual General Meeting.

NOTICE OF MEETING

Notice of Meeting of the Fifty Seventh Annual General Meeting is enclosed herewith.

As required by Section 168 (1) (k) of the Companies Act No 07 of 2007, the Board of Directors does acknowledge the contents of this Annual Report.

By Order of the Board

S.H. Amarasekera
Chairman

P.R. Saldin
Director

S. Fernando
Company Secretary

24th August, 2020

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors' responsibility in relation to the Financial Statements is detailed below. The Report of the Auditors sets out their responsibility in relation to the Financial Statements.

The Companies Act No. 07 of 2007 requires that the Directors prepare the Financial Statements for each financial year, which reflect a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and the profit/ loss for that financial year. In preparation of these statements, the Directors are required to ensure that,

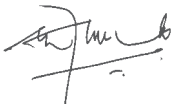
1. Appropriate accounting policies have been selected and applied based on the new financial reporting framework on a consistent basis while reasonable and prudent judgements have been made so that the form and substance of transactions are properly reflected. Material departures, if any, are disclosed and explained. The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report.
2. Financial Statements prepared and presented in this Annual Report have been prepared based on new Sri Lanka Accounting Standards (SLFRS/LKAS) which came to effect from 1st January 2012 and are in agreement with the underlying books of account and in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No.15 of 1995, the Listing Rules of the Colombo Stock Exchange and the Code on Corporate Governance issued by the Securities and Exchange Commission (SEC) of Sri Lanka.
3. The Company keeps sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and that of the Group and to enable them to ensure that the Financial Statements comply with the Companies Act No. 07 of 2007. Also, reasonable steps are taken to safeguard the assets of the Company and to establish appropriate systems of internal controls, which provide reasonable though not absolute assurance to the Directors that assets are safeguarded and internal controls are in place with a view to the prevention and detection of frauds and errors.
4. The Directors are required to prepare the Financial Statements and the Company's External Auditors, Messrs. KPMG who were appointed in terms of Section 158 of the Companies Act No. 7 of 2007 and in accordance with a resolution passed at the last Annual General Meeting, were provided with every opportunity to undertake the inspections they considered appropriate. They carried out reviews and sample checks on the system of internal controls as they considered appropriate and necessary for expressing their opinion on the Financial Statements and maintaining accounting records. They have examined the Financial Statements made available to them by the Board of Directors of the Company together with all the financial records, related data and Minutes of shareholders' and Directors' meetings and expressed their opinion which appears as reported by them on page 40 to 42.
5. As required by Sections 166 (1) and 167 (1) of the Companies Act, they have prepared this Annual Report in time and ensured that a copy thereof is sent to every shareholder of the Company, who have expressed desire to receive a hard copy or to other shareholders a soft copy each in a CD containing the Annual Report within the stipulated period of time as required by the Rule No. 7.5 (a) and (b) on Continuing Listing Requirements of the Listing Rules of the Colombo Stock Exchange. The Directors also wish to confirm that all shareholders in each category have been treated equitably in accordance with the original terms of issue.
6. The Company and its quoted subsidiaries, have met all the requirements under Section 7 on the Continuing Listing Requirements of the Listing Rules of the Colombo Stock Exchange, wherever applicable.

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

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its Group companies, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its Group companies, and all other known statutory dues as were due and payable by the Company and its Group companies as at the reporting date have been paid or where relevant provided for.

By Order of the Board,



S. Fernando
Chief Operating Officer/Company Secretary

24th August, 2020

CHIEF OPERATING OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

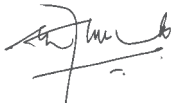
The Financial Statements of CIC Holdings PLC and the Consolidated Financial Statements of the Group are prepared in conformity with requirements of the

- Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka,
- Companies Act No. 07 of 2007,
- Sri Lanka Accounting & Auditing Standards Act No 15 of 1995,
- Listing Rules of the Colombo Stock Exchange and
- Code of Corporate Governance issued by Securities and Exchange Commission of Sri Lanka.

The Board of Directors and the management of our Company accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgements relating to the Financial Statements were made on a prudent and reasonable basis, in order that the Financial Statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the Company's state of affairs. To ensure this, the Company has taken proper and sufficient care in installing a system of internal controls and accounting records, for safeguarding assets, and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis. Our Internal Auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Financial Statements were audited by Messrs. KPMG, Chartered Accountants, the Independent Auditors.

The Audit Committee of our Company meets periodically with the Internal Auditors and the Independent Auditors to review the manner in which these auditors are performing their responsibilities, and to discuss auditing, internal control and reporting issues. To ensure complete independence, the Independent Auditors and the Internal Auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.



S. Fernando
Chief Operating Officer

G.P.S. Samarakoon
General Manager - Finance

24th August, 2020

INDEPENDENT AUDITOR'S REPORT

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

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TO THE SHAREHOLDERS OF CIC HOLDINGS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the Financial Statements of CIC Holdings PLC ("the Company") and the Consolidated Financial Statements of the Company and its subsidiaries ("the Group"), which comprise the Statement of Financial Position as at 31st March 2020, and the Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information as set out on pages 43 to 121 of the Annual Report.

In our opinion, the accompanying Financial Statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 2020, and of their 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 Group in accordance with the Code of Ethics issued by CA Sri Lanka ("Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

1. Impairment of investments in subsidiaries and equity accounted investees

Refer to the significant accounting policy in Note 3.13 and explanatory Notes 22 and 23 to the Financial Statements.

RISK DESCRIPTION

The Company has recorded Rs. 1.46Bn as investments in subsidiaries and Rs. 36Mn as equity accounted investees as at 31st March 2020. The carrying amount of each investments in subsidiaries and equity accounted investees have been tested for impairment as individual Cash Generating Units. The carrying amount of these investments could be materially misstated if inappropriate judgements and estimates were used by the management in calculating the recoverable amount for each cash generating unit ('CGU') as part of their impairment assessment. The impairment of investments in subsidiaries and equity accounted investees has increased since some investments have not provided the required return.

As disclosed in Note 22.D to the Financial Statements, CIC Agri Businesses (Private) Limited, a subsidiary of the Group, has reported negative net assets as of that date. However, the Directors of the Component are of the opinion that the going concern assumption is valid in preparation of Financial Statements due to the feasibility of management plans and cash flow forecast.

We identified assessment of impairment of investments in subsidiaries and equity accounted investees as a key audit matter due to significant degree of management judgements involved in making these assessments and in forecasting the future profit projections of the Companies which could have significant impact on the Financial Statements.

Our audit procedures included:

- Evaluating the indications of possible impairment of investments in subsidiaries and equity accounted investees.
- Reviewing the work carried out by component auditor on the assessment of the credibility of business plan and the reasonableness of the discounted cash flow models considered in the going concern assessment of the component.
- Obtaining the forecasted profit projections of the subsidiaries and assessing the reasonableness of the forecasts and challenging the assumptions used in the valuation.
- Assessing the adequacy of disclosures in the Financial Statements with the relevant accounting standards.

2. Provision for impairment of Trade Receivables

Refer to significant accounting policy in Note 3.14.5 and explanatory Note 26 to the Financial Statements.

RISK DESCRIPTION

The Group has recognised trade receivable balance of Rs. 5.5Bn as at 31st March 2020, after provision for impairment of Rs. 1.1Bn.

As described in Note 3.14.5 to the Financial Statements, management's provisioning methodology is based on an expected credit loss model as required by SLFRS 9 'Financial Instruments'. The Group's customers operate in number of sectors, having different credit profiles. The determination of provision for impairment using expected credit loss model is subject to number of key judgements and assumptions such as forward looking probability of default (PD), loss given default (LGD), macroeconomic scenarios including their weighting and judgements over the use of data inputs required.

Impairment of trade receivables remains one of the most significant judgements made by the management particularly in light of the uncertain economic outlook in the Sri Lanka and as at the reporting date the potential impact of the global COVID-19 outbreak.

We identified impairment of trade receivables as a key audit matter for our audit, as it requires management to exercise subjective judgement in making assumptions and estimates for the assessment of provision for impairment of trade receivables.

Our audit procedures included:

- Evaluating the appropriateness of the impairment methodology adopted by the Group in accordance with SLFRS 9 and challenging the key assumptions and evaluating the reasonableness of the key judgements and methodology used by the management.
- Assessing the appropriateness of considering the estimation uncertainties by management pursuant to the COVID-19 outbreak in determining loss allowances, including assessing the appropriateness of the key parameters and assumptions in the expected credit loss model.
- Evaluating the completeness, accuracy and relevance of data used in preparation of the impairment provision.
- Comparing the economic factors used in the models to market information to assess whether they are aligned with the market and economic development.
- Evaluating the adequacy of the disclosures in the Financial Statements in accordance with the relevant accounting standards.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we will 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 identified above when it becomes available 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 therein, we are required to report that fact.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with SLAuSs, we exercise professional judgement 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3029.

Chartered Accountants
Colombo
24th August 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March	Note	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
Continuing operations					
Revenue	6	8,755,565	8,968,631	30,535,563	30,701,977
Cost of sales		(6,386,943)	(6,750,650)	(22,728,743)	(23,405,125)
Gross profit		2,368,622	2,217,981	7,806,820	7,296,852
Other income	7	437,280	498,352	360,906	202,417
Distribution expenses		(1,195,669)	(1,145,108)	(3,009,148)	(3,055,805)
Impairment loss on trade receivables		(43,406)	(121,654)	(272,593)	(250,581)
Administrative expenses		(295,381)	(431,706)	(1,662,661)	(1,683,055)
Other expenses	8	(64,584)	(276,635)	(36,522)	(195,420)
Results from operating activities		1,206,862	741,230	3,186,802	2,314,408
Finance cost (net)	9	(562,333)	(615,805)	(1,705,083)	(1,808,654)
Share of profit of equity accounted investees (net of tax)	10	-	-	390,013	394,788
Profit before tax	11	644,529	125,425	1,871,732	900,542
Income tax expenses	12	(261,738)	(8,869)	(535,597)	(40,428)
Profit from continuing operations		382,791	116,556	1,336,135	860,114
Discontinued operations					
Profit/(loss) from discontinued operations (net of tax)	13.1	18,803	(17,992)	(256,735)	(402,784)
Profit for the year		401,594	98,564	1,079,400	457,330
Other comprehensive income					
Items that will not be re-classified to profit or loss					
Actuarial gains/(losses) on retirement benefit obligations		(28,074)	9,329	(31,467)	52,324
Surplus on revaluation of land		-	207,801	-	743,626
Deferred tax charge on revaluation surplus		-	(58,184)	-	(178,610)
Income tax on other comprehensive income		7,861	(2,612)	8,738	(13,938)
Net loss from fair value change in financial assets		(82,761)	(98,070)	(422,945)	(301,211)
Other comprehensive income/(expense) for the year		(102,974)	58,264	(445,674)	302,191
Total comprehensive income for the year		298,620	156,828	633,726	759,521
Profit attributable to :					
Equity holders of the Company		401,594	98,564	832,584	483,239
Non-controlling interests		-	-	246,816	(25,909)
Profit for the year		401,594	98,564	1,079,400	457,330
Total comprehensive income attributable to :					
Equity holders of the Company		298,620	156,828	549,614	748,191
Non-controlling interests		-	-	84,112	11,330
Total comprehensive income for the year		298,620	156,828	633,726	759,521
Earnings per share					
Basic/diluted earnings per share (Rs.)	14	4.24	1.04	8.79	5.10
Earnings per share -continuing operations					
Basic/diluted earnings per share (Rs.)		4.04	1.23	10.18	7.46

Notes from pages 50 to 121 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at 31st March	Note	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
ASSETS					
Non- current assets					
Property, plant & equipment	16	2,083,159	2,131,249	12,359,815	13,279,431
Investment property	17	-	-	2,400	2,400
Capital work-in-progress	18	-	-	21,260	353,024
Biological assets	19	-	-	179,610	208,082
Intangible assets	20	29,301	34,702	366,982	384,362
Deferred tax assets	21	-	-	20,111	13,642
Investment in subsidiaries	22	1,456,208	1,473,408	-	-
Equity accounted investees	23	36,000	36,000	951,428	1,025,795
Equity investments at fair value through OCI	24	198,038	264,904	203,603	272,775
		3,802,706	3,940,263	14,105,209	15,539,511
Current assets					
Inventories	25	2,438,947	2,378,526	7,513,254	7,568,212
Trade receivables	26	2,642,370	2,255,931	5,538,507	4,950,441
Contract assets		51,080	46,872	77,847	68,558
Investment in sub-lease	27	6,876	-	1,906	-
Other receivables	28	640,271	898,310	6,893,685	5,723,949
Equity investments at fair value through OCI	29	21,230	33,995	764,927	892,838
Cash in hand and at bank	30	569,919	199,958	2,107,659	1,277,283
		6,370,693	5,813,592	22,897,785	20,481,281
Assets classified as held for sale	13.2	1,195,628	1,195,628	2,234,135	1,195,628
Assets classified as held for distribution	13.5	197	197	31,743	34,907
		7,566,518	7,009,417	25,163,663	21,711,816
Total assets		11,369,224	10,949,680	39,268,872	37,251,327
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Stated capital	31	1,008,450	1,008,450	1,008,450	1,008,450
Capital reserves	32	1,477,524	1,477,524	2,360,463	2,360,463
Revenue reserves	33	1,625,545	1,516,465	6,206,615	5,848,483
		4,111,519	4,002,439	9,575,528	9,217,396
Non-controlling interests		-	-	2,136,220	2,061,339
Total equity		4,111,519	4,002,439	11,711,748	11,278,735

As at 31st March	Note	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
Non-current liabilities					
Loans and borrowings	34.1	79,791	-	965,361	1,311,928
Retirement benefit obligations	35	171,266	179,370	701,286	646,305
Grants	36	-	-	8,663	9,624
Deferred tax liabilities	21	288,433	99,731	1,431,923	1,288,508
		539,490	279,101	3,107,233	3,256,365
Current liabilities					
Trade payables	37	1,285,241	1,134,872	5,547,064	4,911,505
Contract liabilities		72,486	64,967	121,344	108,238
Income tax payable	38	-	-	103,180	57,011
Accruals and other payables		472,346	490,033	1,487,774	1,738,259
Loans and borrowings	34.4	4,888,142	4,978,268	16,135,860	15,893,869
		6,718,215	6,668,140	23,395,222	22,708,882
Liabilities classified as held for sale	13.2	-	-	1,049,121	-
Liabilities classified as held for distribution	13.5	-	-	5,548	7,345
		6,718,215	6,668,140	24,449,891	22,716,227
Total liabilities		7,257,705	6,947,241	27,557,124	25,972,592
Total equity and liabilities		11,369,224	10,949,680	39,268,872	37,251,327
Net assets per share (Rs.)		43.38	42.23	101.04	97.26

Notes from pages 50 to 121 form an integral part of the Financial Statements.

It is certified that the Financial Statements have been prepared in accordance with the requirements of the Companies Act No 07 of 2007.

G.P.S. Samarakoon
General Manager - Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board,

S.H. Amarasekera
Chairman

S.Fernando
Director/Company Secretary

24th August 2020,
Colombo

STATEMENT OF CHANGES IN EQUITY

Company In Rs.'000	Stated Capital	Revaluation Reserve	General Reserves	Fair Value Reserve	Retained Earnings	Total
Balance as at 01st April 2018	1,008,450	1,327,907	782,604	(71,922)	798,572	3,845,611
Profit for the year	-	-	-	-	98,564	98,564
Other comprehensive income	-	-	-	(98,070)	6,717	(91,353)
De-recognition of financial assets due to disposal	-	-	-	155,251	(155,251)	-
Surplus on revaluation	-	207,801	-	-	-	207,801
Deferred tax on revaluation	-	(58,184)	-	-	-	(58,184)
Total comprehensive income	-	149,617	-	57,181	(49,970)	156,828
As at 31st March 2019	1,008,450	1,477,524	782,604	(14,741)	748,602	4,002,439
Balance as at 01st April 2019	1,008,450	1,477,524	782,604	(14,741)	748,602	4,002,439
Profit for the year	-	-	-	-	401,594	401,594
Other comprehensive income	-	-	-	(82,761)	(20,213)	(102,974)
Total comprehensive income	-	-	-	(82,761)	381,381	298,620
Dividends (Note 15)	-	-	-	-	(189,540)	(189,540)
Total contributions by and distribution to the owners of the Company	-	-	-	-	(189,540)	(189,540)
As at 31st March 2020	1,008,450	1,477,524	782,604	(97,502)	940,443	4,111,519

Notes from pages 50 to 121 form an integral part of the Financial Statements.
Figures in brackets indicate deductions.

Group In Rs.'000	Attributable to the equity holders of the Company						Non-Controlling Interest	Total Equity
	Stated Capital	Revaluation Reserve	Fair Value Reserve	General Reserves	Retained Earnings	Total		
Balance as at 01st April 2018	1,008,450	1,917,975	(63,718)	861,598	4,746,011	8,470,316	2,167,277	10,637,593
Profit for the year	-	-	-	-	483,239	483,239	(25,909)	457,330
Other comprehensive income	-	-	(204,470)	-	26,935	(177,535)	(85,290)	(262,825)
Surplus on revaluation	-	584,989	-	-	-	584,989	158,637	743,626
Deferred tax on revaluation surplus	-	(142,501)	-	-	-	(142,501)	(36,109)	(178,610)
De-recognition of financial assets due to disposal	-	-	154,626	-	(154,626)	-	-	-
Total comprehensive income for the year	-	442,488	(49,844)	-	355,548	748,192	11,329	759,521
Transactions with shareholders								
Subsidiary dividend to non controlling-interest	-	-	-	-	-	-	(80,342)	(80,342)
Disposal of subsidiary	-	-	-	-	-	-	(31,367)	(31,367)
Change in effective holding of the subsidiary	-	-	-	-	(1,112)	(1,112)	(5,558)	(6,670)
Transactions with owners of the Company	-	-	-	-	(1,112)	(1,112)	(117,267)	(118,379)
As at 31st March 2019	1,008,450	2,360,463	(113,562)	861,598	5,100,447	9,217,396	2,061,339	11,278,735
Adjustment on initial application of SLFRS 16, net of tax (Note 3.2.4.1)	-	-	-	-	(731)	(731)	(679)	(1,410)
Adjusted balance as at 01st April 2019	1,008,450	2,360,463	(113,562)	861,598	5,099,716	9,216,665	2,060,660	11,277,325
Profit for the year	-	-	-	-	832,584	832,584	246,816	1,079,400
Other comprehensive income	-	-	(260,709)	-	(22,259)	(282,968)	(162,706)	(445,674)
De-recognition of financial assets due to disposal	-	-	80,267	-	(80,267)	-	-	-
Total comprehensive income for the year	-	-	(180,442)	-	730,058	549,616	84,110	633,726
Transactions with shareholders								
Dividend paid to equity holders of the parent (Note 15)	-	-	-	-	(189,540)	(189,540)	-	(189,540)
Subsidiary dividend to non controlling-interest	-	-	-	-	-	-	(7,583)	(7,583)
Liquidation of sub- subsidiary	-	-	-	-	185	185	324	509
Adjustment due to share re-purchase of a subsidiary	-	-	-	-	(1,398)	(1,398)	(1,291)	(2,689)
Transactions with owners of the Company	-	-	-	-	(190,753)	(190,753)	(8,550)	(199,303)
As at 31st March 2020	1,008,450	2,360,463	(294,004)	861,598	5,639,021	9,575,528	2,136,220	11,711,748

Notes from pages 50 to 121 form an integral part of the Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CASH FLOW

For the year ended 31st March	Note	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
Cash flow from operating activities					
Cash generated from operations (Note A)		1,046,080	810,489	3,141,983	638,778
Interest paid (net)		(552,409)	(638,650)	(1,788,923)	(1,995,977)
Retirement benefits paid	35	(74,422)	(27,179)	(110,028)	(99,579)
Income tax paid	38	(42,108)	(49,079)	(293,647)	(257,185)
Net cash inflow/(outflow) from operating activities		377,141	95,581	949,385	(1,713,963)
Cash flow from investing activities					
Additions to property, plant & equipment	16	(62,957)	(152,435)	(261,410)	(477,028)
Additions to capital work-in-progress	18	-	(3,335)	(150,503)	(740,787)
Additions to intangible assets	20	-	-	(3,520)	(7,956)
Additions to biological assets	19	-	-	(227,845)	(200,807)
Additions to other long-term investments	24	(2,548)	(273,868)	(2,676)	(273,998)
Additions to assets held for sale		-	-	-	(1,254)
Proceeds from disposal of property, plant & equipment		7,288	9,381	28,495	380,589
Proceeds from disposal of assets held for sale		-	28,483	-	49,374
Proceeds from disposal of assets held for distribution		-	-	-	76,906
Proceeds from disposal of investment property		-	-	-	13,212
Proceeds from disposal of subsidiary and equity accounted investees	23.5	-	-	250,000	-
Proceeds from disposal of Investments		-	275,616	173,068	299,444
Proceeds from sale of biological assets		-	-	5,429	7,117
Short term investments		(581)	-	(394,225)	(684,117)
Dividend received from subsidiaries	7	7,939	118,626	-	-
Dividend received from equity accounted investees	7	355,104	325,080	355,104	330,240
Dividend received from other financial assets	7	7,334	3,689	48,647	18,270
Subsidiary dividends to non-controlling interests		-	-	(7,583)	(80,342)
Share re-purchase of a subsidiary		-	-	(2,689)	-
Payment for share buyback and capital reduction		-	-	-	(24,431)
Net cash inflow/(outflow) from investing activities		311,579	331,237	(189,708)	(1,315,568)
Net cash inflow/(outflow) before financing activities		688,720	426,818	759,677	(3,029,531)
Cash flow from financing activities					
Dividends paid to equity holders of the parent		(189,540)	-	(189,540)	-
Settlement of finance leases		-	-	-	(1,883)
Lease rental payments	34.3	(24,949)	-	(60,298)	-
Repayment of long-term borrowings	34.2	-	-	(765,503)	(1,773,524)
Long-term borrowings obtained	34.2	-	-	397,106	2,003,031
Net cash inflow/(outflow) from financing activities		(214,489)	-	(618,235)	227,624
Net increase / (decrease) in cash & cash equivalents during the period		474,231	426,818	141,442	(2,801,907)
Cash & cash equivalents at the beginning of the period		(4,778,310)	(5,205,128)	(13,934,015)	(11,132,108)
Cash & cash equivalents at the end of the period (Note B)		(4,304,079)	(4,778,310)	(13,792,573)	(13,934,015)

For the year ended 31st March	Note	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
Note A - Cash generated from operations					
Profit before interest and tax from continuing businesses		1,206,862	741,230	3,186,802	2,314,408
Profit/(loss) before interest and tax from discontinued businesses	13.1	18,803	4,853	(145,873)	(209,131)
Adjustments for:					
Depreciation on property, plant & equipment	16	171,615	166,483	889,232	937,161
Impairment of property, plant & equipment	16	-	-	103,004	15,327
Write off of property, plant & equipment	16	-	-	35	631
Write off of inter company receivables	8	-	32,876	-	-
(Gain) /loss on disposal of property, plant & equipment		13,674	15,850	(3,186)	123,538
Gain on disposal of assets held for sale		-	(15,638)	-	(20,346)
Gain on disposal of investment property	7	-	-	-	(1,712)
Gain on disposal of assets classified as held for distribution		-	-	-	(3,531)
Gain on disposal of equity accounted investee	7	-	-	(157,020)	-
Provision for retirement benefit	35.A	38,244	35,913	133,542	127,769
Provision for impairment of investment in subsidiaries and equity accounted investees	8	17,200	227,909	-	-
Amortisation of intangible assets	20	5,401	5,401	20,900	20,129
Amortisation of ROU assets	16	12,634	-	49,699	-
Amortisation of biological assets		-	-	245,408	160,521
Net provision for inter-company receivables		27,311	-	-	-
Provision for impairment of trade receivables		38,912	121,654	269,094	250,581
(Reversal) / Provision for write-down of inventories	25.1	(6,429)	(25,467)	122,316	50,202
Loss/(Gain) from changes in fair value - biological assets		-	-	4,996	(2,416)
Grants amortised	36	-	-	(961)	(1,048)
Dividend income	7	(370,377)	(447,396)	(48,647)	(18,270)
Operating profit before working capital changes		1,173,850	863,668	4,669,341	3,743,813
Increase in trade and other receivables		(213,979)	(227,588)	(2,183,094)	(3,736,238)
(Increase)/decrease in inventories		(53,992)	49,510	(66,874)	1,233,138
Increase/(decrease) in trade and other payables		140,201	124,899	722,610	(601,935)
Cash generated from operations		1,046,080	810,489	3,141,983	638,778
Note B - Analysis of cash & cash equivalents at the end of the year					
Cash in hand and at bank	30.1	569,919	199,958	2,138,623	1,246,292
Interest bearing short-term borrowings	30.2	(4,873,998)	(4,978,268)	(15,931,196)	(15,180,307)
	30.2	(4,304,079)	(4,778,310)	(13,792,573)	(13,934,015)

Notes from pages 50 to 121 form an integral part of the Financial Statements.
Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

CIC Holdings PLC (formerly known as Chemical Industries (Colombo) PLC) is a limited liability Company incorporated and domiciled in Sri Lanka. The address of the Company's registered office and the principal place of business is 199, Kew Road, Colombo 2.

The Consolidated Financial Statements of CIC Holdings PLC, as at and for the year ended 31st March 2020 comprise of Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in equity accounted investees. Descriptions of the nature of the operations and principal activities of the Company, its subsidiaries and equity accounted investees are given on page 129.

Ultimate Parent Company of CIC Holdings PLC is Paints & General Industries Limited, a company domiciled in Sri Lanka.

The Financial Statements of all companies in the Group as mentioned in Notes 22 and 23 to the Financial Statements are prepared for a common financial year, which ends on 31st March.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (Hereinafter referred to as SLFRS/LKAS), issued by The Chartered Accountants of Sri Lanka (CASL) and the requirements of the Companies Act No. 7 of 2007.

The Board of Directors of the Company is responsible for the preparation and presentation of the Financial Statements. The Consolidated Financial Statements were authorised for issue by the Directors on 24th August 2020.

2.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis, except that land and short-term and long-term investments are measured at fair value and the retirement benefit obligations are measured at the present value of the defined benefit plans as explained in the respective notes to the Financial Statements.

2.3 Functional and Presentation Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand, unless stated otherwise.

2.4 Use of Estimates, Judgements and Assumptions.

The preparation of Consolidated Financial Statements in conformity with Sri Lanka Accounting Standards (SLFRS/LKAS) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised in any future periods effected.

2.4.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Consolidated Financial Statements is included in the following notes.

- Note 07 – commission income: whether the Group acts as an agent in the transaction rather as a principal;
- Note 22 – consolidation: whether the Group has control over an investee; and
- Note 34 – lease term; whether the Group is reasonably certain to exercise extension options.

2.4.2 Assumptions and estimation uncertainties

Information about the assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustments in the year ended 31st March 2020 is included in the following notes.

- Note 35 – measuring of defined benefit obligations: key actuarial assumptions;
- Note 21 – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Note 19 – determining the fair value of biological assets on the basis of significant unobservable inputs;
- Note 13.2 – determining the fair value less cost to sell of the disposal Group on the basis of significant unobservable input data;
- Note 3.13 - impairment test of the intangible assets and goodwill: key assumptions underlying recoverable amounts , including recoverability of development costs;
- Note 40 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude;
- Note 46 - measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted- average loss rate;
- Note 22 – acquisition of subsidiary: fair value measured on a provisional basis;

- Note 34 – Leases (SLFRS 16 – Incremental Borrowing Rate)

  At the commencement date, a lessee (the Company/Group) shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's (the Company's/Group's) incremental borrowing rate. The basis used when determining the incremental borrowing rate in this regard are described more fully in Note 3.9.1 to these Financial Statements and;

- Note 12 – Income tax and deferred tax rates

  The Ministry of Finance has instructed on 31st January 2020 and 05th March 2020, that the revised income tax rates proposed to the Inland Revenue Act No. 24 of 2017 (IRA) by Circular No. PN/IT/2020-03 (Revised), be implemented with effect from 01st January 2020, pending formal amendments being made to the IRA.

  The Company's/Group's management having applied significant judgement to the said proposed revision of income tax rates, have determined that it is probable that formal amendments to the IRA will be made. The management concluded that Circular No. PN/IT/2020-03 (Revised) is more likely to be enacted in the near future and therefore, income tax rates and proposed basis of quantifying current income tax stipulated in the said circular to be effective from 01st January 2020 have been used to calculate the last quarter income tax provision of the 2019/20 financial year of the Company/Group. Accordingly, the Company/Group has decided to apply the revised income tax rates with effective from 01st January 2020.

  The Company has computed deferred tax at the rates based on substantively enacted rate (28%), which is the statutory rate specified in the IRA, as of the reporting date, because the Inland Revenue Department Circular No. PN/IT/2020-03 (Revised) has not been enacted as of the reporting date.

2.4.3 Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the General Manager Finance.

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

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

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

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

- Note 19- Biological assets
- Note 13.2 - Disposable Group held for sale
- Note 24, 29 – Financial instruments.
- Note 16.E – Revaluation of lands.

2.4.4 Retirement benefits

The cost of defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the weighted average cost of capital. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases are based on expected future inflation rates for the respective country.

2.4.5 Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position can not be derived from the active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in the assumptions about these factors could affect the reported fair value of financial instruments.

2.4.6 Development costs

Development costs are capitalised in accordance with the accounting policy. Initial capitalisation of cost is based on management's judgement that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

2.4.7 Recognition of deferred tax assets

Management applies significant judgement on the extent to which deferred tax assets can be recognised based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various future tax jurisdictions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all periods presented in these Consolidated Financial Statements and have been applied consistently by Group entities, unless otherwise indicated. The Directors have made an assessment of the Group's ability to continue as a going concern in the foreseeable future, and they do not intend either to liquidate or cease trading.

3.1. Basis of Consolidation

3.1.1 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquire; less
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market based value of the replacement awards compared with the market based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

3.1.2 Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

The acquisition of an additional ownership interest or a disposal of ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the non-controlling interests is recognised in equity of the parent. No adjustment is made to goodwill as a result of such transactions.

3.1.3 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee which includes; The contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of

a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Summarised financial information in respect of subsidiaries that have non-controlling interests that are material to the reporting entity (i.e., the Group) are disclosed separately when applicable.

3.1.4 Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value as at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an FVOCI depending on the level of influence retained and business model.

3.1.5 Associates and joint venture

An associate is an entity in which the Group has significant influence, but no control over the financial and operating policies. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not have the control or joint control over those policies.

Joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group determines significant influence or joint control by taking into account similar considerations necessary to determine control over subsidiaries.

The Group's investment in associate and joint venture are accounted for using the equity method and are recognised initially at cost which includes the transaction cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit or Loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Statement of Profit or Loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The Financial Statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

At each reporting date, the Group determines whether there is objective evidence that the investment in associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'share of profit of an associate and a joint venture' in the Income Statement.

When the Group's share of losses exceeds its interest in the associate, the carrying amount of that interest, including any long term investments, is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The Group discontinues the use of the equity method from the date that it ceases to have significant influence over an associate or joint control over the joint venture and accounts for the investment in accordance with the Group's accounting policy for financial instruments. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

There are no significant restrictions on the ability of the associate to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.

Details of the associates within the Group are provided in Note 23 to the Financial Statements and the details of the joint venture are provided in Note 23 to the Financial Statements.

3.1.6 Intra-Group transactions

Pricing policies of all intra-group sales are identical to those adopted for normal trading transactions, which are at market prices.

3.1.7 Transactions eliminated on consolidation

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

3.2. Changes in Significant Accounting Policies

The Group initially applied SLFRS 16 Leases from 01st April 2019. Number of other new accounting standards are also effective from 01st April 2019, but they do not have a material impact on these Financials Statements. The Group applied SLFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at 01st April 2019. Accordingly, comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under LKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SLFRS 16 have not generally been applied to comparative information.

3.2.1 Definition of a lease

Previously the Group determined at contract inception whether an arrangement was or contained a lease IFRIC 4 determining whether an arrangement contains a lease. The Group now assess whether a contract is or contains a lease based on the definition of a lease, as explained in Note 3.9.

On transition of SLFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SLFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under LKAS 17 and IFRIC 4 were not re assessed for whether there is a lease under SLFRS 16. Therefore , the definition of a lease under SLFRS 16 was applied only to the contracts entered in to or changed on or after 01st April 2019.

3.2.2 As a lessee,

The Group leases its property. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlined asset to the Group. Under SLFRS 16, the Group recognises right-of use assets and lease liabilities for most of these leases-i.e these leases are on Statement of Financial Position.

At commencement on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand alone price.

However, for leases of property the Group has elected not to separate non- lease components and account for the lease and associated non-lease components as a single lease component.

3.2.2.1 Leases classified as operating leases under LKAS 17

Previously, the Group classified property leases as operating leases under LKAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group incremental borrowing rates as at 01st April 2019. Right – of – use assets are measured at either :

- their carrying amount as if SLFRS 16 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application; the Group applied this approach to its largest property lease ; or
- an amount equal to the lease liability, adjusted by the amount of any prepayment or accrued lease payments; the Group applied this approach to all other leases

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right- of –use assets are impaired.

The Group used a number of practical expedients when applying SLFRS 16 to leases previously classified as operating leases under LKAS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases for low value assets;
- excluded initial direct costs form the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term.

3.2.2.2 Leases classified as finance lease under LKAS 17

The Group leases a number of items of production equipment. These leases were classified as finance leases under LKAS 17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability as 01st April 2019 were determined at the carrying amount of the lease asset and lease liability under LKAS 17 immediately before that date.

3.2.3 As a lessor

The Group leases outs its property. The Group has classified theses leases as operating leases.

The Group is not required to make any adjustments on transition to SLFRS 16 for leases in which it acts as a lessor, except for a sub-lease.

The Group sub-leases sum of its properties. Under LKAS 17, the head lease and sub lease contracts were classified as operating leases. On transition to SLFRS 16, the right-of-use assets recognised from the head leases are presented in investment in sub-lease and measured at cost. The Group assessed the classification of the sub lease contracts with reference to the right-of-use asset rather than the underlying asset, and concluded that their operating leases under SLFRS 16.

The Group has also applied SLFRS 15 Revenue from contracts with customers to allocate consideration in the contract to each lease and non-lease component.

3.2.4 Impact on Financial Statements

3.2.4.1 Transition

On transition to SLFRS 16, the Group recognised additional right-of-use asset including net investment in sublease and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below.

As at 01st April 2019	Company Rs.'000	Group Rs.'000
Right-of-use asset, property, plant & equipment	94,164	274,456
Right-of-use asset, net investment in sub-lease	13,631	7,258
Deferred tax asset	-	308
Lease liabilities	107,795	269,156
Retained earnings	-	1,410

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rates as at 01st April 2019. The weighted average rate applied is 11%.

As at 01st April 2019	Company Rs.'000	Group Rs.'000
Operating lease commitment at 31 March 2019 as disclosed under LKAS 17 in the Group's consolidated Financial Statements	200,364	636,450
Discounted using the incremental borrowing rate	107,795	269,156
Lease liabilities recognised	107,795	269,156

3.3 Foreign Currency

3.3.1 Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

3.3.2 Group companies

On consolidation the assets and liabilities of foreign operations are translated into Sri Lankan rupees at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the Income Statement.

3.4 Revenue

A. Revenue streams

The Company generates revenue primarily from sale of goods under revenue from contracts with customers.

B. Disaggregation of revenue from contract with customers

Revenue from contract with customers (including revenue related to a discontinuing operation) is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition under Note 06.

C. Contract balances

Contract Assets

Cost to obtain contract

The Company capitalises incremental costs to obtain a contract with a customer for the assets with more than one year amortisation period and if it expects to recover those costs. The costs that will be incurred regardless of whether

the contract is obtained including costs that are incremental to trying to obtain a contract, are expensed as they are incurred. The cost to obtain contract will be amortised over the contract period on a systematic basis.

Cost of fulfilling a contract

The Company capitalises the costs incurred in fulfilling a contract with a customer for which are not in the scope of other guidance and only if the fulfillment costs meet the following criteria:

- relate directly to an existing contract or specific anticipated contract;
- generate or enhance resources that will be used to satisfy performance obligations in the future; and
- are expected to be recovered.

The cost of fulfilling a contract will be amortised over the contract period on a systematic basis.

Contract Liabilities

The Company recognise a contract liability for the deferred revenue on the extended warranty provided for the customers.

The contract liability shall be realised to revenue on the basis of utilising the warranty by the customers or on a systematic basis accordingly.

D. Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a contract.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Sale of goods & services	The Company operates in different divisions and engaged in varieties of sale of goods under each divisions/clusters.	The revenue is recognised based on the identified performance obligation. The transaction price is determined taking into account of variable considerations. The transaction price is allocated to performance obligations and recognised the revenue either over the time of the contract or point in time upon analysis of each sale of goods under separate divisions.
Distributor & dealer volume rebates	Distributors and dealers are entitled to volume rebates. Volume rebates are given based on the yearly and daily sales quantities over different slabs.	The Company estimates the amount of variable consideration to which it expects to be entitled, giving consideration to the risk of revenue reversal in making the estimate for volume rebates. The transaction price under revenue is adjusted for the provision of volume rebates and recognised as revenue.

Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Issue of free goods	The Company offers free goods to their dealers as a promotion.	The free goods granted to customer is a material right of the customer and is accounted as a separate performance obligation. The revenue is allocated for the performance obligation on their relative stand-alone selling price and the revenue is recognised at the point in time when the performance obligation is met.
Distributor allowance on transportation	The Company pays an agreed daily distribution allowance to its distributors on an agreed distribution value. This allowance is paid for the transportation cost incurred from the point of distributor to end consumer location.	The transport cost paid to the dealer / distributor is not in exchange for a distinct goods or services and it is recognised as a reduction to transaction price under revenue recognition.
Slotting fees	The Company pays slotting fees to identified supermarket chains for use of shelf spaces. The slotting fees are either incurred by the Company or reimbursed by the principal.	The slotting fees are identified as a variable consideration payable to customer and recognised as a reduction to the transaction price for the slotting fees incurred by the Company. A receivable from principal is recognised for the slotting fees which are reimbursed by the principal.

Other Income Sources

3.4.1 Interest income

Interest income is recognised in profit or loss as it accrues and is calculated by using the effective interest rate method.

3.4.2 Dividend income

Dividend Income is recognised when the Group's right to receive the payment is established.

3.4.3 Rental income

Rental income arising from operating leases on investment properties or renting out of premises are recognised as revenue on a straight-line basis over the term of the lease or agreement.

3.4.4 Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

3.4.5 Others

Other income is recognised on an accrual basis.

Net gains and losses on the disposal of property, plant & equipment and other non-current assets including investments have been accounted for in profit or loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

3.5 Grants

Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in profit or loss as other income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the profit or loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments.

3.6 Tax

3.6.1 Current income tax

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates and tax laws enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. 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.

3.6.2 Deferred tax

Deferred tax is recognised in respect of the temporary differences between the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is recognised for all taxable temporary differences, except for:

- Temporarily differences on the initial recognition of asset or liability in a transaction that is not a business combination and, at the time of the transaction, that affects neither the accounting profit nor taxable profit or loss;
- Temporary differences associated with investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.7 Discontinued Operations and Assets Held for Sale/ Distribution

3.7.1 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

3.7.2 Assets held for sale

Before the classification as held for sale non current assets and liabilities in the disposal group are measured in accordance with relevant SLFRSs.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets are classified as held for distribution when the Company/Group committed to distribute the assets or disposal group to its owners.

Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss. Property, plant & equipment and intangible assets once classified as held for sale are not depreciated or amortised.

3.7.3 Cease to be classified as assets held for sale and distribution

When an operation is ceased to classify as held for sale, the results of the operations of the component previously presented in discontinued operations shall be reclassified and included in income from continuing operations for all presented periods. The amounts for prior periods shall be described as having been re-presented.

The amounts presented for the assets and liabilities of the disposal group classified as held for sale in the comparative Statements of Financial Position shall not be reclassified or re-presented.

3.8 Property, Plant & Equipment

3.8.1 Initial recognition and measurement

Items of property, plant & equipment are measured at cost, except for land net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset and includes the cost of replacing part of the property, plant & equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

When significant parts of property, plant & equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

3.8.2 Subsequent costs

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

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions (Note 2.4) and provisions (Note 3.17) for further information about the recorded decommissioning provision.

3.8.3 Revaluation

Lands are measured at fair value. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation surplus is recorded in other comprehensive income and hence, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case, the increase is recognised in the profit or loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

3.8.4 Depreciation

Items of property, plant & equipment are depreciated on a straight-line basis over the estimated useful lives of the each component.

Items of property, plant & equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years of significant items of property, plant & equipment are as follows:

- Buildings 10 - 40 years
- Plant and equipment 5 - 50 years
- Computers and allied equipment 3-8 years
- Motor vehicles 3-30 years
- Furniture & fittings 5-20 years

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

3.8.5 De-recognition

An item of property, plant & equipment is de-recognised upon disposal of or when no future economic benefits are expected from its use or disposal. Gains and losses arising on de-recognition of assets are determined by comparing the proceeds from the disposal with the carrying amount of property, plant & equipment and are recognised net within "Other Income" in profit or loss.

3.9 Leases

The Group has SLFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under LKAS 17 and IFRIC 4. The details of the accounting policies under LKAS 17 and IFRIC 4 are disclosed separately.

Policy applicable from 01st April 2019

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in the exchange of for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease SLFRS 16.

This policy is applied to contracts entered into, on or after 01st April 2019.

3.9.1 As a lessee

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

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

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

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

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

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

- Fixed payments, including in-substances fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or the rate as at the commencement date;
- Amounts expected to be payable under a residential value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an option renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

The Group presents right-of-use assets that do not meet the definition of net investment in sublease in "property, plant & equipment" and lease liabilities in "loans and borrowings" in the Statement of Financial Position.

Short term leases and leases of low value assets

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

3.9.2 As a lessor

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

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

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SLFRS 15 to allocate the consideration in the contract.

The Group applies the de-recognition and impairment requirements in SLFRS 9 to the net investment in the lease. The Group further regularly reviews the estimated unguaranteed residual values used in calculating the gross investment in the lease.

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

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SLFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

Policy applicable before 01st April 2019

For contracts entered into before 01st April 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether;

- Fulfillment of the arrangement was dependent on the use of a specific asset or assets; and
- The arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use asset if one of the following was met:
  - The purchaser had the ability or right to operate the asset while obtaining or controlling more than a significant amount of the output;
  - The purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - Facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of the ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's Statement of Financial Position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total leases expense, over the term of the lease.

As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease. If not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.11 Investment properties

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

The Group adopts cost model to measure investment. Investment properties are measured initially at cost. Subsequently to initial recognitions investment property is measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition. When an investment property that was previously classified as property, plant & equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant & equipment up to the date of change in use.

3.12 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Expenditure on internally generated intangible assets, excluding capitalised development costs, is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Except for goodwill, intangible assets with finite lives are amortised on a straight-line basis in profit or loss over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

3.12.1 ERP Implementation cost

The initial cost incurred for ERP implementation has been capitalised and amortised over a period of 10 years.

3.12.2 Research and development costs

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete and the ability to use or sell the asset
- Probability of generating future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

3.13. Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of such assets are estimated.

An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. (A cash generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets)

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairments losses are recognised in the profit or loss. Impairment losses recognised in respect of cash generating units on acquisition of subsidiaries are allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An impairment loss in respect of goodwill is not reserved. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The following assets have specific characteristics for impairment testing:

a) Goodwill

Goodwill is tested for impairment annually (as at 31st March) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

b) Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at 31st March either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.14. Financial Instruments

3.14.1. Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is trade receivable without a significant financing component) or financial liabilities initially measured at fair value plus for an item not at FVTPL, transaction costs that are directly attributable to its acquisitions or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.14.2. Classification and subsequent measurement

On initial recognition a financial asset is classified as measured at amortised cost, FVOCI - debt investment; FVOCI - equity investments; or FVTPL.

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

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

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

A debt investment is measured at FVOCI if it meet both of the following conditions and is not designated as at FVTPL:

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

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

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

Financial assets – Business model assessment

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

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

Transfers of financial assets to third parties in transaction that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on fair value basis are measured at FVTPL.

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

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

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

- Contingent events that would change the amount and the timing if cash flows;
- Terms that may adjust the contractual coupon rate, including variable rate features;
- Prepayment and extension features: and
- Terms that limit the Group's claim to cash flows form specified assets (example non resource features)

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

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

Financial liabilities- Classification, subsequent measurement and gains and losses

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

3.14.3. De-recognition

Financial asset

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

The Group enters in to transaction whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

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

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

3.14.4. Offsetting

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

3.14.5. Impairment of financial assets

a) Financial instruments and contract assets

The Group recognises a loss allowance for ECLs on:

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to life time ECLs, except for the following which are measured at 12 months ECLs:

- Debt securities that are determined to have no credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since the initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to life time ECLs.

When determining whether a credit risk of financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitative and qualitative information and analysis, based on Group's historical experience and informed credit assessment and including forward – looking information.

The Group assumes that a credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers financial asset to be in default when:

- The borrower unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security " if any is held"; or
- The financial asset is more than 365 days past due.

The Group considers a debt security to have no credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

Lifetime ECLs are the ECLs that result from all possible events over the expected life of a financial instrument.

12 months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

b) Measurement of ECLs

ECLs are a probability- weighted estimate of credit loss. Credit losses are measured as the present value of all cash short falls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rates of the financial asset.

c) Credit-impaired financial assets

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

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

- Significant financial difficulty of the borrower or the issuer
- A breach of contract such as default or being more than 365 days being past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower enter bankruptcy or other financial reorganisation or
- The disappearance of the active market for a security because of financial difficulty

d) Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

e) Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovery of financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write- off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group procedures for recovery of amounts due.

3.15 Biological Assets

The Group's biological assets consist of poultry, teak and livestock. Except for parent birds, biological assets are measured at fair value less cost to sell, with any change therein recognised in profit or loss. Parent birds are valued at cost less accumulated amortisation as the fair value cannot be measured reliably.

3.16 Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of finished goods is computed, based on the weighted average cost method and includes material, labour and appropriate share of production overheads, based on normal operating capacity. In the case of purchased inventories, cost includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. The cost of raw material is computed at weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Provision for obsolete and slow moving inventory

Specific provision are made giving considerations to the condition of inventory held by the Company/Group.

3.17 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that an outflow of economic benefits will be required to settle the obligations.

3.18 Employment Benefits

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan, other than a defined contribution plan. The liability recognised in the Financial Statements in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in personnel expenses in profit or loss.

Defined Contribution Plan

Employees' Provident Fund/ Mercantile Services Provident Society and Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no further legal or constructive obligation to pay further amounts. The Group contributes 12%, 12% and 3% of gross emoluments of employees to the Employees' Provident Fund, Mercantile Services Provident Society and the Employees' Trust Fund respectively. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

3.19 Share-Based Payment Transactions - ESOS

Shareholders of the Company resolved on 30th June 2016 the issue of Four Million Three Hundred Seventy Four Thousand Non-Voting (Class X), Ordinary Shares (constituting approximately 20% of the issued Non-Voting (Class X) shares as at 24th May 2016) to all executive officers in the level premier managers and above in CIC Group under and Employee Share Option Scheme (ESOS). Options were granted for no consideration. The shares would be issued to employees during a period of 5 years commencing from 2017. The shares under ESOS were priced at average of volume weighted average market price of the Company's shares for thirty (30) market days immediately preceding the grant date.

There will be no financial assistance granted to employees with regard to the ESOS.

"Group" for the purpose of ESOS will consist of CIC Holdings PLC, CIC Agri Businesses Group, CIC CropGuard (Private) Limited and CIC Feeds (Private) Limited and it's subsidiaries.

The cost of equity – settled transactions is recognised, together with a corresponding increase in other capital reserves in equity if management intends that the eligible employees will exercise the option right in foreseeable future.

During the year no options were granted/ exercised under ESOS.

3.20 Earnings Per Share

The Group presents basic Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted number of ordinary shares outstanding during the period.

3.21 Cash Flow Statement

The Cash Flow Statement has been prepared using the indirect method.

3.22 Segment Reporting

The Group has the following five strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

A summary describing the operations of each reportable segment is given in pages 128 and 129.

Segment results that are reported to the Group's COO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated expenses comprise mainly corporate assets (primarily the Company's head office), head office expenses and tax assets and liabilities.

3.23 Events Occurring after the Reporting Date

All material events occurring after the reporting date have been considered and where appropriate adjustment or disclosures have been made in these Financial Statements.

4 NEW ACCOUNTING STANDARD AMENDMENTS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standard Amendments which will become applicable for financial periods beginning on or after 01st April 2020 or at a later date. Accordingly, these Amendments have not been applied in preparing these Financial Statements.

New or amended standards	Summary of the requirement	Possible impact on Consolidated Financial Statements
SLFRS 3 Definition of a Business	SLFRS 3 helps entities to determine whether an acquired set of activities and assets is a business or not. These amendments 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 Group shall apply amendments to business combinations prospectively for annual financial periods beginning on or after 01st April 2020, if the assets acquisition occurs on or after the beginning of that period.
LKAS 1 and LKAS 8 Definition of Material	Amendments to LKAS 1 and LKAS 8 on "Accounting Policies, Changes in Accounting Estimates and Errors" to align the definition of "material" across the standards and to clarify certain aspects of the term "definition". The new definition states that. "information" is material if omitting , misstating or obscuring it could reasonably be expected to influence decision 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 Group shall apply those amendments prospectively for annual financial periods beginning on or after 01st April 2020.
Amendments to References to Conceptual Framework in SLFRS Standards	Conceptual Framework which will be used in Standard setting decisions with immediate effect. Key changes include; → Increasing the prominence of stewardship in the objective of financial reporting → Reinstating prudence as a component of neutrality → Defining a reporting entity, which may be a legal entity, or a portion of an entity → Revising the definitions of an asset and a liability → Removing the probability threshold for recognition and adding guidance on de-recognition → Adding guidance an different measurements basis, and → Stating that profit or loss is the primary performance indicator and that, in principal, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the Financial Statements.	No changes will be made to any of the current Accounting Standards. However, if the Group rely on the framework in determining certain accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised framework from 01st April 2020.

5. SEGMENTAL INFORMATION

For the year ended 31st March	Crop Solutions		Agri Produce		Lives Stock Solutions		Industrial Solutions		Health & Personal Care		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit or loss												
Revenue	8,835,699	9,449,932	2,896,799	3,655,075	7,075,703	6,167,687	4,066,212	3,898,354	8,038,356	8,093,728	30,912,769	31,264,776
Inter segmental revenue	(187,879)	(23,976)	(32,621)	(217,089)	(31,123)	(187,311)	(121,992)	(116,277)	(3,591)	(18,146)	(377,206)	(562,799)
Total revenue to external customers	8,647,820	9,425,956	2,864,178	3,437,986	7,044,580	5,980,376	3,944,220	3,782,077	8,034,765	8,075,582	30,535,563	30,701,977
Segmental results	1,297,891	1,270,664	107,092	(187,176)	52,470	234,671	705,082	344,480	1,024,267	651,769	3,186,802	2,314,408
Finance cost (net)	(616,809)	(575,593)	(211,972)	(269,904)	(460,118)	(440,987)	(57,440)	(152,567)	(358,744)	(369,603)	(1,705,083)	(1,808,654)
Share of profit of equity accounted investees	-	-	-	-	-	-	390,013	394,788	-	-	390,013	394,788
Profit/(loss) before tax	681,082	695,071	(104,880)	(457,080)	(407,648)	(206,316)	1,037,655	586,701	665,523	282,166	1,871,732	900,542
Income tax	(155,933)	(170,675)	(4,143)	74,403	(101,949)	53,331	(143,828)	(43,640)	(129,744)	46,153	(535,597)	(40,428)
Profit/(loss) after tax	525,149	524,396	(109,023)	(382,677)	(509,597)	(152,985)	893,827	543,061	535,779	328,319	1,336,135	860,114
Profit/(loss) from discontinued operations	1,363	1,555	(279,119)	(396,419)	-	-	14,064	27,968	6,957	(35,888)	(256,735)	(402,784)
Profit/(loss) for the year	526,512	525,951	(388,142)	(779,096)	(509,597)	(152,985)	907,891	571,029	542,736	292,431	1,079,400	457,330
Attributable to :												
Equity holders of the company	523,207	511,808	(353,691)	(517,202)	(397,823)	(104,952)	682,679	471,945	378,212	121,640	832,584	483,239
Non-controlling interests	3,305	14,143	(34,451)	(261,894)	(111,774)	(48,033)	225,212	99,084	164,524	170,791	246,816	(25,909)
Profit /(loss) for the year	526,512	525,951	(388,142)	(779,096)	(509,597)	(152,985)	907,891	571,029	542,736	292,431	1,079,400	457,330
Assets and liabilities												
Non -current assets												
Property, plant & equipment	1,170,217	1,198,647	1,276,526	2,131,165	4,475,743	4,621,538	1,344,465	1,724,516	2,679,556	2,275,093	10,946,507	11,950,959
Unallocated property, plant & equipment	-	-	-	-	-	-	-	-	-	-	1,413,308	1,328,472
Other non-current assets	11,374	32,035	51,983	41,943	215,621	249,036	1,393,449	1,528,938	72,967	408,128	1,745,394	2,260,080
Total non -current assets	1,181,591	1,230,682	1,328,509	2,173,108	4,691,364	4,870,574	2,737,914	3,253,454	2,752,523	2,683,221	14,105,209	15,539,511
Current assets	10,667,332	8,881,791	1,981,986	1,243,454	2,799,442	2,604,153	3,476,677	3,452,949	6,238,226	5,529,469	25,163,663	21,711,816
Total assets	11,848,923	10,112,473	3,310,495	3,416,562	7,490,806	7,474,727	6,214,591	6,706,403	8,990,749	8,212,690	39,268,872	37,251,327
Non-current liabilities	448,447	355,448	330,163	750,474	810,559	777,781	398,636	384,673	1,119,428	987,989	3,107,233	3,256,365
Current liabilities	12,920,642	11,988,826	1,893,124	1,305,513	4,988,832	4,487,708	1,047,064	1,562,870	3,600,229	3,371,310	24,449,891	22,716,227
Total liabilities	13,369,089	12,344,274	2,223,287	2,055,987	5,799,391	5,265,489	1,445,700	1,947,543	4,719,657	4,359,299	27,557,124	25,972,592

Inter segment pricing is on the basis of arm's length transactions.

Secondary geographical segmentation is not given since the dispersion of the Group operations does not construe an objective segmentation.

6 REVENUE

For the year ended 31st March	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
Revenue	8,755,565	8,968,631	30,535,563	30,701,977
Net Revenue	8,755,565	8,968,631	30,535,563	30,701,977
Local	8,755,565	8,968,631	30,113,189	30,352,724
Exports	-	-	422,374	349,253
Total	8,755,565	8,968,631	30,535,563	30,701,977

6.1 Disaggregation of Revenue from Contracts with Customers

For the year ended 31st March	Crop Solutions 2020 Rs.'000	Crop Solutions 2019 Rs.'000	Agri Produce 2020 Rs.'000	Agri Produce 2019 Rs.'000	Lives Stock Solutions 2020 Rs.'000	Lives Stock Solutions 2019 Rs.'000	Industrial Solutions 2020 Rs.'000	Industrial Solutions 2019 Rs.'000	Health & Personal Care 2020 Rs.'000	Health & Personal Care 2019 Rs.'000
Primary geographical markets										
Local	8,647,820	9,425,956	2,785,699	3,380,069	7,044,580	5,980,376	3,944,220	3,781,231	7,690,871	7,785,092
Export	-	-	78,479	57,917	-	-	-	846	343,894	290,490
Total	8,647,820	9,425,956	2,864,178	3,437,986	7,044,580	5,980,376	3,944,220	3,782,077	8,034,765	8,075,582
Major product lines										
Agro chemicals	4,180,158	3,534,686	-	-	-	-	-	-	-	-
Fertilizer	3,183,170	4,522,783	-	-	-	-	-	-	-	-
Grains	1,283,360	1,348,408	1,225,337	2,130,403	-	-	-	-	-	-
Feeds	-	-	-	-	3,887,072	3,231,967	-	-	-	-
Pharmaceuticals and medical devices	-	-	-	-	-	-	-	-	4,946,687	5,238,529
Herbal health and personal care	-	-	-	-	-	-	-	-	3,088,078	2,837,053
Industrial chemicals	-	-	-	-	-	-	2,232,627	2,285,978	-	-
Consumer & packaging	-	-	-	-	-	-	1,711,593	1,496,099	-	-
Others	1,132	20,079	1,638,841	1,307,583	3,157,508	2,748,409	-	-	-	-
Total	8,647,820	9,425,956	2,864,178	3,437,986	7,044,580	5,980,376	3,944,220	3,782,077	8,034,765	8,075,582
Timing of revenue recognition										
Products transferred at a point in time	8,647,820	9,425,956	2,864,178	3,437,986	7,044,580	5,980,376	3,944,220	3,782,077	8,034,765	8,075,582

7 OTHER INCOME

For the year ended 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rent	21,006	17,932	4,638	23,476
Dividend Income				
Quoted	15,273	19,370	48,647	18,270
Unquoted	355,104	428,026	-	-
Net gain on disposal of property,plant & equipment	-	-	16,816	45,765
Net gain on disposal of investment property	-	-	-	1,712
Reversal of provision for impairment inter company receivables	6,399	-	-	-
Net gain on disposal of investment	-	-	157,020	4,708
Change in fair value of biological assets	-	-	2,172	3,194
Grants amortised	-	-	961	1,048
Direct sales commission	39,293	30,365	51,015	36,994
Sundry income	205	2,659	79,637	67,250
Total	437,280	498,352	360,906	202,417

8 OTHER EXPENSES

For the year ended 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Impairment loss on property, plant & equipment	-	-	6,107	15,327
Loss on disposal of property, plant & equipment	13,674	15,850	13,674	169,303
Expenses incurred on asset held for distribution	-	-	-	853
Change in fair value of biological assets	-	-	16,706	9,306
Impairment of investment in Cropwiz (Private) Limited	-	125,109	-	-
Write-off of inter-company receivables	-	32,876	-	-
Provision for impairment of inter-company receivables	33,710	-	-	-
Impairment of investment in Crop Management Services (Private) Limited	17,200	32,000	-	-
Impairment of investment in CIC Agri Businesses (Private) Limited	-	62,800	-	-
Impairment of investment in CIC Properties (Private) Limited	-	8,000	-	-
Write-off of property, plant & equipment	-	-	35	631
Total	64,584	276,635	36,522	195,420

9 FINANCE COSTS (NET)

For the year ended 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Finance Costs				
Long -term loans	-	-	132,992	88,065
Lease interest	11,089	-	27,390	17,236
Short- term loans and overdrafts	574,070	575,898	1,729,094	1,604,950
Staff loans	-	-	4,506	6,025
Foreign exchange loss	-	41,947	11,744	232,707
	585,159	617,845	1,905,726	1,948,983
Finance Income				
Staff loans	339	464	6,332	8,180
Foreign exchange gain	14,274	-	107,207	21,260
Interest on repo investments	-	-	1,868	44,998
Interest income on sub-leasing	1,165	-	479	-
Deposits	7,048	1,576	84,757	65,891
	22,826	2,040	200,643	140,329
Finance Cost (Net)	562,333	615,805	1,705,083	1,808,654

10 SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEES (NET OF TAX)

For the year ended 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Commercial Insurance Brokers (Private) Limited	-	-	8,938	13,210
Akzo Nobel Paints Lanka (Private) Limited	-	-	381,075	381,927
Rainforest Ecolodge (Private) Limited	-	-	-	(349)
Total	-	-	390,013	394,788

11 PROFIT BEFORE TAX IS STATED AFTER CHARGING ALL EXPENSES INCLUDING THE FOLLOWING:

For the year ended 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Directors' emoluments and retirement benefits	41,130	52,978	158,970	177,781
Depreciation on property, plant & equipment	184,249	166,483	918,208	874,568
Directors' fees	17,204	16,273	31,354	30,657
Donations	1,000	1,000	1,632	2,080
Staff training and development	745	970	2,211	1,474
Legal fees	2,712	1,781	9,582	4,096
Auditors' remuneration				
Statutory audit fees	2,050	2,050	13,355	12,366
Audit related fees	729	897	2,921	3,966
Non-audit fees	2,756	2,171	4,773	3,256
Professional fees	5,162	14,798	39,919	40,819
Provision for obsolete and slow moving inventories	58,841	36,495	149,113	112,164
Personnel Costs * (Note 11.1)	431,589	436,508	2,163,816	2,241,623

11.1 Personnel Costs

For the year ended 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Salaries	315,003	325,140	1,611,466	1,652,853
EPF/MSPS - Defined contribution plan	36,567	36,103	158,754	194,358
ETF - Defined contribution plan	9,142	9,024	39,628	41,365
Bonus	38,357	32,598	211,565	205,099
Provision for retirement benefits	32,520	33,643	127,818	125,499
Voluntary retirement scheme	-	-	14,585	22,449
Total	431,589	436,508	2,163,816	2,241,623
Number of employees as at the end of the year	398	371	2,088	2,175

12 INCOME TAX EXPENSE

For the year ended 31st March	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
Current tax expenses on ordinary activities for the year				
Current tax expenses on profit for the year (Note 12.2)				
Continued Operations	-	-	229,486	120,904
Under provision in respect of previous years	-	328	15,501	2,253
Irrecoverable ESC written off	65,175	-	128,916	30,152
Tax on dividend income	-	-	16,318	76,922
	65,175	328	390,221	230,231
Deferred Tax expense/(reversals)				
Origination of temporary differences (Note 12.1)				
Continued Operations	196,563	8,541	145,376	(189,803)
	196,563	8,541	145,376	(189,803)
Total	261,738	8,869	535,597	40,428

12.1 Deferred Tax Expense

For the year ended 31st March	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
Income Statements				
Deferred tax expense arising from :				
Property, plant & equipment	(1,090)	19,164	125,192	(15,668)
Intangible assets	-	-	1,723	4,709
Biological assets	-	-	(9,058)	12,002
Provision for impairment of trade receivables	-	-	(25,711)	(33,444)
Provision for obsolete and slow moving inventories	-	5,514	3,724	(24,655)
Provision for others	-	-	(604)	(1,706)
Accumulated tax losses	189,070	(13,691)	63,670	(122,357)
Contract assets	-	-	1,423	1,032
Right-of-use assets	22,829	-	19,881	-
Net investment in sublease	1,925	-	7,149	-
Lease liability	(26,302)	-	(31,817)	-
Contract liability	-	-	(1,564)	(3,010)
Retirement benefit obligations	10,131	(2,446)	(8,632)	(6,706)
	196,563	8,541	145,376	(189,803)
Other Comprehensive Income				
Deferred tax expense arising from :				
Actuarial losses/(gain) on retirement benefit obligations	(7,861)	2,612	(8,738)	13,938
Revaluation of property, plant & equipment to fair value	-	58,184	-	178,610
	(7,861)	60,796	(8,738)	192,548
Total	188,702	69,337	136,638	2,745

12.2 Reconciliation of the Accounting Profit and Taxable Profit

For the year ended 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit before tax-continuing operations	644,529	125,425	1,871,732	900,542
Profit / (loss) before tax-discontinued operations	18,803	(17,992)	(256,735)	(402,784)
Intra group adjustments	-	-	(7,908)	(1,100,747)
	663,332	107,433	1,607,089	(602,989)
Share of profit of equity accounted investee	-	-	(390,013)	(394,788)
Other sources of income	-	227	(242,025)	1,220,223
Disallowable expenses	405,073	750,599	3,334,697	3,136,398
Tax deductible expenses	(340,916)	(447,636)	(2,974,847)	(2,921,810)
Tax exempt income	(112,830)	(447,396)	(212,673)	(603,244)
Tax loss for the year	-	36,773	327,953	886,786
Tax loss utilised during the year	(614,659)	-	(1,584,725)	(1,292,540)
Taxable profit/(loss)	-	-	(134,544)	(571,964)
Income tax @ 10%	-	-	-	3,514
Income tax @ 14%	-	-	2,722	-
Income tax @ 18%	-	-	18,763	-
Income tax @ 24%	-	-	24,600	-
Income tax @ 28%	-	-	183,512	123,720
Current tax expense on continued operations	-	-	229,486	120,904
Current tax expense on discontinued operations	-	-	111	6,330
Accumulated tax losses				
Tax loss brought forward	1,065,051	1,016,124	3,957,503	4,642,867
Adjustment to brought forward	(60,591)	12,154	855,914	(228,610)
Tax loss for the year	-	36,773	327,953	886,786
Tax loss on disposals	-	-	-	(51,000)
Tax loss utilised during the year	(614,659)	-	(1,584,725)	(1,292,540)
Tax loss carried forward	389,801	1,065,051	3,556,645	3,957,503
Effective tax rate	-	-	-	-

12.3 Though the legislative process relating to the amendment to laws needs to be completed in order for the tax rate to be considered as substantively enacted as at the reporting date, the difference between computing the current tax liability using the proposed rate of 24% and the existing 28%, has an immaterial impact on the Financial Statements.

12.4 Group's tax expense is based on the taxable profit of each Company in the Group. At present, the tax laws of Sri Lanka do not provide for Group Taxation.

12.5 Irrecoverable Economic Service Charge (ESC) has been charged to the profit or loss.

12.6 Details of the Current Tax Computation

As per the Inland Revenue Act No.24 of 2017 and subsequent amendments thereto, CIC Holdings PLC and all other companies within the Group, excluding those which enjoy a tax holiday or concessionary rate of taxation as referred to below are liable to income tax at 28% of the adjusted taxable profits for the year. Further the Group used proposed revised income tax rates with effect from 01st January 2020.

The profits of CIC Poultry Farms Limited, were taxable at a concessionary rate of 15% in terms of the agreement entered into with the Board of Investment and other income was liable for income tax at the rate of 28%. As per the changes made to the income tax rates from 1st January 2020 onwards, CIC Vetcare (Private) Limited and CIC Bio Security Breeder Farms Limited were liable for income tax at the rate of 24% and CIC Feeds (Private) Limited was taxable under dual tax rates i.e. feed division at 18% and day old chicks division at 0%. Further CIC Poultry Farms Limited was also taxable at 14% for processed chicken and 0% for live birds.

CIC Agri Produce Marketing (Private) Limited which is engaged in agriculture was taxable at the rate of 14 % from 1st April 2019 to 31st December 2019. As per the changes made to the income tax rates from 01st January 2020 onwards it is exempted from income tax under agriculture.

As per the changes made to the income tax rates from 01st January 2020 onwards Agri Produce Exports (Private) Limited and CISCO Speciality Packaging (Private) Limited are taxable at the rate of 18%.

13 DISCONTINUED OPERATIONS

Discontinued operations include CIC Agri Biotech (Private) Limited, Chemanex Exports (Private) Limited, Chemcel (Private) Limited and consumer product lines of CIC Holdings PLC. Previously these businesses were categorised under "crop solutions", "industrial solutions", and "health and personal care" segments.

During the year, Yasui Lanka (Private) Limited was liquidated. Previously this business was categorised under the "industrial solutions" segment.

Further during the year, Board of Directors of Cropwiz (Private) Limited has resolved to discontinue its operations and accordingly it is classified as held for sale. Assets and liabilities relating to the said business unit is included under 'Assets and Liabilities classified as held for sale". Previously this business was included under 'agri produce segment'.

13.1 The results of aforesaid operations for the year are presented below:

Profit/(loss)after tax from Discontinued Operations

	Company		Group	
For the year ended 31st March	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	9,524	50,270	25,965	129,367
Cost of sales	(8,329)	(82,708)	(89,332)	(354,821)
Gross profit /(loss)	1,195	(32,438)	(63,367)	(225,454)
Other income	-	15,638	2,053	19,736
Administrative expenses	(824)	(2,362)	(4,243)	(20,993)
Distribution reversals/(expenses)	18,432	24,015	16,581	17,580
Other expenses	-	-	(96,897)	-
Finance cost (net)	-	(22,845)	(110,751)	(187,323)
Profit/(loss) before tax from discontinued operations	18,803	(17,992)	(256,624)	(396,454)
Tax expense				
Current tax	-	-	(111)	(6,330)
Profit/(loss) for the year from discontinued operations	18,803	(17,992)	(256,735)	(402,784)
Total comprehensive Income	18,803	(17,992)	(256,735)	(402,784)

13.2 Major Classes of Assets and Liabilities Classified as held for sale

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets				
Property, plant & equipment	1,195,628	1,195,628	2,066,098	1,195,628
Investment in equity accounted investees*	-	-	-	-
Trade receivables	-	-	93,509	-
Inventories	-	-	11,298	-
Cash in hand and cash at bank	-	-	63,230	-
Assets classified as held for sale	1,195,628	1,195,628	2,234,135	1,195,628
Liabilities				
Trade and other payables	-	-	325,805	-
Interest bearing borrowings	-	-	605,586	-
Bank overdraft	-	-	117,730	-
Liabilities directly associated with assets classified as held for sale	-	-	1,049,121	-
Net assets directly associated with disposal group	1,195,628	1,195,628	1,185,014	1,195,628

*Investment in Cropwiz (Private) Limited amounting to Rs. 125.11Mn is fully impaired in Company financials.

Property, plant & equipment includes two lands belongs to CIC Holdings PLC and the last valuation was performed on 31st March 2020. No change in fair value was identified.

13.3 Cash Flows Generated From/(Used in) Discontinued Operations

For the year ended 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Net cash flows generated from/(used in) operating activities	11,609	111,465	(71,395)	111,056
Net cash flows generated from investing activities	-	-	993	96,906
Net cash flows generated from/(used in) financing activities	-	(22,845)	45,426	(22,845)
Net cash inflow/(outflow)	11,609	88,620	(24,976)	185,117

13.4 Earnings/(Deficit) per Share:

For the year ended 31st March	Company		Group	
	2020	2019	2020	2019
Basic/diluted earnings/(loss) per share for the year, from discontinued operations (Rs.)	0.20	(0.19)	(1.39)	(2.36)

13 DISCONTINUED OPERATIONS (CONTD.)

13.5 Assets classified as held for distribution

Assets and liabilities which belong to CIC Agri Biotech (Private) Limited, Chemanex Exports (Private) Limited and Chemcel (Private) Limited have been categorised under "assets and liabilities held for distribution".

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Major classes of assets and liabilities classified as held for distribution				
Assets				
Other receivables	-	-	781	641
Investments	197	197	3,228	5,257
Cash in hand and at bank	-	-	27,734	29,009
Asset classified as held for distribution	197	197	31,743	34,907
Liabilities				
Trade and other payables	-	-	5,548	7,345
Liabilities directly associated with assets classified as held for distribution	-	-	5,548	7,345

14 EARNINGS PER SHARE

For the year ended 31st March	Company		Group	
	2020	2019	2020	2019
Profits attributable to equity holders of the Company (Rs.'000)	401,594	98,564	832,584	483,239
The stated capital is as follows :				
Ordinary Shares				
Weighted average number of shares	72,900,000	72,900,000	72,900,000	72,900,000
Non-Voting (Class X) Shares				
Weighted average number of shares	21,870,000	21,870,000	21,870,000	21,870,000
Total Weighted average number of shares	94,770,000	94,770,000	94,770,000	94,770,000
Basic/Diluted earnings per share (Rs.)	4.24	1.04	8.79	5.10

Basic Earnings per share

The calculation of basic earnings per share is based on the profits attributable to ordinary shareholders and the weighted average number of shares outstanding during the year.

Diluted Earnings per share

The calculation of diluted earnings per share is based on the profits attributable to ordinary shares outstanding after adjustment for the effect of all potentially dilutive ordinary shares.

There were no potentially dilutive ordinary shares at any time during the year/previous year.

There is no material impact on diluted earnings per share arising from Employee Share Option Scheme.

15 GROSS DIVIDEND

For the year ended 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interim Dividend				
Interim dividend paid per share Rs. 1.00 (2019/20) per share (2018/19-nil)				
72,900,000 Ordinary Shares	72,900	-	72,900	-
21,870,000 Non-Voting (Class X) Shares	21,870	-	21,870	-
	94,770	-	94,770	-
Final Dividends				
Final dividend proposed and paid Rs.1.00 (2018/19) per share (2017/18 - nil)				
72,900,000 Ordinary Shares	72,900	-	72,900	-
21,870,000 Non-Voting (Class X) Shares	21,870	-	21,870	-
	94,770	-	94,770	-
Total	189,540	-	189,540	-

During the year, Rs.2.00 dividend was paid to the shareholders (2018/19 - Nil).

Directors have declared the payment of a second interim dividend of Rs. 1.00 per share on Ordinary and Non-Voting (Class X) shares for the year ended 31st March 2020. This dividend has not yet been recognised as a liability as at 31st March 2020.

This would result in a total dividend per share of Rs. 2.00 (2018/19 - Rs. 1.00). These were distributed to shareholders out of the dividend received from the companies within the Group .

16 PROPERTY, PLANT & EQUIPMENT

A. Company

As at 31st March	Land	Buildings	Plant & Machinery	Equipment	Computers	Furniture & Fittings	Motor Vehicles	Total 2020	Total 2019
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Freehold									
Cost/valuation									
At the beginning of the year	864,603	1,045,692	175,899	620,189	143,440	44,125	36,781	2,930,729	2,605,744
Additions	-	4,630	1,971	41,812	14,495	49	-	62,957	152,435
Revaluation surplus	-	-	-	-	-	-	-	-	207,801
Disposals	-	-	-	(19,537)	(774)	-	(20,419)	(40,730)	(38,586)
Transferred from capital work in progress	-	-	-	-	-	-	-	-	3,335
At the end of the year	864,603	1,050,322	177,870	642,464	157,161	44,174	16,362	2,952,956	2,930,729
Depreciation/impairment									
At the beginning of the year	-	238,597	86,401	310,601	111,067	28,689	24,125	799,480	646,352
Depreciation	-	48,666	13,227	82,885	18,193	4,442	4,202	171,615	166,483
On disposals	-	-	-	(7,029)	(774)	-	(11,965)	(19,768)	(13,355)
At the end of the year	-	287,263	99,628	386,457	128,486	33,131	16,362	951,327	799,480
Leasehold									
Cost/valuation									
At the beginning of the year	-	-	-	-	-	-	-	-	-
Recognition of right-of-use asset on initial application of SLFRS 16	-	94,164	-	-	-	-	-	94,164	-
Adjusted balance as at the beginning of the year	-	94,164	-	-	-	-	-	94,164	-
At the end of the year	-	94,164	-	-	-	-	-	94,164	-
Depreciation/impairment									
At the beginning of the year	-	-	-	-	-	-	-	-	-
Amortisation	-	12,634	-	-	-	-	-	12,634	-
At the end of the year	-	12,634	-	-	-	-	-	12,634	-
Carrying value as at 31st March 2020	864,603	844,589	78,242	256,007	28,675	11,043	-	2,083,159	
Carrying value as at 31st March 2019	864,603	807,095	89,498	309,588	32,373	15,436	12,656		2,131,249

i) Carrying amount of property, plant & equipment is not pledged as securities for bank facilities obtained.

B. Group

As at 31st March	Land	Buildings	Plant & Machinery	Equipment	Computers	Furniture & Fittings	Motor Vehicles	Total 2020	Total 2019
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Freehold									
Cost/valuation									
At the beginning of the year	3,395,835	6,538,903	4,944,156	2,001,536	378,521	218,055	585,330	18,062,336	16,380,836
Additions	-	29,168	47,830	125,835	34,277	22,007	2,293	261,410	442,761
Revaluation surplus	-	-	-	-	-	-	-	-	743,626
On disposals	-	-	(32,409)	(62,972)	(44,466)	(7,836)	(55,258)	(202,941)	(739,600)
Transferred from capital work in progress (Note 18)	-	20,586	52,970	298,451	-	110,260	-	482,267	770,010
Transfers-other	-	(81,949)	-	(18,611)	(797)	(328)	(479)	(102,164)	-
Transferred from leasehold	-	-	-	-	-	-	7,568	7,568	-
Transfer to asset classified as held for sale	-	(764,568)	-	(99,901)	(342)	(2,383)	(3,276)	(870,470)	-
Impairment	-	(95,658)	(19,656)	(2,793)	(1,192)	(313)	(6)	(119,618)	(37,661)
Re-classification	-	-	-	-	-	-	-	-	(89)
Write-off	-	-	-	(35)	-	-	-	(35)	-
Transfer from assets classified as held for sale	-	-	-	-	-	-	-	-	502,453
At the end of the year	3,395,835	5,646,482	4,992,891	2,241,510	366,001	339,462	536,172	17,518,353	18,062,336
Depreciation/impairment									
At the beginning of the year	8,700	1,209,575	2,032,357	1,113,263	298,831	151,422	449,715	5,263,863	4,462,554
Depreciation	-	204,237	328,595	224,409	38,105	25,494	40,638	861,478	906,080
Impairment	-	(656)	(14,715)	(241)	(723)	(279)	-	(16,614)	(22,334)
Transferred from leasehold	-	-	-	-	-	-	6,762	6,762	-
On disposals	-	-	(29,606)	(50,132)	(44,260)	(7,292)	(46,342)	(177,632)	(234,595)
Transfers-other	-	(81,949)	-	(18,611)	(797)	(328)	(479)	(102,164)	-
Re-classification	-	-	-	-	-	-	-	-	260
Transfer from assets classified as held for sale	-	-	-	-	-	-	-	-	151,898
At the end of the year	8,700	1,331,207	2,316,631	1,268,688	291,156	169,017	450,294	5,835,693	5,263,863
Leasehold									
Cost/valuation									
At the beginning of the year	233,378	646,677	-	-	-	-	32,167	912,222	743,230
Recognition of right-of-use asset on initial application of SLFRS 16	146,271	128,185	-	-	-	-	-	274,456	-
Adjusted balance as at the beginning of the year	379,649	774,862	-	-	-	-	32,167	1,186,678	743,230
Additions	-	-	-	-	-	-	-	-	34,267
Transferred to freehold	-	-	-	-	-	-	(7,568)	(7,568)	-
On disposals	-	-	-	-	-	-	-	-	(22,535)
Re-classification	-	-	-	-	-	-	-	-	(81)
Transfer from assets classified as held for sale	-	-	-	-	-	-	-	-	157,341
At the end of the year	379,649	774,862	-	-	-	-	24,599	1,179,110	912,222
Depreciation/impairment									
At the beginning of the year	48,972	350,932	-	-	-	-	31,360	431,264	386,283
Depreciation	2,570	25,184	-	-	-	-	-	27,754	30,051
Amortisation	6,490	43,209	-	-	-	-	-	49,699	-
Transferred to freehold	-	-	-	-	-	-	(6,762)	(6,762)	-
On disposals	-	-	-	-	-	-	-	-	(22,535)
Re-classification	-	-	-	-	-	-	-	-	3
Transfer from assets classified as held for sale	-	-	-	-	-	-	-	-	37,462
At the end of the year	58,032	419,325	-	-	-	-	24,598	501,955	431,264
Carrying value as at 31st March 2020	3,708,752	4,670,812	2,676,260	972,822	74,845	170,445	85,879	12,359,815	
Carrying value as at 31st March 2019	3,571,541	5,625,073	2,911,799	888,273	79,690	66,633	136,422		13,279,431

i Carrying amount of property, plant & equipment pledged as securities for bank facilities obtained amounted to Rs. 1,273.00Mn. (2019 Rs. 1,566.92Mn).

ii During the year, Group capitalised the borrowing cost of Rs.12.48Mn .(2019 - Rs. 27.38Mn).

iii Unexpired lease period of land belonging to CIC Agri Businesses (Private) Limited is 71 years.

16 PROPERTY, PLANT & EQUIPMENT(CONTD.)

C. Carrying Value Base

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At Cost	1,218,556	1,266,646	8,365,311	9,242,798
At Valuation	864,603	864,603	3,542,106	3,395,836
On Finance Lease	-	-	452,398	640,797
Total	2,083,159	2,131,249	12,359,815	13,279,431

D The Values of the Lands if it had been carried under Cost Model

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs. Mn	Rs. Mn	Rs. Mn	Rs. Mn
Land	133.00	133.00	918.83	918.83
Total	133.00	133.00	918.83	918.83

E. Value of land and ownership

Company	Location	Land extent in Acres/Perches/Roods	Number of buildings	Carrying Value Rs. Mn
CIC Holdings PLC	Kew Road, Colombo 02	1 rood and 30.25 perches	1	702.50
	Lenagala Estate, Dedigamuwa	12 acres, 6 roods and 73.5 perches	20	162.10
CIC Agri Businesses (Private) Limited	Mahiella, Kurunegala	2 acres, 3 roods and 31.25 perches	4	127.24
	Aluwihare,Matale	3 acres,1 rood and 38 perches	1	15.00
	Dutugemunu Road, Peliyagoda	1 acre, 1 rood and 2.2 perches	1	272.97
Wayamba Agro Fertilizer Company Limited	Maho	16 acres and 30.8 perches	15	132.50
CIC Properties (Private) Limited	Katuwahenawatta, Walpita, Waradala	50 acres, 1rood	-	157.85
CISCO Speciality Packaging (Private) Limited	Pellanwatta, Pannipitiya	2 acres,3 roods and 18.07 perches	12	130.00
CIC Vetcare (Private) Limited	Madampalle Estate, Madampalle	15 acres	-	48.75
	Galla Estate, Ekala	3 roods and 2.05 perch	3	25.15
CIC Poultry Farms Limited	Molahena Estate, Badalgama	25 acres and 29.95 perches	31	81.85
	Iswetiya Elies, Horakandawila, Dunagaha	17 acres and 16.8 perches	17	124.67
	Amunuwela Estate,Kuliyapitiya	48 acres 1 roods and 16 perches	25	159.15
CIC Bio Security Breeder Farms Limited	Molahena Estate, Badalgama	28 acres and 39.49 perches	-	91.62
CIC Feeds (Private) Limited	Galla Estate, Ekala	6 acres and 32.9 perches	17	199.20
	Heeralugedara, Kotadeniyawa	18 acres and 2 roods	17	60.13
	Madampalle Estate, Madampalle	25 acres	25	81.25
	Nabirithankadawara, Welipennagahamulla, Pannala	50 acres and 18 perches	18	157.85
Colombo Industrial Agencies Limited	Temple Lane, Ekala	3 acres, 2 roods, 7.62 perches	4	254.50
Link Natural Products (Private) Limited	Malinda, Kapugoda	13 acres, 1 roods and 19.50 perches	39	316.76
	Kapugoda, Giridara	39.1 perches	-	8.10
	Dambukanda	20 acres, 5 roods and 64 perches	2	70.40
	Parakaduwa	23 acres, 2 roods and 5.8 perches	-	7.60
				3,387.14

The last revaluation of lands has been as follows.

Company	Date of revaluation	Significant unobservable inputs estimated price	Revalued amount Rs. Mn	Sensitivity of fair value to unobservable inputs
CIC Holdings PLC	31st March 2019	Per perch Rs.20,000- Rs.10,000,000	864.60	Positively correlated sensitivity
CIC Agri Businesses (Private) Limited	31st March 2019	Per perch Rs.270,000- Rs.1,350,000	415.21	Positively correlated sensitivity
CIC Properties (Private) Limited	31st March 2019	Per acre Rs.1,000,000-Rs.3,250,000	157.85	Positively correlated sensitivity
Wayamba Agro Fertilizer Company Limited	31st March 2019	Per perch Rs.52,000	132.50	Positively correlated sensitivity
CISCO Speciality Packaging (Private) Limited	31st March 2019	Per perch Rs.165,000	130.00	Positively correlated sensitivity
CIC Vetcare (Private) Limited	31st March 2019	Per perch Rs.20,313- Rs.225,000	73.90	Positively correlated sensitivity
CIC Poultry Farms Limited	31st March 2019	Per perch Rs.45,000- Rs. 64,000	365.67	Positively correlated sensitivity
CIC Bio Security Breeder Farms Limited	31st March 2019	Per acre Rs.3,250,000	91.62	Positively correlated sensitivity
CIC Feeds (Private) Limited	31st March 2019	Per perch Rs.18,750 - Rs.225,000	498.43	Positively correlated sensitivity
Colombo Industrial Agencies Limited	31st March 2019	Per perch Rs.450,000 - Rs.500,000	254.50	Positively correlated sensitivity
Link Natural Products (Private) Limited	31st March 2019	Per perch Rs.2,000 - Rs. 150,000	402.86	Positively correlated sensitivity

All above revaluations are based on market value and were carried out by Perera Sivaskantha & Company, an incorporated valuer.

Market Comparable Method

This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued.

This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property.

In this process, outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.

16 PROPERTY, PLANT & EQUIPMENT(CONTD.)

F Depreciation has been provided on a straight-line basis at the following rates:

Company	Buildings Years	Plant & Machinery Years	Equipment Years	Computers Years	Furniture & Fittings Years	Motor Vehicles Years
CIC Holdings PLC	20	8,15,30,40	4,5,8,10,15,30	3	5,10	5
Chemanex PLC	10-20	6	3	3	4	4
CISCO Speciality Packaging (Private) Limited	20	20,12,10,5	20,5,3	3	20,10	5
CIC Agri Businesses (Private) Limited and Subsidiaries*	20,30	5,15	3,8	3,8	5,10	3,5
Colombo Industrial Agencies Limited	20	-	-	-	-	-
CIC Feeds (Private) Limited and Subsidiaries	10,20,40	10,15,20	5,8,10,12.5	5	5,8	4,5
Link Natural Products (Private) Limited	40,25	10,15,20,40	10,8,5	2,3	10	4,8,10,20,25,30
CIC CropGuard (Private) Limited	-	-	5	5	10	5
CIC Lifesciences Limited	-	8	4	4	4	-
Cropwiz (Private) Limited	20-30	5-15	3-8	3-8	5-10	3-5
Unipower (Private) Limited	20	-	5	4	5	7
CIC Precision Agricultural Technologies (Private) Limited	-	-	3-8	3-8	-	-

* Land development cost is depreciated over 30 years.

G Cost of fully depreciated property, plant & equipment still in use at the reporting date is as follows:

As at 31st March	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
Buildings	32,399	32,399	203,467	245,307
Plant & Machinery	35,869	29,523	423,980	312,991
Equipment	175,442	148,634	650,615	551,038
Computers	70,004	61,342	202,824	195,292
Furniture & Fittings	6,068	4,050	94,845	53,031
Motor Vehicles	16,358	3,160	352,941	328,399
Leased hold land improvements	-	-	11,745	11,745
Total	336,140	279,108	1,940,417	1,697,803

H. Lands transferred to held for sale

Company	Location	Land Extent in acres/perches/ roods	Date of revaluation	Significant unobservable inputs estimated price	Revalued amount Rs. Mn	Sensitivity of fair value to unobservable inputs
CIC Holdings PLC	Sri saranajothi Mawatha, Rathmalana	4 acres,2 roods and 18.30 perches	30th September 2017	Per perch Rs.1,100,000	812.00	Positively correlated sensitivity
	Pellanwatta, Piliyandala	5 acres, and 36.53 perches	30th September 2017	Per perch Rs.227,500 - Rs.450,000	206.55	Positively correlated sensitivity

Immediately before the initial classification of the above two lands as "assets held for sale", a revaluation was carried out by Messrs Perera Sivaskantha & Company, as incorporated valuer. Details are given above.

I. Plant & equipment transferred to assets held for sale

Hatton National Bank PLC, issued a Parate Notice on 13th June 2019 and Auction Sale Gazette Notifications were issued on 09th August 2019 and 25th October 2019 (Under the Section 4 of the Recovery of Loans by Banks [Special Provisions] Act, No. 04 of 1990). However the auction did not take place on the said date. Based on this, charging depreciation was discontinued and on 31st March 2020 the total value of assets under non- current assets were transferred to "assets held for sale' after determining the lower of its carrying amount and fair value less cost to sell.

The fair value of the Property, plant & equipment as at 31st March 2020, was determined by Mr. S. Sivaskantha, an accredited independent valuer. Fair value is determined by reference to market-based evidence. Valuations are based on active market prices, adjusted for any difference in the nature, location or condition of the specific property. Accordingly, an impairment loss was recognised in these Financial Statements under discontinued operations amounting to Rs. 96.90Mn.

17 INVESTMENT PROPERTY

As at 31st March	Group	
	2020	2019
	Rs.'000	Rs.'000
Cost	2,400	13,900
Disposals	-	(11,500)
Carrying value	2,400	2,400

A Details of investment Property

Group As at 31st March Ownership	Location	Land extent	Number of buildings	Market value	Carrying value	
				2020	2020	2019
				Rs. '000	Rs. '000	Rs. '000
CIC Agri Businesses (Private) Limited	Bogahapitiya Estate, Kengalle	2 roods, 12.0 perches	-	4,200	2,400	2,400
Total				4,200	2,400	2,400

B In 2018/19, CIC Agri Businesses (Private) Limited disposed its investment property for Rs. 13.21Mn, by generating a disposal gain of Rs.1.71Mn. During the year, no expenses were incurred with relating to the above investment property.

18 CAPITAL WORK-IN-PROGRESS

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	-	-	353,024	382,247
Expenditure incurred	-	3,335	150,503	740,787
Amount capitalised in property, plant & equipment	-	(3,335)	(482,267)	(770,010)
As at the end of the year	-	-	21,260	353,024

19 BIOLOGICAL ASSETS

As at 31st March	Group 2020 Rs.'000	2019 Rs.'000
At the beginning of the year	208,082	181,028
Additions	227,845	200,807
Re classified as inventory	(484)	(8,531)
Gain/(loss) from changes in fair value	(4,996)	2,416
Disposals/amortisation	(250,837)	(167,638)
At the end of the year (Note 19.2)	179,610	208,082

19.1 Measurement of Fair Values

a) Fair Value Hierarchy

The fair value measurements of the standing biological assets have been categorised under Level 3 fair value hierarchy

b) Level 3 Fair Values

The break down of the total gains/(losses) in respect of Level 3 fair values is shown below

For the year ended 31st March	Group 2020 Rs.'000	2019 Rs.'000
Gains included in other income		
Change in fair value (unrealised)	2,172	2,416
Loss included in other operating expense		
Change in fair value (realised)	(7,168)	-

19.2 Biological Assets

As at 31st March 2020	Buffaloes	Poultry	Highland Crops	Teak	Total
Matured (Rs.'000)	19,084	63,648	420	3,255	86,407
Immatured (Rs.'000)	1,544	63,003	13,669	14,987	93,203
Total	20,628	126,651	14,089	18,242	179,610

19.3 Nature of Group's Biological Assets

The Group has biological assets comprising poultry for producing eggs and teak for timber.

19.4 Non-Financial Measures of Biological Assets

Quantities	Buffaloes No. of animals	Poultry No, of birds	Cattle No. of animals	Teak cubic meters
At the end of the period				
2020	379	75,844	-	164,909
2019	359	86,968	50	164,937

Quantities	Buffaloes No. of animals	Poultry No. of birds	Breeder No. of eggs	Cattle No. of animals
Produced during the year				
2020	128	4,065,659	18,889,915	-
2019	25	3,858,902	16,171,617	2

19.5 Valuation of Biological Assets

CIC Agri Businesses (Private) Limited uses the following valuation technique to measure their biological assets.

Description	Valuation Technique	Valuation Input	Discount Rate
Teak	Discounted cashflow	Annual marginal increase of timber content (0.55-1.5 cm per year for a tree of diameter girth over 10 cm)	13% - 15%

CIC Feeds (Private) Limited uses cost model to value their non-current biological assets and following valuation techniques to measure their current biological assets.

These consumable biological assets represent growing birds (Broilers) which are usually processed and sold within 40 to 42 days. Age group of 1 to 28 days are valued at cost. Birds aging from 29 to 42 days are valued based on fair value which is determined based on the market value prevailing as at the reporting date. The valuation basis and the significant unobservable data used for the valuations are given below.

Type	Valuation Techniques	Significant unobservable data	Inter-relationship between key unobservable inputs and fair value measurements
Consumable biological assets	The Company has identified six aging categories such as 1-7, 8-14, 15-21, 22-28, 29-35, 36-42 and depending on the aging the standard weight per bird is identified. Average cost is calculated for each category according to the age by analysing the feed, DOC, drug vaccine and other overhead usages. Fair value is calculated by using the prevailing market price per bird and cost to sell includes commission expenditure made for marketing representatives. However, the market prices for the first four age categories are not available and therefore those age categories are measured at cost. Further, a positive yield can be determined only for the last two categories that is 29-35 and 36-42 and therefore those age categories are measured at fair value.	Selling price (Rs. 167.00)	Increase when selling price increases Decrease when selling price decreases
Growing birds (Broilers)		Mortality (4.3%)	Increase when mortality rate decreases Decrease when mortality rate increases

19 BIOLOGICAL ASSETS (CONTD.)

19.6 Sensitivity Analysis

Sensitivity variation on selling price values as appearing in the Statement of Financial Position are sensitive to sales price changes with regard to the average price applied. Simulations made for livestock show that an increase or a decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets.

Group As at 31st March 2020	-10% Rs. '000	10% Rs. '000
Biological assets - (poultry)	(2,971)	4,125

Sensitivity variation on average animal weight values as appearing in the Statement of Financial Position are sensitive to average animal weight changes. Simulations made for livestock show that an increase or a decrease by 10kg of average animal weight has the following effect on the net present value of biological assets.

Group As at 31st March 2020	-10% Rs. '000	10% Rs. '000
Biological assets - Buffaloes	(1,947)	1,947

20 INTANGIBLE ASSETS

As at 31st March	Company		Group	
	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000
Goodwill				
Gross Amount	-	-	375,372	375,372
Provision for impairment	-	-	(139,610)	(139,610)
Net goodwill (Note 20.1)	-	-	235,762	235,762
Software cost capitalised	34,702	40,103	148,600	156,176
During the year additions	-	-	3,520	7,956
Transferred from assets held for sale	-	-	-	11,267
Amortisation for the year	(5,401)	(5,401)	(20,900)	(20,129)
Adjustment due to change in holding	-	-	-	(6,670)
Net ERP cost capitalised (Note 20.2)	29,301	34,702	131,220	148,600
Total	29,301	34,702	366,982	384,362

20.1 Aggregate carrying amounts of goodwill allocated to each unit are as follows:

Group As at 31st March	2020 Rs. Mn	2019 Rs. Mn
Unipower (Private) Limited	208.08	208.08
Chemanex PLC	11.06	11.06
CIC Feeds (Private) Limited	16.62	16.62
	235.76	235.76

20.2 The Company/Group capitalised the ERP implementation cost which is amortised over 10 years.

20.3 There has been no permanent impairment of intangible assets that requires provision.

21 DEFERRED TAX

As at 31st March	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
At the beginning of the year	99,731	30,394	1,274,866	1,280,408
Transferred from assets held for sale	-	-	-	(4,222)
Adjustment due to first time adoption of SLFRS 09, 15 and 16	-	-	308	(4,065)
Amount origination / (reversal) of temporary differences				
Recognised in profit or loss	196,563	8,541	145,376	(189,803)
Recognised in other comprehensive income	(7,861)	60,796	(8,738)	192,548
At the end of the year	288,433	99,731	1,411,812	1,274,866
Deferred tax asset	-	-	20,111	13,642
Deferred tax liabilities	288,433	99,731	1,431,923	1,288,508
Net liability	288,433	99,731	1,411,812	1,274,866

A Movement in Deferred Tax Balances

Company 2020	Net balances as at 01st April Rs.'000	Recognised in Profit or loss Rs.'000	Recognised in OCI Rs.'000	Balance as at 31st March: Net Rs.'000	Deferred tax assets Rs.'000	Deferred tax liabilities Rs.'000
Property, plant & equipment	243,323	(1,090)	-	242,233	-	242,233
Revaluation reserves	204,846	-	-	204,846	-	204,846
Right-of-use assets	-	22,829	-	22,829	-	22,829
Net investment in sublease	-	1,925	-	1,925	-	1,925
Lease liability	-	(26,302)	-	(26,302)	(26,302)	-
Accumulated tax losses	(298,214)	189,070	-	(109,144)	(109,144)	-
Retirement benefit obligations	(50,224)	10,131	(7,861)	(47,954)	(47,954)	-
Net liabilities/(assets)	99,731	196,563	(7,861)	288,433	(183,400)	471,833

Company 2019	Net balances as at 01-April Rs.'000	Recognised in Profit or loss Rs.'000	Recognised in OCI Rs.'000	Balance as at 31st March: Net Rs.'000	Deferred tax assets Rs.'000	Deferred tax liabilities Rs.'000
Property, plant & equipment	224,159	19,164	-	243,323	-	243,323
Revaluation reserves	146,662	-	58,184	204,846	-	204,846
Provision for obsolete and slow moving inventories	(5,514)	5,514	-	-	-	-
Accumulated tax losses	(284,523)	(13,691)	-	(298,214)	(298,214)	-
Retirement benefit obligations	(50,390)	(2,446)	2,612	(50,224)	(50,224)	-
Net liabilities/(assets)	30,394	8,541	60,796	99,731	(348,438)	448,169

21 DEFERRED TAX (CONTD.)

Movement in deferred tax balances

Group	Net balances as at 01st April	Recognised in retained earnings	Recognised in profit or loss	Recognised in OCI	Balance as at 31st March		
					Net	Deferred tax assets	Deferred tax liabilities
2020	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Property, plant & equipment	1,429,595	-	125,192	-	1,554,787	-	1,554,787
Revaluation reserves	641,035	-	-	-	641,035	-	641,035
Intangible assets	13,021	-	1,723	-	14,744	-	14,744
Right-of-use assets	-	(12,870)	19,881	-	7,011	-	7,011
Net investment in sublease	-	(6,616)	7,149	-	533	-	533
Lease liability	-	19,794	(31,817)	-	(12,023)	(12,023)	-
Biological assets	56,291	-	(9,058)	-	47,233	-	47,233
Provision for impairment of trade receivables	(45,034)	-	(25,711)	-	(70,745)	(70,745)	-
Provision for obsolete and slow moving inventories	(56,770)	-	3,724	-	(53,046)	(53,046)	-
Accumulated tax losses	(578,544)	-	63,670	-	(514,874)	(514,874)	-
Other provision	(1,706)	-	(604)	-	(2,310)	(2,310)	-
Contract assets	6,072	-	1,423	-	7,495	-	7,495
Contract liability	(12,115)	-	(1,564)	-	(13,679)	(13,679)	-
Retirement benefit obligations	(176,979)	-	(8,632)	(8,738)	(194,349)	(194,349)	-
Net liabilities/(assets)	1,274,866	308	145,376	(8,738)	1,411,812	(861,026)	2,272,838

Group	Net balances as at 01st April	Recognised in Retained earnings	Recognised in profit or loss	Recognised in OCI	Transferred to assets held for sales	Balance as at 31st March		
						Net	Deferred tax assets	Deferred tax liabilities
2019	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Property, plant & equipment	1,446,918	-	(15,668)	-	(1,655)	1,429,595	-	1,429,595
Revaluation reserves	462,425	-	-	178,610	-	641,035	-	641,035
Intangible assets	8,312	-	4,709	-	-	13,021	-	13,021
Biological assets	44,289	-	12,002	-	-	56,291	-	56,291
Provision for impairment of trade receivables	(11,590)	-	(33,444)	-	-	(45,034)	(45,034)	-
Provision for obsolete and slow moving inventories	(32,115)	-	(24,655)	-	-	(56,770)	(56,770)	-
Accumulated tax losses	(456,187)	-	(122,357)	-	-	(578,544)	(578,544)	-
Other provision	-	-	(1,706)	-	-	(1,706)	(1,706)	-
Contract assets	-	5,040	1,032	-	-	6,072	-	6,072
Contract liability	-	(9,105)	(3,010)	-	-	(12,115)	(12,115)	-
Retirement benefit obligations	(181,644)	-	(6,706)	13,938	(2,567)	(176,979)	(176,979)	-
Net liabilities/(assets)	1,280,408	(4,065)	(189,803)	192,548	(4,222)	1,274,866	(871,148)	2,146,014

Deferred Tax Effect of Temporary Differences

Company	2020		2019	
	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000
Property, plant & equipment	865,117	242,233	869,010	243,323
Revaluation reserves	731,591	204,846	731,591	204,846
Accumulated tax losses	(389,801)	(109,144)	(1,065,051)	(298,214)
Retirement benefit obligations	(171,264)	(47,954)	(179,370)	(50,224)
Right-of-use assets	81,530	22,829	-	-
Net investment in sublease	6,876	1,925	-	-
Lease liability	(93,935)	(26,302)	-	-
Net liabilities/(assets)		288,433		99,731

Deferred Tax Effect of Temporary Differences

Group	2020		2019	
	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000
Property, plant & equipment	6,229,252	1,554,787	5,760,082	1,429,595
Revaluation	2,395,143	641,035	2,395,145	641,035
Intangible assets	56,480	14,744	52,153	13,021
Biological assets	168,956	47,233	205,734	56,291
Other provision	(8,251)	(2,310)	(6,094)	(1,706)
Right-of-use assets	25,040	7,011	-	-
Net investment in sublease	1,906	533	-	-
Lease liability	(43,192)	(12,023)	-	-
Contract liability	(48,858)	(13,679)	(43,271)	(12,115)
Contract assets	26,767	7,495	21,686	6,072
Provision for impairment of trade receivables	(252,662)	(70,745)	(241,619)	(45,034)
Provision for obsolete and slow moving inventories	(189,700)	(53,046)	(121,968)	(56,770)
Accumulated tax losses	(1,838,842)	(514,874)	(2,066,230)	(578,544)
Retirement benefit obligations	(701,286)	(194,349)	(646,305)	(176,979)
Net liabilities/(assets)		1,411,812		1,274,866

D. Unrecognised Deferred Tax Assets

As at 31st March	2020		2019	
	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000
Group				
Accumulated tax losses	1,748,753	489,650	1,916,880	536,726

Deferred tax asset has not been recognised in respect of the Group's brought forward tax losses as at 31st March 2020 amounting to Rs.489.65Mn (2019-Rs.536.73Mn) since it is not probable that the future taxable profit will be available against which the Group can use the benefit therein.

22 INVESTMENT IN SUBSIDIARIES

A			2020		2019	
	Market Value	Holding	No. of shares	Cost	No. of shares	Cost
	Rs. '000	%		Rs. '000		Rs. '000
Company						
Quoted						
Chemanex PLC	317,575	50.55	7,939,373	136,683	7,939,373	136,683
	317,575			136,683		136,683
Unquoted - Subsidiaries						
Crop Management Services (Private) Limited		100.00	780,000	202,144	780,000	202,144
CISCO Speciality Packaging (Private) Limited		50.00	5,525,005	55,250	5,525,005	55,250
CIC Agri Businesses (Private) Limited		50.76	8,040,000	62,800	8,040,000	62,800
Colombo Industrial Agencies Limited		83.06	830,598	9,130	830,598	9,130
CIC Feeds (Private) Limited		82.44	3,710,000	217,434	3,710,000	217,434
Link Natural Products (Private) Limited		70.21	5,570,858	512,487	5,570,858	512,487
CIC CropGuard (Private) Limited		100.00	500,000	5,000	500,000	5,000
CIC Lifesciences Limited		99.89	132,625,435	191,205	132,625,435	191,205
Unipower (Private) Limited		70.00	376,000	238,075	376,000	238,075
CIC Properties (Private) Limited		100.00	4,500,000	45,000	4,500,000	45,000
Precision Agricultural Technologies (Private) Limited		60.00	840,000	8,400	840,000	8,400
				1,683,608		1,683,608
Provision for impairment of subsidiaries				(227,400)		(210,200)
Total				1,456,208		1,473,408

i) During the year, the Company has made an additional provision on Rs.17.2Mn against its investment in Crop Management Services (Private) Limited due to the reduction of net assets. This has increased the total provision against the said investment to Rs. 148.2Mn.

ii) In 2018/19, the Company impaired its investment in CIC Agri Businesses (Private) Limited amounting to Rs.62.8Mn due to negative net assets position. Further, the Company has made a provision of Rs.8Mn on the investment in CIC Properties (Private) Limited due to reduction of net assets.

iii) In 2017/18, the Company has made a provision of Rs. 8.4Mn on the investment of CIC Precision Agricultural Technologies (Private) Limited due to the re-assignment of promotion of latest agricultural technologies to the respective entities of CIC Agri Businesses Group.

iv) All the subsidiaries of the Group are incorporated in Sri Lanka.

v) The Company has neither contingent liabilities nor capital commitments in respect of the subsidiaries.

vi) The main activities of the subsidiary companies are given in page 128 and 129.

B. Inter Company Shareholdings

As at 31st March		2020		2019	
Investor	Investee	% Holding	Number of Shares	% Holding	Number of Shares
Chemanex PLC	CIC Agri Businesses (Private) Limited	16.92	2,680,001	16.92	2,680,001
	CIC Feeds (Private) Limited	11.11	500,000	11.11	500,000
CIC Agri Businesses (Private) Limited	Chemanex PLC	2.84	444,604	2.84	444,604
Crop Management Services (Private) Limited	CIC Feeds (Private) Limited	6.44	290,100	6.44	290,100

C. Material Non Controlling Interest

The Group has assessed each subsidiary that has non-controlling interest based on contributions made to the Group revenue, profit, total assets and net assets. Following table summarises the information relating to the subsidiary which has a material non-controlling interest.

As at 31st March	CIC Agri Businesses (Private) Limited Group	
	2020 Rs.'000	2019 Rs.'000
NCI percentage	40.5%	40.5%
Non-current assets	2,505,505	2,396,279
Current assets	8,397,954	6,947,060
Non - current liabilities	774,945	648,674
Current liabilities	10,129,194	8,878,725
Profit/(loss) after tax	190,021	(496,435)
Net cash flows used in operating activities	(677,158)	(2,354,567)
Net cash flows generate from investing activities	1,437	256,802
Net cash flows used in financing activities	(168,583)	(141,977)

D. Going concern of CIC Agri Businesses (Private) Limited

The subsidiary, CIC Agri Businesses (Private) Limited, eventhough has earned a net profit of Rs. 106.34Mn for the year ended 31st March 2020 (2019: Rs. 1.23Bn-negative) has reported accumulated losses of Rs. 1.43Bn (2019: Rs. 1.54Bn) and negative net assets of Rs.911.03Mn (2019: Rs. 1.01Bn) as of that date. This indicates the existence of a material uncertainty which may cast significant doubt about the subsidiary's ability to continue as a going concern. Notwithstanding this, Financial Statements of the subsidiary have been prepared on going concern basis due to following;

- With the cash flow forecast of CIC Agri Businesses (Private) Limited and management's plan for the future, the Board Directors of this subsidiary company has made an assessment of the company's ability to continue as a going concern for the foreseeable future and is satisfied that it has the resources to continue in business for the foreseeable future and they do not intend either to liquidate or to cease operations of the company.

Accordingly, the Directors have adopted a going concern method of accounting of this subsidiary as at the reporting date.

23 EQUITY ACCOUNTED INVESTEES

As at 31st March		2020		2019	
	Holding %	No. of shares	Cost Rs. '000	No. of shares	Cost Rs. '000
Company					
Unquoted					
Akzo Nobel Paints Lanka (Private) Limited					
Ordinary Shares	49.37	2,340,000	23,400	2,340,000	23,400
Non-Voting Shares	100.00	1,260,000	12,600	1,260,000	12,600
Cropwiz (Private) Limited	40.00	86,880	125,109	86,880	125,109
CIC Grains (Private) Limited	49.00	26,313,000	263,131	26,313,000	263,131
Total			424,240		424,240
Transferred to assets held for sale (Note 13.2)			(125,109)		-
			299,131		424,240
Provision for impairment of equity accounted investees			(263,131)		(388,240)
Total			36,000		36,000

As at 31st March		2020		2019	
	Holding %	No. of shares	Value Rs. '000	No. of shares	Value Rs. '000
Group					
Unquoted					
Akzo Nobel Paints Lanka (Private) Limited					
Ordinary Shares	49.37	2,340,000	23,400	2,340,000	23,400
Non-Voting Shares	100.00	1,260,000	12,600	1,260,000	12,600
Group share of net assets on deemed disposal		-	280,922	-	280,922
Rainforest Ecolodge (Private) Limited	20.89	9,950,868	99,510	9,950,868	99,510
Commercial Insurance Brokers (Private) Limited	40.00	-	-	239,999	200
Rahimafrooz CIC Agro Limited	49.00	212,928	32,573	212,928	32,573
			449,005		449,205
Share of equity accounted investees retained earnings			520,121		594,288
Share of equity accounted investees other reserves			14,875		14,875
Share of losses absorbed - Rahimafrooz CIC Agro Limited			(32,573)		(32,573)
Total			951,428		1,025,795

The Group's interest in equity accounted investee relates to CIC Agri Businesses (Private) Limited's 49% interest in equity shareholding of Rahimafrooz CIC Agro Limited, an entity established in 2011/12 in Bangladesh. In adopting SLFRS 11- Joint Arrangements , the Group was required to recognise its interest in a joint venture using the equity method in accordance with LKAS 28- Investment in Associates and Joint Ventures. When changing from proportionate consolidation to the equity method, the Group recognised its investment in the joint venture as at the beginning of the immediately preceding period. Such was measured at the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated. The opening balance of the investment determined is regarded as the deemed cost of the investment at initial recognition. As the total of proportionately consolidated assets and liabilities resulted in negative net assets , CIC Agri Businesses (Private) Limited assessed whether it has legal or constructive obligations in relation to the negative net assets. The Consolidated Financial Statements have disclosed the cumulative unrecognised share of losses of its joint ventures as at 31 March 2015 of Rs. 112Mn. and other required disclosures in these Financial Statements.

Distribution transactions of Chemcel (Private) Limited was completed in 2016/17 and accordingly it appears as a subsidiary held for distribution under respective company accounts.

23.1 Except for Rahimafrooz CIC Agro Limited incorporated in Bangladesh all the other equity accounted investees are incorporated in Sri Lanka.

23.2 Though the Group continues to hold 49% of Rahimafrooz CIC Agro Limited, management has decided to withdraw from the operations carried out by the investee. In having withdrawn from the joint venture, the Group has been unable to obtain the information pertaining to the losses incurred by Rahimafrooz CIC Agro Limited as well as information pertaining to assets/ liabilities as at the reporting date and for the previous year. Amounts relating to the year 2015 have been disclosed herein.

As at 31st March	2015 Rs.'000
Current assets	356,699
Non current assets	10,920
Current liabilities	(473,943)
Non current liabilities	(124,089)
Net assets	(230,413)

23.3 The main activities of the equity accounted investees are given in page 129.

23.4 The Group has neither contingent liabilities nor capital commitments in respect of equity accounted investees.

23.5 During the year, Group disposed its investment in Commercial Insurance Brokers (Private) Limited for Rs.250Mn while generating a profit of Rs. 157.02Mn.

23.6 In 2018/19 Directors of CIC Holdings PLC and CIC Agri Businesses (Private) Limited decided to impair its investment in Cropwiz (Private) Limited amounting to Rs. 125.11Mn and Rs. 78.19Mn due to the reduction of net assets.

23.7 CIC Grains (Private) Limited made losses which reduced its net assets to Rs. (170.85)Mn. Therefore in 2017/18 the Directors of CIC Holdings PLC and CIC Agri Businesses (Private) Limited decided to fully impair the investment made in the respective entities i.e. Rs. 263.13Mn and Rs. 273.87Mn respectively.

23.8 Summarised information of equity accounted investees.

As at 31st March	2020 Rs.'000	2019 Rs.'000
Revenue	5,703,030	6,700,619
Expenses	(5,086,510)	(6,032,742)
Profit after tax	616,520	667,877
Non- current assets	677,878	717,452
Current assets	2,765,775	3,142,351
Total assets	3,443,653	3,859,803
Non- current liabilities	189,475	201,180
Current liabilities	1,666,439	1,811,780
Total liabilities	1,855,914	2,012,960
Net Assets	1,587,739	1,846,843

24 EQUITY INVESTMENT AT FAIR VALUE THROUGH OCI

As at 31st March	Company		Group	
	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000
Carrying value at the beginning of the year	264,904	352,179	272,775	362,492
Additions	2,548	273,868	2,676	273,998
Fair value loss	(69,414)	(85,527)	(71,848)	(88,099)
Disposal	-	(275,616)	-	(275,616)
Carrying value at the end of the year	198,038	264,904	203,603	272,775

24 EQUITY INVESTMENT AT FAIR VALUE THROUGH OCI (CONTD.)

As at 31st March	2020 No. of shares	2020 Fair Value Rs.'000	2019 No. of shares	2019 Fair Value Rs.'000
Company				
Quoted				
John Keells Holdings PLC	1,716,100	276,415	1,698,100	273,868
Fair value loss during the year		(78,377)		(8,964)
		198,038		264,904
Unquoted				
Yasui Lanka (Private) Limited			660,000	6,600
Provision for impairment				(6,600)
Total		198,038	-	264,904

During the year Yasui Lanka (Private) Limited was liquidated.

As at 31st March	2020 No. of shares	2020 Fair Value Rs.'000	2019 No. of shares	2019 Fair Value Rs.'000
Group				
Quoted				
Commercial Bank of Ceylon PLC				
Non voting	50,603	2,960	49,565	4,171
Voting	24,254	1,457	23,870	2,355
Muller & Phipps (Ceylon) PLC	300	-	300	-
Chevron Lubricants Lanka PLC	16,000	856	16,000	1,000
Dipped Products PLC	2,500	142	2,500	195
John Keells Holdings PLC	1,716,100	198,038	1,698,100	264,904
		203,453		272,625
Unquoted				
Equity Investments (Lanka) Limited	15,000	150	15,000	150
		150		150
Total		203,603		272,775

The fair value of financial instruments traded in active markets is based on quoted market prices as at reporting date. The disclosures relating to fair value measurement are given in the note 2.4.3 in Notes to the Financial Statements.

25 INVENTORIES

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Raw materials and consumables	522,106	612,835	3,076,324	3,574,663
Packing materials	-	-	199,041	133,859
Work-in-progress	52,165	92,169	344,845	426,975
Finished goods	1,714,765	1,785,130	3,078,287	3,194,660
Biological assets	-	-	194,380	174,082
Goods-in-transit	539,393	294,362	1,328,477	806,252
	2,828,429	2,784,496	8,221,354	8,310,491
Provision for obsolete and slow moving inventories (Note 25.1)	(389,482)	(405,970)	(708,100)	(742,279)
Total	2,438,947	2,378,526	7,513,254	7,568,212

Inventories are stated at cost or net realisable value,whichever is lower.

25.1 Provision for Obsolete and Slow Moving Inventories

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	405,970	480,307	742,279	788,524
Provision re-classified from held for sale	-	-	-	1,400
Provision/(reversal) made during the year	(6,429)	(25,467)	122,316	50,202
Write-off during the year	(10,059)	(48,870)	(156,495)	(97,847)
At the end of the year	389,482	405,970	708,100	742,279

25.2 The Group has obtained bank facilities on the negative pledge on inventories.

26 TRADE RECEIVABLES

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade receivables from Group companies (Note 26.1)	791	593	-	-
Other trade receivables	3,121,319	2,696,166	6,594,290	5,780,674
Bills receivables	-	-	58,869	50,842
Total	3,122,110	2,696,759	6,653,159	5,831,516
Less : Provision for impairment for trade receivables (Note 26.2)	(479,740)	(440,828)	(1,114,652)	(881,075)
Total	2,642,370	2,255,931	5,538,507	4,950,441

26.1 Trade Receivables from Group Companies

As at 31st March	Company	
	2020	2019
	Rs.'000	Rs.'000
CIC CropGuard (Private) Limited	-	93
Link Natural Products (Private) Limited	-	71
CIC Feeds (Private) Limited	76	140
CIC Poultry Farms Limited	93	-
CIC Dairies (Private) Limited	504	-
Unipower (Private) Limited	1	-
CISCO Specialty Packaging (Private) Limited	117	289
Total	791	593

26.2 Provision for Impairment for Trade Receivables

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at the beginning of the year	440,828	319,174	881,075	638,436
Transferred from assets held for sale	-	-	-	32,314
Provision made during the year	38,912	121,654	269,094	250,581
Write-off during the year	-	-	(35,517)	(40,256)
At the end of the year	479,740	440,828	1,114,652	881,075

26.3 Trade Receivables Currency-wise

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Sri Lankan Rupees	2,642,370	2,255,931	5,479,637	4,899,599
US Dollars	-	-	58,870	50,842
Total	2,642,370	2,255,931	5,538,507	4,950,441

26.4 The Group has obtained bank facilities on the negative pledge on trade receivables.

27 INVESTMENT IN SUBLEASE

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Recognition of right-of-use asset on initial application of SLFRS 16	13,631	-	7,258	-
Sub lease interest income	1,165	-	479	-
Rent income received	(7,920)	-	(5,831)	-
Carrying value	6,876	-	1,906	-

28 OTHER RECEIVABLES

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Non trade receivables from Group companies (Note 28.1)	65,469	68,969	-	-
Other non trade receivables (Net)	398,031	588,031	967,170	1,164,683
Short term loans granted to subsidiaries (Note A)	88,082	85,255	-	-
Subsidy receivables	-	-	5,513,482	4,094,448
VAT receivables	22,095	66,526	63,611	106,801
Income tax receivables (Note 38)	165,334	188,401	409,702	443,811
Loans to employees	7,535	7,489	48,366	63,092
Pre-paid staff cost	3,031	2,989	22,154	21,895
	749,577	1,007,660	7,024,485	5,894,730
Less : Provision for impairment of other receivables	(109,306)	(109,350)	(130,800)	(170,781)
Total	640,271	898,310	6,893,685	5,723,949

A. Short term loans granted to subsidiaries include Rs. 55Mn of CIC Properties (Private) Limited at an interest rate of 12.26%.

28 OTHER RECEIVABLES (CONTD.)

28.1 Non Trade Receivable from Group Companies

As at 31st March	Company 2020 Rs.'000	Company 2019 Rs.'000
Chemanex PLC	9,917	3,299
CISCO Speciality Packaging (Private) Limited	1,185	5,305
CIC Agri Businesses (Private) Limited	5,525	-
CIC Feeds (Private) Limited	3,029	1,238
CIC CropGuard (Private) Limited	2,182	10,290
Crop Management Services (Private) Limited	252	108
CIC Agri Produce Export (Private) Limited	5,408	-
CIC Agri Produce Marketing (Private) Limited	101	-
CIC Grains (Private) Limited	547	-
CIC Seeds (Private) Limited	1,729	-
CIC Dairies (Private) Limited	7,139	-
CIC Lifesciences Limited	1,088	2,314
CIC Dairy Breeding & Management (Private) Limited	729	-
CIC Properties (Private) Limited	55,291	53,320
Cropwiz (Private) Limited	80	-
CIC Poultry Farms Limited	-	2
Link Natural Products (Private) Limited	4,066	6
Unipower (Private) Limited	1,999	575
	100,267	76,457
Less: Provision for impairment	(34,798)	(7,488)
Total	65,469	68,969

29 EQUITY INVESTMENT AT FAIR VALUE THROUGH OCI

As at 31st March	2020 No. of Shares	2020 Fair Value Rs.'000	2019 No. of Shares	2019 Fair Value Rs.'000
Company				
Quoted				
Ceylon Hospitals PLC	5,628	411	5,628	380
Renuka Agri Foods PLC	153,200	291	153,200	306
Hatton National Bank PLC - Voting	177,911	18,698	175,300	30,678
Hatton National Bank PLC - Non-Voting	18,242	1,830	17,899	2,631
Total		21,230		33,995

As at 31st March	2020 No. of Shares	2020 Fair Value Rs.'000	2019 No. of Shares	2019 Fair Value Rs.'000
Group				
Quoted				
Ceylon Hospitals PLC	5,628	411	5,628	380
Renuka Agri Foods PLC	153,200	291	153,200	306
Hatton National Bank PLC - Voting	1,411,980	148,399	1,391,251	243,469
Hatton National Bank PLC - Non-Voting	18,242	1,830	17,899	2,631
John Keells Holdings PLC	5,250,569	605,916	2,840,139	443,062
National Development Bank PLC	106,977	7,081	96,714	9,110
Lanka Orix Leasing Company PLC	11,000	999	11,000	978
Sampath Bank PLC	-	-	1,071,081	192,902
Total		764,927		892,838

30 CASH AND CASH EQUIVALENTS

30.1 Favourable cash and cash equivalents

As at 31st March	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
Cash and bank balances	90,375	199,958	1,097,514	564,819
Short term deposits	479,544	-	1,010,145	712,464
	569,919	199,958	2,107,659	1,277,283
Restricted cash	-	-	-	(60,000)
	569,919	199,958	2,107,659	1,217,283
Favourable cash and cash equivalent classified as held for sale	-	-	3,230	-
Favourable cash and cash equivalent classified as held for distribution	-	-	27,734	29,009
Cash in hand and at bank for the purpose of cash flow statement	569,919	199,958	2,138,623	1,246,292

30.2 Unfavourable cash and cash equivalents

As at 31st March	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
Bank overdraft	(65,244)	(1,488,238)	(896,318)	(2,490,901)
Short term bank loans	(4,808,754)	(3,490,030)	(14,917,148)	(12,689,406)
	(4,873,998)	(4,978,268)	(15,813,466)	(15,180,307)
Unfavourable cash and cash equivalents classified as assets held for sale	-	-	(117,730)	-
Interest bearing short-term borrowings for the purpose of cash flow statement	(4,873,998)	(4,978,268)	(15,931,196)	(15,180,307)
Cash and cash equivalents for the purpose of cash flow statement	(4,304,079)	(4,778,310)	(13,792,573)	(13,934,015)

31 STATED CAPITAL

As at 31st March	Company/Group 2020		Company/Group 2019	
	No. of shares	Rs.	No. of shares	Rs
Ordinary shares				
As at the beginning of the year	72,900,000	789,750,000	72,900,000	789,750,000
As at the end of the year	72,900,000	789,750,000	72,900,000	789,750,000
Non-Voting (Class X) shares				
As at the beginning of the year	21,870,000	218,700,000	21,870,000	218,700,000
As at the end of the year	21,870,000	218,700,000	21,870,000	218,700,000
Total	94,770,000	1,008,450,000	94,770,000	1,008,450,000

The holders of Ordinary Shares (Voting) are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company.

32 CAPITAL RESERVES

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	1,477,524	1,327,907	2,360,463	1,917,975
Surplus on revaluation	-	207,801	-	584,989
Deferred tax on revaluation of land	-	(58,184)	-	(142,501)
Total	1,477,524	1,477,524	2,360,463	2,360,463

Capital reserves consist of revaluation reserves and reserves on scrip issue.
Revaluation reserves relates to revaluation of lands and represents the increase in the fair value of the lands.
Reserves on scrip issue is originated from post-acquisition scrip issues made by the subsidiaries.

33 REVENUE RESERVES

As at 31st March	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
Summary				
General reserves	782,604	782,604	861,598	861,598
Retained earnings	940,443	748,602	5,639,021	5,100,447
Fair value reserve	(97,502)	(14,741)	(294,004)	(113,562)
	1,625,545	1,516,465	6,206,615	5,848,483

Revenue reserves comprise of retained earnings, general reserves and fair value reserves.
General reserve is the amount appropriated by the Board of Directors.
The fair value reserve arises on the fair value change of financial assets recognised in the other comprehensive income.

34 LOANS AND BORROWINGS

34.1 Loans and borrowings repayable after one year

As at 31st March	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
Bank loans (Note 34.2)	-	-	778,432	1,311,928
Lease liability relating to ROU asset (Note 34.5)	79,791	-	186,929	-
	79,791	-	965,361	1,311,928

34.2 Bank Loans

As at 31st March	Group 2020 Rs.'000	Group 2019 Rs.'000
At the beginning of the year	2,025,490	1,573,065
Obtained during the year	397,106	2,003,031
Transferred to held for sale	(605,586)	-
Transferred from held for sale	-	222,918
Repayments during the year	(765,503)	(1,773,524)
At the end of year	1,051,507	2,025,490
Less: Repayable within one year	(273,075)	(713,562)
Repayable after one year	778,432	1,311,928

There are no bank loans payable after five years in the Company or Group.

34 LOANS AND BORROWINGS (CONTD.)

34.3 Lease liability relating to ROU asset

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	-	-	-	-
Adjustment on SLFRS 16	107,795	-	269,156	-
Adjusted balance as at 01 April 2019	107,795	-	269,156	-
Interest charge	11,089	-	27,390	-
Payments	(24,949)	-	(60,298)	-
At the end of the year	93,935	-	236,248	-
Less: Repayable within one year	(14,144)	-	(49,319)	-
Repayable after one year	79,791	-	186,929	-

34.4 Loans and borrowings repayable within one year from the year end

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Bank loans	-	-	273,075	713,562
Lease liability relating to ROU asset	14,144	-	49,319	-
Bank overdrafts	65,244	1,488,238	896,318	2,490,901
Short term loans	4,808,754	3,490,030	14,917,148	12,689,406
Total	4,888,142	4,978,268	16,135,860	15,893,869

34.5 Analysis of loans and borrowings payable after one year

Company	Lender	Interest Rate	2020 Rs. Mn	2019 Rs. Mn	Security
CIC Dairies (Private) Limited	DFCC Bank	AWPLR+0.75%	16.67	83.33	Plant & machinery
	Seylan Bank	AWPLR+1.5%	162.5	224.00	Letter of comfort from CIC Holdings PLC for Rs. 280Mn
CISCO Speciality Packaging (Private) Limited	Union Bank	9.50%	-	15.26	Plant & machinery
	Commercial Bank	AWPLR+1.5%	-	54.00	Plant & machinery
	Commercial Bank	AWPLR	45.42	-	Plant & machinery
Link Natural Products (Private) Limited	State Bank of India	AWPLR+0.5%	553.84	512.44	Land & building
CIC Lifesciences Limited	People's Bank	AWPLR +1%	-	26.68	Machinery
Cropwiz (Private) Limited	Hatton National Bank PLC	LIBOR+4.25%	-	396.22	Project machinery
			778.43	1,311.93	

35 RETIREMENT BENEFIT OBLIGATIONS

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Present value of the gratuity				
At the beginning of the year	179,370	179,965	646,305	661,270
Transferred from held for sale	-	-	-	9,169
Current service cost	17,616	16,117	59,812	53,978
Benefits paid by the plan	(74,422)	(27,179)	(110,028)	(99,579)
Interest cost	20,628	19,796	73,730	73,791
Actuarial (gains)/losses	28,074	(9,329)	31,467	(52,324)
As at the end of the year	171,266	179,370	701,286	646,305

A. Retirement benefit cost is recognised in the following line items in the Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost of Sales	525	421	23,598	20,773
Distribution expenses	18,634	9,808	30,992	21,838
Administrative expenses	19,085	25,684	78,952	85,158
	38,244	35,913	133,542	127,769
Other comprehensive income	28,074	(9,329)	31,467	(52,324)
Total	66,318	26,584	165,009	75,445

The gratuity liability of the Company, and the Group is based on the actuarial valuation carried out by Actuarial and Management Consultants (Private) Limited, a firm of professional actuaries. The liability is not externally funded.

B. LKAS 19 requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefits that employees have earned in return for their service in the current and prior periods and discount that benefit using projected unit credit method in order to determine the present value of the retirement benefit obligation and the current service cost. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic variables and financial variables that will influence the cost of the benefit. The following key assumptions were made in arriving at the above figure.

Rate of discount	10.5% (2019 -11.5%)
Salary increase	10% (2019- 10%)
Retirement age	Management staff 55 years

Assumptions regarding future mortality are based on a 67/70 mortality table, issued by Institute of Actuaries, London.

The demographic assumptions underlying the valuation with respect to retirement age, early withdrawals from the services and retirement on medical grounds.

35 RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

C. Sensitivity of assumptions used

A change in discount rate and in salary increase would change in the present value of the retirement benefit obligations as follows:

As at 31st March	Increase by 1%		Decrease by 1%	
	Discount Rate	Future Salary Growth	Discount Rate	Future Salary Growth
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Company - the present value change in retirement benefit obligations	(11,056)	12,922	12,494	(11,632)
Group - the present value change in retirement benefit obligations	(37,308)	36,196	36,158	(38,574)

36 GRANTS

As at 31st March	Group	
	2020	2019
	Rs.'000	Rs.'000
At the beginning of the year	9,624	8,953
Amortised during the year	(961)	(1,048)
Transferred from held for sale	-	1,719
At the end of the year	8,663	9,624

Grants are amortised over the useful life of the asset. Details of grants as follows;

Beneficiary	Purpose	Grantor	Carrying value 2020 Rs. '000	Carrying value 2019 Rs. '000
CIC Agri Businesses (Private) Limited	Dairy development in the Eastern province	Land O' Lakes, Inc	8,629	9,487
Link Natural Products (Private) Limited	Out grower medicinal crops cultivation and processing project in Monaragala and Ampara district.	Connecting Regional Economies (USAID / CORE)	34	137
			8,663	9,624

37 TRADE PAYABLES

As at 31st March	Company		Group	
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade payables to Group Companies (Note 37.1)	1,924	14,191	-	-
Bills payable	1,262,134	1,112,836	4,687,124	4,167,050
Other trade payables	21,183	7,845	859,940	744,455
Total	1,285,241	1,134,872	5,547,064	4,911,505

37.1 Trade Payables to Group Companies

As at 31st March	Company 2020 Rs.'000	Company 2019 Rs.'000
CISCO Speciality Packaging (Private) Limited	1,760	9,206
CIC Lifesciences Limited	164	4,852
CIC Grains (Private) Limited	-	53
Chemanex PLC	-	80
	1,924	14,191

37.2 Currency-wise Trade Payables

As at 31st March	Company 2020 Rs.'000	Company 2019 Rs.'000	Company 2020 Rs.'000	Company 2019 Rs.'000
US Dollars	6,386	5,128	3,450,384	2,542,229
Euro	470	164	60,499	47,133
Sterling Pounds	5	1	2,562	2,413
Singapore Dollars	97	326	97	326
Sri Lanka Rupees	1,278,283	1,129,253	2,033,522	2,319,404
	1,285,241	1,134,872	5,547,064	4,911,505

38 INCOME TAX PAYABLE/ (RECEIVABLE)

As at 31st March	Company 2020 Rs.'000	Company 2019 Rs.'000	Group 2020 Rs.'000	Group 2019 Rs.'000
As at the beginning of the year	(188,401)	(139,650)	(386,800)	(313,860)
Provision made during the year				
continuing operations	-	-	245,804	197,826
discontinued operations	-	-	111	6,330
Under provisions in respect of previous years	-	328	15,501	2,253
Irrecoverable ESC written off	65,175	-	128,916	30,152
Tax on dividends received from associates	-	-	(16,296)	(52,920)
Payments made during the year	(42,108)	(49,079)	(293,647)	(257,185)
Disposal/Liquidation of subsidiary	-	-	(111)	604
As at the end of the year	(165,334)	(188,401)	(306,522)	(386,800)
Income tax payable	-	-	103,180	57,011
Income tax receivable	(165,334)	(188,401)	(409,702)	(443,811)
Total	(165,334)	(188,401)	(306,522)	(386,800)

39 CAPITAL COMMITMENTS

Following material capital commitments were existed at the reporting date

Company	Amount	Reason
Link Natural Products (Private) Limited	Rs 52.48Mn	Equipment installation of research and development centre

40 CONTINGENT LIABILITIES

In 2016/17 the Group has received a claim of USD 668,154 on the alleged premise that a product supplied did not confirm to technical specification. The Group having sought legal advice has refuted the claim and no provision for any related liability has been made in these Financial Statements.

CIC Feeds (Private) Limited provided a Corporate Guarantee of Rs. 600Mn to Bank of Ceylon on behalf of its subsidiary CIC Poultry Farms Limited.

There are no any other material contingent liabilities as at the reporting date, which require adjustment and / or disclosure in the Financial Statements.

41 CORONAVIRUS (COVID-19) PANDEMIC

On 11th March 2020 the World Health Organization declared the COVID-19 as a Global Pandemic Situation. The pandemic has significantly affected to the Sri Lankan economy as well as the Group's business environment. The situation has started before the financial year end, and has been continued so far effecting many aspects of the country.

The Group has considered this as an adjusting event and has evaluated and determined the extent of the development after the reporting date also in the current reporting period. All relevant and adequate adjustments have been incorporated in Financial Statements.

41.1. Management Assessment of Coronavirus (COVID-19) Pandemic Impact

On 11th March 2020, the World Health Organization declared COVID-19 a Global Pandemic and in response to the serious threat imposed on public health and safety, Sri Lankan government enforced several measures to control the pandemic such as entry restrictions for foreigners, movement restrictions between districts and later island wide curfew was imposed from 20th March 2020 onwards.

Accordingly, the Group has evaluated all guidelines issued by the Government as well as international best practices and the CIC Group of Companies have developed health and safety guidelines to ensure suitable working arrangements and safe conditions for employees, customers and other stakeholders.

Since, most of the business segments operates in essential service category the COVID-19 Pandemic had a moderate impact on the Group's general business routines and the Group evaluated the resilience of its businesses considering factors such as profitability, cash reserves, and potential sources of financing facilities; if required and possibility of differing non-essential capital expenditure. Having considering the above, management is satisfied that the Company/Group has adequate resources to continue in operational existence for the foreseeable future.

With relating to the liquidity, at each business unit level a disciplined approach has been adopted to control the expenditure and optimise the collection via rigid credit control management process which also reduces the credit risk of the Company/Group.

42 EVENTS OCCURRING AFTER THE REPORTING DATE

On 10th August 2020, the Company has purchased 16.92% of the CIC Agri Businesses (Private) Limited held by its subsidiary Chemanex PLC for a consideration of Rs. 200.33Mn.

Further, the Board of Directors of the Company has declared a second interim dividend of Rs.1.00 per share on the issued share capital of both Ordinary and Non-Voting (Class-X) shares which is payable on 09th September 2020.

Other than the above, no other events have taken place which require adjustments or discourse in these Financial Statements.

43 LEASES

See accounting policy in Note 3.9.

43.1 Leases as lessee (SLFRS 16)

Group has entered into lease agreements with several parties to use their lands,buildings. A subsidiary has further sub-let its premises to outsiders.

43.1.1 Right-of-use-assets

Right-of-use-assets related to leased properties that do not meet the definition of investment property are presented as property, plant & equipment. (See Note 16)

As at 31st March 2020 Company	Buildings Rs.'000	Total Rs.'000
As at beginning of the year	94,164	94,164
Depreciation charge for the year	(12,364)	(12,364)
As at end of the year	81,800	81,800

As at 31st March 2020 Group	Lands Rs.'000	Buildings Rs.'000	Total Rs.'000
As at beginning of the year	146,271	128,185	274,456
Depreciation charge for the year	(6,490)	(43,209)	(49,699)
As at end of the year	139,781	84,976	224,757

43.1.2 Amounts recognised in profit or loss

As at 31st March	Company Rs.'000	Group Rs.'000
2020-Leases under SLFRS 16		
Interest on lease liabilities	11,089	27,390
Income from sub-leasing right-of-use assets presented in "finance income"'	(1,165)	(479)

As at 31st March	Company Rs.'000	Group Rs.'000
2019- Operating leases under LKAS 17		
Rent expense	24,949	69,082
Rent income presented in "other income"	(7,920)	(5,831)

43 LEASES (CONTD.)

43.1.3 Amounts recognised in statement of cash flows

As at 31st March 2020	Company Rs.'000	Group Rs.'000
Settlement of lease liability	(24,949)	(60,298)

43.1.4 Extension options

Some property leases contain extension options exercisable by the Group before the end of the contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within the control.

43.1.5 Maturity analysis - Contractual undiscounted cash flows

As at 31st March	Company Rs.'000	Group Rs.'000
Less than one year	23,629	328,778
Later than one year and not later than five years	9,868	661,106
More than five years	141,918	392,390
Total undiscounted lease liability	175,415	1,382,274

43.2 Leases as lessor

The Group leases out its leased properties. All leases are classified as operating leases from a lessor perspective with the exception of a sub-lease, which the Group has classified as a finance sub-lease.

43.2.1 Lease

During 2020, the Group has sub-leased a building that has been presented as part of right-of-use asset in property, plant & equipment.

During 2020, the Group recognised interest income on lease receivable of Rs.0.48Mn (2019-nil).

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date. Under LKAS 17, the Group did not have any finance leases as a lessor.

As at 31st March	Company Rs.'000	Group Rs.'000
Less than one year	7,260	1,932
Total undiscounted lease receivables	7,260	1,932
Unearned finance income	(384)	(26)
Net investment in the lease	6,876	1,906

44 RELATED PARTY DISCLOSURE

The Company carried out transactions in the ordinary course of the business on an arm's length basis at commercial rates with parties who are defined as Related Parties as per the Sri Lanka Accounting Standard - LKAS 24 'Related Party Disclosures', except for the transactions that the Key Management Personnel (KMP) have availed under schemes uniformly applicable to all staff at concessionary rates.

44.1 Parent and Ultimate Controlling Party

For the year ended 31st March	2020 Rs. Mn	2019 Rs. Mn
Dividend paid	79.17	-
Sale of goods	222.94	171.24
Purchase of goods	1.28	1.38
Trade receivables	101.14	62.67
Trade payables	0.64	0.89

44.2 Key Management Personnel (KMP)

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

KMP of the Company

The Board of Directors (including Executive and Non-Executive) of the Company have been classified as KMP of the Company.

KMP of the Group

The Board of Directors (including Executive and Non-Executive) of the Company and the Board of Directors of the Holding Company have been classified as KMP of the Group. The officers who are only Directors of subsidiaries and not of the Company have been classified as KMP for that subsidiary.

44.2.1 Transactions with KMP

Loans to Directors

No loans have been granted to the Directors of the Company/ Group.

Key Management Personnel Compensation

The details of compensation are given in Note 11 to the Financial Statements.

Other Transactions with Key Management Personnel

(a) The names of Directors of CIC Holdings PLC, who are also Directors of subsidiaries, sub-subsidiaries and the equity accounted investees, are as follows:

- Mr. S.H. Amarasekera
- Mr. R.S. Captain
- Mr. S. Fernando
- Mr. M.P. Jayawardena
- Mr. P.R. Saldin

(b) Details of Directors and their spouses' shareholdings are given in the Annual Report of the Directors' on the Affairs of the Company on page 35.

44 RELATED PARTY DISCLOSURE (CONTD.)

(c) Transactions in the ordinary course of the business with the entities where Board of Directors of the Company and the Holding Company and their close family members have substantial holdings/ influence.

Company	Name of the Director	Nature of the Transaction	2020 Rs. Mn	2019 Rs. Mn
Polypak Secco Limited	R.S. Captain/P.R. Saldin	Purchases of goods	5.59	6.11
CEI Plastics (Private) Limited	R.S. Captain/P.R. Saldin	Sale of goods	8.10	10.11

(d) There were no other transactions with Key Management Personnel other than those disclosed above.

44.3 Transactions with Subsidiaries and Equity Accounted Investees

(i) Companies within the Group engage in trading transactions under normal commercial terms and conditions.

(ii) Company provides office space to some of its subsidiaries and charge rent. In addition, the Company provides certain shared services such as data processing and administration functions. The related costs are allocated to subsidiaries and equity accounted investees.

44.3.1 Recurring transactions

Company	Relationship	Nature of the Transaction	2020 Rs. Mn	2019 Rs. Mn
Chemanex PLC	Subsidiary	Dividend received	7.94	15.68
		Rent received	4.04	2.53
		Rent paid	-	0.62
		Purchase of goods	0.95	0.70
		Secretarial fees paid	0.45	1.34
		Staff cost paid	4.51	0.07
		Staff cost received	1.67	1.58
		Receivables - non trade	9.92	3.30
		Payables -trade	-	0.08
		Service charge	13.00	6.83
		Handling commission	15.29	14.71
CIC Agri Businesses (Private) Limited	Subsidiary	Sale of goods	0.12	-
		Rent received	16.18	10.57
		Rent paid	-	1.07
		Purchase of goods	-	0.64
		Staff cost received	16.49	16.67
		Payables - non trade	-	20.99
		Receivable -non trade	5.52	-
		Service charge	10.68	12.24
		Handling commission	0.49	-
CISCO Speciality Packaging (Private) Limited	Subsidiary	Sale of goods	0.31	0.61
		Dividend received	-	21.50
		Purchase of goods	22.08	25.99
		Staff cost paid	14.05	15.60
		Network charges received	0.42	0.42
		Service charge	10.88	5.16
		Payables -trade	1.76	9.21
		Payables - non trade	-	0.29
		Receivables - trade	0.12	5.30
		Receivables - non trade	1.18	5.16
CIC CropGuard (Private) Limited	Subsidiary	Sale of goods	0.04	0.09
		Staff cost paid	26.06	28.23
		Handling commission	53.64	48.71
		Receivables - trade	-	0.09
		Receivables - non trade	2.18	9.09
		Service charge	11.01	23.76

Company	Relationship	Nature of the Transaction	2020 Rs. Mn	2019 Rs. Mn
CIC Feeds (Private) Limited	Subsidiary	Sale of goods	0.27	0.36
		Purchase of goods/(returns)	(0.06)	0.06
		Receivables - trade	0.08	0.14
		Receivables - non trade	3.03	1.24
		Service charge	16.83	12.72
CIC Lifesciences Limited	Subsidiary	Handling commission	2.85	2.32
		Service charge	0.80	-
		Purchase of goods	2.30	18.15
		Staff cost paid	1.41	13.36
		Payables - trade	0.16	4.85
		Receivables - non trade	1.09	2.31
Link Natural Products (Private) Limited	Subsidiary	Sale of goods	0.09	0.18
		Dividend received	-	81.45
		Receivables - non trade	4.07	-
		Service charge	3.49	-
Colombo Industrial Agencies Limited	Subsidiary	Rent paid	9.11	9.11
		Royalty	0.05	0.21
		Payables - non trade	16.84	9.38
Crop Management Services (Private) Limited	Subsidiary	Receivables - non trade	0.25	0.11
CIC Properties (Private) Limited	Subsidiary	Receivables - non trade	55.29	53.32
		Receivables short term loan	88.08	85.26
Unipower (Private) Limited	Subsidiary	Receivables - non trade	2.00	0.58
		Service charge	7.37	4.20
CIC Agri Produce Export (Private) Limited	Sub-subsidiary	Purchase of goods	-	0.46
		Receivables - non trade	5.41	-
		Service charge	3.50	2.08
		Handling commission	4.51	-
CIC Agri Produce Marketing (Private) Limited	Sub-subsidiary	Receivables - non trade	0.10	-
		Service charge	0.56	0.73
CIC Seeds (Private) Limited	Sub-subsidiary	Purchase of goods	0.60	0.72
		Receivables - non trade	1.73	-
		Payable - non trade	-	0.23
		Service charge	9.18	7.21
		Handling commission	0.30	-
		Staff cost received	3.13	2.91
CIC Poultry Farms Limited	Sub-subsidiary	Sale of goods	0.22	0.18
		Receivables - trade	0.09	-
CIC Dairies (Private) Limited	Sub-subsidiary	Sale of goods	1.12	1.50
		Receivables - trade	0.50	0.02
		Receivables - non trade	7.14	-
		Service charge	7.43	4.07
		Handling commission	1.08	-
CIC Dairy Breading & Management (Private) Limited	Sub-subsidiary	Receivables - non trade	0.73	-
		Service charge	0.43	1.16
Akzo Nobel Paints Lanka (Private) Limited	Equity accounted investee	Dividend received	355.10	325.08
		Rent received	0.16	4.03
		Purchase of goods	0.30	0.02
		Handling commission	-	1.44
		Receivables - non trade	0.18	0.14
Cropwiz (Private) Limited	Equity accounted investee	Sale of goods	-	0.07
		Receivables - trade	-	2.13
		Receivables - non trade	0.08	-
		Receivables short term loan	-	26.01
		Service charge	0.07	0.57
CIC Grains (Private) Limited	Equity accounted investee	Receivables - non trade	0.55	4.74
		Service charge	0.46	1.75

44.3.2 During the year, there were no non-recurrent related party transactions which require disclosures in the Annual Report.

45 RECONCILIATION OF RE-CLASSIFICATION RELATING TO DISCONTINUED OPERATIONS

45.1 Reconciliation: Statements of Comprehensive Income

Re-classification relating to discontinued operations specified in Note 13 of the Group are summarised below.

Re-classification other than the discontinued operations, are mentioned in the respective notes.

For the year ended 31st March	Group		
	As disclosed in 2019	Adjustment	Re-classified
	Rs.'000	Rs.'000	Rs.'000
Continuing operations			
Revenue	30,737,116	(35,139)	30,701,977
Cost of sales	(23,644,594)	239,469	(23,405,125)
Gross profit	7,092,522	204,330	7,296,852
Other income	202,585	(168)	202,417
Distribution expenses	(3,062,635)	6,830	(3,055,805)
Impairment loss on trade receivables	(250,581)	-	(250,581)
Administrative expenses	(1,691,119)	8,064	(1,683,055)
Other expenses	(195,420)	-	(195,420)
Results from operating activities	2,095,352	219,056	2,314,408
Finance cost (net)	(1,986,017)	177,363	(1,808,654)
Share of profit of equity accounted investees (net of tax)	394,788	-	394,788
Profit before tax	504,123	396,419	900,542
Income tax expense	(40,428)	-	(40,428)
Profit from continuing operations	463,695	396,419	860,114
Discontinued operations			
Profit from discontinued operations (net of tax)	(6,365)	(396,419)	(402,784)
Profit for the year	457,330	-	457,330

46 FINANCIAL INSTRUMENTS

Risk Management

The Group's principal financial liabilities comprise of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also holds equity instruments as investments. Therefore, the Group is exposed to market risk, credit risk and liquidity risk.

Risk Management Framework

The Group's senior management oversees the management of these risks. The Group's senior management is supported by the Board of Directors that advises on financial risks and appropriate financial risk governance framework for the Group. The Board of Directors review and agree policies for managing each of these risks which are summarised below.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

As at 31st March	Company	
	2020	2019
	Rs.'000	Rs.'000
Exposure to credit risk		
Trade receivables	2,642,370	2,255,931
Other receivables	640,271	898,310
Total	3,282,641	3,154,241

As at 31st March	Group	
	2020	2019
	Rs.'000	Rs.'000
Trade receivables	5,538,507	4,950,441
Other receivables	6,893,685	5,723,949
Total	12,432,192	10,674,390

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and area in which customers operate, as these factors may have an influence on credit risk.

The senior management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the senior management. Customers that fail to meet the Group's benchmark credit worthiness may transact with the company only on a prepayment basis.

A significant percentage of the Group's customers are transacting with the Group for more than four years. In monitoring customer credit risk,customers are grouped according to their credit characteristics, including whether they are government or non-government, whether they are wholesale, retail or end-customer, their geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Customers who are graded as 'high risk' are placed on a restricted customer list and monitored by the management, and future sales are made on a prepayment basis.

46 FINANCIAL INSTRUMENTS (CONTD.)

The Group is closely monitoring the economic environment in the country and is taking actions to limit its exposure to customers in the country experiencing particular economic volatility.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are specific loss component that relates to individually significant exposures, and a collective loss component established for group of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics of those receivables and future macro economic conditions.

The Group is closely monitoring the economic environment in the country and is taking necessary measures to limit its exposure to customers experiencing particular economic volatility.

As at 31st March	Group	
	2020	2019
	Rs.'000	Rs.'000
Domestic	5,479,636	4,899,599
Foreign	58,871	50,842
Total	5,538,507	4,950,441

Impairment losses

All trade receivables that are past due have been considered for impairment as at 31st March 2020.
The movement in the allowance for impairment of trade receivables is disclosed in Note 26.2.

Equity securities

The Group limits its exposure to credit risk by investing only in liquid equity securities
The Group has recognised its equity securities at its fair value.

Cash and cash equivalents

The company held cash and cash equivalents of Rs. 0.57Bn at 31 March 2020, (2019 : Rs. 0.20Bn), Group held Rs. 2.11Bn as at 31st March 2020 (2019 - Rs.1.28Bn) which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank which are rated AA to AA+, based on rating agency ratings. Following table depicts the credit ratings of the financial institutions where the Group holds deposits.

Bank	Rating
Bank of Ceylon PLC	AA+
Commercial Bank of Ceylon PLC	AA+
DFCC Bank PLC	A+
Hatton National Bank PLC	AA-
National Development Bank PLC	AA

Liquidity risk

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

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities.

The Group maintains the net financial liabilities to these specified upper limits and any deviation to these upper limits require prior approval.

The Company and the Group held the following short term financial liabilities as at 31st March 2020;(Refer Note 34.7 for maturity analysis of non current financial liabilities).

As at 31st March		Company	
		2020	2019
		Rs.'000	Rs.'000
Trade payables	Less than 90 days	1,285,241	1,134,872
Accruals and other payables	0-30 days	472,346	490,033
Loans and borrowings payable within one year	0-90 days	14,144	-
Short-term loans	0-90 days	4,808,754	3,490,030
Bank overdraft	On demand	65,244	1,488,238

As at 31st March		Group	
		2020	2019
		Rs.'000	Rs.'000
Trade payables	Less than 90 days	5,547,064	4,911,505
Accruals and other payables	0-30 days	1,487,774	1,738,259
Loans and borrowings payable within one year	0-90 days	49,319	-
Short-term loans	0-90 days	14,917,148	12,689,406
Bank overdraft	On demand	896,318	2,490,901

Market risk

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

As at 31st March	Group	
	2020	2019
	Rs.'000	Rs.'000
Equity securities - FVOCI	968,530	1,165,613

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's policy is to continuously monitor positions on daily basis and periodical interest rate re-pricing strategies are used to ensure positions are maintained on a prudential basis

46 FINANCIAL INSTRUMENTS (CONTD.)

Currency risk

The Group is exposed to currency risk on sales, purchases that are denominated in a currency other than the respective functional currencies of entities. The currencies in which these transactions primarily are denominated in Euro, USD and Sterling Pound.

Effects of currency rate fluctuations of imported materials and finished goods are transferred in a reasonable manner keeping in line with the prices in the market.

Subsidiary companies of the Group settle majority of their import bills and the financial liabilities denominated in a currency other than functional currency.

Followings are the exchange rate used for the translation of transaction denominated in foreign currencies.

As at 31st March	2020			2019		
	Selling Rate Rs.	Buying Rate Rs.	Average Rate Rs.	Selling Rate Rs.	Buying Rate Rs.	Average Rate Rs.
US Dollar	192.45	187.36	188.62	178.02	174.17	176.13
Euro	213.56	205.27	207.96	201.25	194.3	197.80
Sterling Pound	238.79	230.01	232.67	233.92	226.51	230.16

Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels borrowings and the advantages and security afforded by a sound capital position.

The Group monitors capital using an adjusted net debt to equity ratio, which is adjusted net debt divided by adjusted equity. For this purpose, adjusted net debt is defined as total liabilities (which includes interest bearing borrowings and obligations under finance leases excluding lease liability under SLFRS 16) plus unaccrued proposed dividends, less cash and equivalents. Adjusted equity comprises all components of equity other than amounts recognised in equity relating to cash flow hedges, less unaccrued proposed dividends.

The company's and Group's adjusted net debt to equity ratio at the end of the reporting period was as follows;

As at 31st March	Company		Group	
	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000
Total debts	4,967,933	4,978,268	17,101,221	17,205,797
Less: Cash and cash equivalents	(569,919)	(199,958)	(2,107,659)	(1,277,283)
Net debt	4,398,014	4,778,310	14,993,562	15,928,514
Adjusted net debt	4,398,849	4,873,080	14,852,084	16,023,284
Total equity	4,111,519	4,002,439	11,711,748	11,278,735
Adjusted equity	4,016,749	3,907,669	11,616,978	11,183,965
Adjusted net debt to adjusted equity ratio (times)	1.10	1.25	1.28	1.43

Accounting classifications and fair value

The value of financial assets and liabilities, together with carrying amounts shown in the Statement of Financial Position is as follows:

Company	Fair value through OCI	Financial assets at amortised cost	Other financial liabilities	Carrying amount
	Rs'000	Rs'000	Rs'000	Rs'000
As at 31/03/2020				
Cash and cash equivalents	-	569,919	-	569,919
Trade receivables	-	2,642,370	-	2,642,370
Other receivables	-	640,271	-	640,271
Equity investments at fair value through OCI	219,268	-	-	219,268
	219,268	3,852,560	-	4,071,828
Trade payables	-	-	(1,285,241)	(1,285,241)
Other payables	-	-	(472,346)	(472,346)
Loans and borrowings	-	-	(4,967,933)	(4,967,933)
	-	-	(6,725,520)	(6,725,520)

Company	Fair value through OCI	Financial assets at amortised cost	Other financial liabilities	Carrying amount
	Rs'000	Rs'000	Rs'000	Rs'000
As at 31/03/2019				
Cash and cash equivalents	-	199,958	-	199,958
Trade receivables	-	2,255,931	-	2,255,931
Other receivables	-	898,310	-	898,310
Equity investments at fair value through OCI	298,899	-	-	298,899
	298,899	3,354,199	-	3,653,098
Trade payables	-	-	(1,134,872)	(1,134,872)
Other payables	-	-	(490,033)	(490,033)
Loans and borrowings	-	-	(4,978,268)	(4,978,268)
	-	-	(6,603,173)	(6,603,173)

46 FINANCIAL INSTRUMENTS (CONTD.)

Group	Fair value through OCI	Financial assets at amortised cost	Other financial liabilities	Carrying amount
	Rs'000	Rs'000	Rs'000	Rs'000
As at 31/03/2020				
Cash and cash equivalents	-	2,107,659	-	2,107,659
Trade receivables	-	5,538,507	-	5,538,507
Other receivables	-	6,893,685	-	6,893,685
Equity investments at fair value through OCI	968,530	-	-	968,530
	968,530	14,539,851	-	15,508,381
Trade payables	-	-	(5,547,064)	(5,547,064)
Other payables	-	-	(1,487,774)	(1,487,774)
Loans and borrowings	-	-	(17,101,221)	(17,101,221)
	-	-	(24,136,059)	(24,136,059)

Group	Fair value through OCI	Financial assets at amortised cost	Other financial liabilities	Carrying amount
	Rs'000	Rs'000	Rs'000	Rs'000
As at 31/03/2019				
Cash and cash equivalents	-	1,277,283	-	1,277,283
Trade receivables	-	4,950,441	-	4,950,441
Other receivables	-	5,723,949	-	5,723,949
Equity investments at fair value through OCI	1,165,613	-	-	1,165,613
	1,165,613	11,951,673	-	13,117,286
Trade payables	-	-	(4,911,505)	(4,911,505)
Other payables	-	-	(1,738,259)	(1,738,259)
Loans and borrowings	-	-	(17,205,797)	(17,205,797)
	-	-	(23,855,561)	(23,855,561)

Fair value measurement hierarchy

	Level 01		Level 02		Level 03	
As at 31st March	2020	2019	2020	2019	2020	2019
Company	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Recurring fair value measurements-						
Assets measured at fair value						
Freehold land	-	-	-	-	864,603	864,603
Equity investments	219,268	298,899	-	-	-	-
	219,268	298,899	-	-	864,603	864,603
Non - recurring fair value measurements						
Net asset classified as held for sale and distribution	-	-	-	-	1,195,825	1,195,825

	Level 01		Level 02		Level 03	
As at 31st March	2020	2019	2020	2019	2020	2019
Group	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Recurring fair value measurements-						
Assets measured at fair value						
Freehold land	-	-	-	-	3,387,135	3,387,135
Biological assets	-	-	-	-	179,610	208,082
Equity investments	968,530	1,165,613	-	-	-	-
	968,530	1,165,613	-	-	3,566,745	3,595,217
Assets for which fair values are disclosed:						
Investment property	-	-	-	-	2,400	2,400
Non - recurring fair value measurements-						
Net asset classified as held for sale and distribution	-	-	-	-	1,211,209	1,223,190

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations. The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. Impact of COVID-19 is disclosed in a separate note to the Financial Statements.

SHAREHOLDERS & INVESTORS INFORMATION

1 STOCK EXCHANGE LISTING

CIC Holdings PLC is a Public Quoted Company. The issued share capital of the Company consists of 72,900,000 (2019 - 72,900,000) Ordinary Shares and 21,870,000 (2019 - 21,870,000) Non-Voting (Class X) Shares listed in the Colombo Stock Exchange.

2 SHAREHOLDERS

There were 2,362 (2019 - 2,380) Ordinary shareholders and 2,546 (2019 - 2554) Non-Voting (Class X) shareholders as at 31st March 2020, distributed into different categories as follows:

Ordinary Shares

Shares held	2020 No. of Shareholders	2020 Total Shareholding	2020 %	2019 No. of Shareholders	2019 Total Shareholding	2019 %
1 - 1000	1,536	401,159	0.55	1,561	413,992	0.57
1001 - 10000	591	2,221,718	3.05	587	2,211,351	3.03
10001 - 100000	189	5,974,981	8.20	188	6,041,436	8.29
100001 - 1000000	40	9,163,011	12.56	39	9,776,813	13.41
Over 1000000	6	55,139,131	75.64	5	54,456,408	74.70
	2,362	72,900,000	100.00	2,380	72,900,000	100.00

Shares held	2020 No. of Shareholders	2020 Total Shareholding	2020 %	2019 No. of Shareholders	2019 Total Shareholding	2019 %
Resident	2,341	72,751,927	99.80	2,343	72,351,499	99.25
Non-Resident	21	148,073	0.20	37	548,501	0.75
	2,362	72,900,000	100.00	2,380	72,900,000	100.00

The below information of distribution of shares as at 31st March 2020, has been furnished to Colombo Stock Exchange (CSE) and Securities Exchange Commission (SEC) in accordance with CSE Listing Rule 7.13.

Percentage of shares held by public - 46.62%
Percentage of shares held by the Directors together with the members of their families - 0.0001%
Percentage of shares held by the Parent Company - 53.31%
Percentage of shares held by the Employees - 0.07%
Percentage of shares held by Employees' Provident Fund - 9.06%

Non-Voting (Class X) Shares

Shares held	2020 No. of Shareholders	2020 Total Shareholding	2020 %	2019 No. of Shareholders	2019 Total Shareholding	2019 %
1 - 1000	1,544	479,825	2.19	1,553	480,763	2.20
1001 - 10000	738	2,814,765	12.87	736	2,786,189	12.74
10001 - 100000	235	7,166,288	32.78	231	6,687,670	30.58
100001 - 1000000	27	7,084,628	32.39	32	7,590,884	34.71
Over 1000000	2	4,324,494	19.77	2	4,324,494	19.77
	2,546	21,870,000	100.00	2,554	21,870,000	100.00

SHAREHOLDERS & INVESTORS INFORMATION

Shares held	2020 No. of Shareholders	2020 Total Shareholding	2020 %	2019 No. of Shareholders	2019 Total Shareholding	2019 %
Resident	2,497	20,724,689	94.76	2,477	20,015,189	91.52
Non-Resident	49	1,145,311	5.24	77	1,854,811	8.48
	2,546	21,870,000	100.00	2,554	21,870,000	100.00

Percentage of shares held by public - 96.15%
Percentage of shares held by the Directors together with the members of their families - 0.24%
Percentage of shares held by the Parent Company - 3.32%
Percentage of shares held by the Employees - 0.28%
Percentage of shares held by Employees' Provident Fund - 12.70%

3 TWENTY LARGEST SHAREHOLDERS - ORDINARY SHARES

	Name	2020 No. of shares	2020 %	2019 No. of shares	2019 %
1	Paints & General Industries Limited	38,860,349	53.31	38,860,349	53.31
2	Employees' Provident Fund	6,604,473	9.06	6,604,473	9.06
3	Chacra Capital Holdings (Private) Limited	3,276,240	4.49	3,276,240	4.49
4	Associated Electrical Corporation (Private) Limited	3,054,657	4.19	3,054,657	4.19
5	Hotel International (Private) Limited	2,303,412	3.16	2,660,689	3.65
6	Star Packaging (Private) Limited	1,040,000	1.43	962,500	1.32
7	Bank of Ceylon No. 1 Account	770,657	1.06	770,657	1.06
8	Seylan Bank PLC/ Mr. W.D.N.H. Perera	735,882	1.01	-	-
9	Hatton National Bank PLC A/C No. 05 (Trading)	556,396	0.76	556,396	0.76
10	Dr. H.R. & Mr. V.K. Wickremasinghe - Custodian Trustees Martin Wickremasinghe Trust Fund	441,829	0.61	610,491	0.84
11	Mrs. L.K. Goonewardena	426,399	0.58	422,557	0.58
12	S.K. Wickremesinghe Trust (Gurantee) Limited	340,000	0.47	340,000	0.47
13	Mr. H.H. Abdulhusein	300,000	0.41	154,000	0.21
14	Commercial Bank of Ceylon/ Colombo Fort Investments PLC	300,000	0.41	300,000	0.41
15	Bank of Ceylon A/C Ceybank Century Growth Fund	288,904	0.40	237,329	0.33
16	Miss. N.K.R.H. De Silva	283,925	0.39	283,925	0.39
17	People's Leasing & Finance PLC / High-line Trading	282,546	0.39	232,546	0.32
18	DFCC Bank PLC A/C 01	247,900	0.34	247,900	0.34
19	National Development Bank PLC / Sakuvi Investment Trust	236,000	0.32	236,000	0.32
20	Employees Trust Fund Board	227,542	0.31	227,542	0.31
		60,577,111	83.10	60,038,251	82.36

SHAREHOLDERS & INVESTORS INFORMATION

4 TWENTY LARGEST SHAREHOLDERS - NON VOTING (CLASS X) SHARES

		2020		2019	
	Name	No. of shares	%	No. of shares	%
1	Employees Provident Fund	2,778,424	12.70	2,778,424	12.70
2	Chacra Capital Holdings (Private) Limited	1,546,070	7.07	1,546,070	7.07
3	Paints & General Industries Limited	726,301	3.32	726,301	3.32
4	E.W. Balasuriya & Co. (Private) Limited	672,600	3.08	672,600	3.08
5	Associated Electrical Corporation Limited	540,000	2.47	540,000	2.47
6	Bank of Ceylon No. 1 Account	416,189	1.90	416,189	1.90
7	Mrs. M.S.E.V.E.A.U. Von Stumm	399,219	1.83	399,219	1.83
8	DFCC Bank A/C No.01	389,400	1.78	389,400	1.78
9	Mrs. J.N. Ambani	380,000	1.74	-	-
10	Mr. M.A. Jafferjee	378,664	1.73	378,664	1.73
11	Life Insurance Corporation (Lanka) Limited	300,000	1.37	300,000	1.37
12	Mrs. V. Saraswathi	276,000	1.26	58,414	0.27
13	Ceylinco Life Insurance Limited Account No. 1	240,000	1.10	240,000	1.10
14	Mrs. H.M. Hettiarachchi	204,110	0.93	105,604	0.48
15	Genesiis Software (Private) Limited	201,868	0.92	201,868	0.92
16	Aruna Equity Care (Private) Limited	188,942	0.86	188,942	0.86
17	Mr. M.J. Fernando	163,500	0.75	163,500	0.75
18	Mr. K.C. Vignarajah	161,600	0.74	181,207	0.83
19	Commercial Bank of Ceylon PLC A/C No. 04	161,400	0.74	161,400	0.74
20	Mr. D.A. Cabraal	150,000	0.69	150,000	0.69
		10,274,287	46.98	9,597,802	43.89

5 MARKET VALUE PER SHARE

	Ordinary Shares		Non-Voting Shares	
As at 31st March	2020	2019	2020	2019
Share price (Rs.)				
As at the end of the year	35.00	38.50	28.90	25.60
Highest price traded	64.40	60.00	50.90	43.00
Lowest price traded	33.80	36.00	24.00	25.10

6 SHARE TRADING

	Ordinary Shares		Non-Voting Shares	
As at 31st March	2020	2019	2020	2019
No. of shares traded	3,730,001	1,508,384	5,128,199	2,364,601
No. of transactions	2,248	1,201	3,106	1,221
Value of shares traded (Rs.)	209,902,497	75,273,758	215,170,527	79,042,006

7 MARKET CAPITALISATION

Type	No of shares	Share price Rs.	Capitalisation Rs.
Ordinary Shares	72,900,000	35.00	2,551,500,000
Non Voting (Class - X) Shares	21,870,000	28.90	632,043,000
			3,183,543,000

8 FLOAT ADJUSTED MARKET CAPITALISATION

Type	No of shares	Share price Rs.	Capitalisation Rs.
Shares held by public - Ordinary Shares	33,984,475	35.00	1,189,456,625
Shares held by public - Non Voting (Class - X) Shares	21,028,892	28.90	607,734,979
			1,797,191,604

As the float adjusted market capitalisation is below Rs.2.5Bn, CIC Holdings PLC complies under option 5 with the minimum public holding requirement.

MOVEMENT IN ISSUED CAPITAL AND DIVIDEND DISTRIBUTION

Year to 31st March	Proportion	Bonus Issue (No. of Shares)		Share Capital (No. of Shares)		Dividend
		Voting	Non-Voting	Voting	Non-Voting	Rs.
1965 (Initial issue)				50,000		
1966				50,000		2.00
1967				50,000		2.00
1968	1:1	50,000		100,000		2.00
1969				100,000		2.00
1970	1:2	50,000		150,000		2.00
1971				150,000		1.75
1972				150,000		2.00
1973				150,000		2.00
1974				150,000		2.00
1975	1:3	50,000		200,000		2.00
1976	1:2	100,000		300,000		2.00
1977				300,000		2.00
1978				300,000		2.00
1979	1:2	150,000		450,000		2.00
1980	7:9	350,000		800,000		2.00
1981				800,000		2.00
1982				800,000		2.00
1983				800,000		2.00
1984				800,000		2.00
1985	1:2	400,000		1,200,000		2.00
1986	1:2	600,000		1,800,000		2.50
1987	1:1	1,800,000		3,600,000		2.50
1988				3,600,000		2.75
1989				3,600,000		2.50
1990	1:2	1,800,000		5,400,000		3.00
1991				5,400,000		3.25
1992				5,400,000		4.00
1993	3 N-V:10 V (Rights)		1,620,000	5,400,000	1,620,000	3.50
1994				5,400,000	1,620,000	4.00
1995				5,400,000	1,620,000	4.00
1996				5,400,000	1,620,000	4.00
1997				5,400,000	1,620,000	4.00
1998				5,400,000	1,620,000	2.50
1999				5,400,000	1,620,000	3.50
2000	1:6	900,000	270,000	6,300,000	1,890,000	3.75
2001				6,300,000	1,890,000	4.00
2002				6,300,000	1,890,000	4.00
2003	1:7	900,000	270,000	7,200,000	2,160,000	4.25
2004				7,200,000	2,160,000	4.75

Year to 31st March	Proportion	Bonus Issue (No. of Shares)		Share Capital (No. of Shares)		Dividend
		Voting	Non-Voting	Voting	Non-Voting	Rs.
2005	1:8	900,000	270,000	8,100,000	2,430,000	4.75
2006				8,100,000	2,430,000	4.75
2007	1:1 (Rights)	8,100,000	2,430,000	16,200,000	4,860,000	1.44*
	3:2 (Bonus)	24,300,000	7,290,000	40,500,000	12,150,000	
2008	4:5 (Bonus)	32,400,000	9,720,000	72,900,000	21,870,000	1.50
2009				72,900,000	21,870,000	1.50
2010				72,900,000	21,870,000	1.85
2011				72,900,000	21,870,000	2.75
2012				72,900,000	21,870,000	3.20
2013				72,900,000	21,870,000	1.63
2014				72,900,000	21,870,000	-
2015				72,900,000	21,870,000	3.00
2016				72,900,000	21,870,000	4.00
2017				72,900,000	21,870,000	2.00
2018				72,900,000	21,870,000	1.00
2019				72,900,000	21,870,000	1.00
2020				72,900,000	21,870,000	2.00

*Effective rate (Rs. 1.44 per share)

SUBSIDIARIES AND EQUITY ACCOUNTED INVESTEES

AS AT 31ST MARCH 2020

Company	Directors	Principal Activity	Segment	Stated Capital Rs. Mn
Chemanex PLC	P.R. Saldin - Chairman E.M.M. Boyagoda Dr. S.A.B. Ekanayake S. Fernando	Manufacturing and Marketing of value added speciality compounds and intermediates	Industrial Solutions	126.25
CIC Agri Businesses (Private) Limited	S.H. Amarasekera - Chairman S. Fernando W.P. Madawanaarachchi J.D. Pieris J.M. Swaminathan	Importing, Blending and Marketing of Fertilizer	Crop Solutions	205.50
CIC Feeds (Private) Limited	D.A. Cabraal - Chairman S. Fernando D.T.S.H. Mudalige	Manufacturing of Animal Feeds and Hatchery	Livestock Solutions	450.50
Link Natural Products (Private) Limited	Dr. D. Nugawela - Chairman S.H. Amarasekera R.S. Captain Prof. T. de Silva Dr. S.A.B. Ekanayake S. Fernando D.T.S.H. Mudalige P.R .Saldin K. Shakthidasan	Manufacturing of Natural Healthcare Products, Ayurvedic Pharmaceuticals, Herbal Cosmetics and Neutraceuticals	Health & Personal Care	102.67
CISCO Speciality Packaging (Private) Limited	P.R. Saldin - Chairman R.S. Captain Ms. L.A. Captain S. Fernando L. de Mel D.P.G.C.P. Wegiriya	Manufacturing of Polyethylene Terephthalate Containers for Domestic and Export Markets	Industrial Solutions	110.50
CIC CropGuard (Private) Limited	W.A. Assiriyage - Managing Director S. Fernando R. Ganesalingam	Importing, Repacking and Marketing of Agro Chemicals	Crop Solutions	5.00
Crop Management Services (Private) Limited	W.P. Madawanaarachchi D.P. Senadheera	Investment Company	Agri Produce	199.20
Colombo Industrial Agencies Limited	Ms. L.I. Fernando - Chairperson S. Fernando	Owning a Store Complex at Ekala	Industrial Solutions	10.57
CIC Lifesciences Limited	S. Fernando H.C. Ahangama K.A.V. Manatunga	Manufacturing and Importing of Pharmaceuticals	Health and Personal Care	196.36
CIC Properties (Private) Limited	S. Fernando W.A. Assiriyage	Renting Properties to Group Companies	Agri Produce	45.00

Company	Directors	Principal Activity	Segment	Stated Capital Rs. Mn
Akzo Nobel Paints Lanka (Private) Limited	O.C.M.J. Wezenbeek - Chairman H.A.W. Heenatigala S. Fernando P.R. Saldin S.F. Teng	Trading Paints and Surface Coatings	Industrial Solutions	88.80
Cropwiz (Private) Limited	S. Fernando K.A.V. Manatunga D.P. Senadheera E. Shaked	Cultivating and Exporting of Vegetables and Herbs	Agri Produce	312.74
CIC Precision Agricultural Technologies (Private) Limited	S.P.S. Ranatunga - Chairman M.S. Goonewardena A. Hettiarachchi Prof. P.W.M.B.B. Marambe K.A. Rutnam	Agri Technologies	Agri Produce	8.40
Unipower (Private) Limited	K.J.M. De A. Rajapakse - Chairman W.A. Assiriyage S. Fernando	Importing, Blending and Marketing of Specialised Fertilizer	Crop Solutions	5.38
CIC Healthcare (Private) Limited	S. Fernando H.C. Ahangama K.A.V. Manatunga	Importing & Merchandising of Healthcare Products	Health and Personal Care	-

TEN YEAR GROUP PERFORMANCE

	2020 SLFRS	Re-classified 2019 SLFRS	Re-classified 2018 SLFRS
Income Statement			
Turnover	30,535,563	30,701,977	33,148,257
Operating profit after interest	1,120,813	303,337	(251,921)
Other income	360,906	202,417	673,963
Share of profit of equity accounted investees	390,013	394,788	267,053
Profit before tax	1,871,732	900,542	689,095
Taxation	(535,597)	(40,428)	(491,865)
Profit for the year from continuing operations	1,336,135	860,114	197,230
Profit/(loss) for the year from discontinued operations	(256,735)	(402,784)	(575,123)
Non-controlling interests	246,816	(25,909)	35,182
Profit attributable to equity holders of the Company	832,584	483,239	(413,075)
Statement of Financial Position			
Stated capital	1,008,450	1,008,450	1,008,450
Capital reserves	2,360,463	2,360,463	1,917,975
Revenue reserves	6,206,615	5,848,483	5,611,505
Non-controlling interests	2,136,220	2,061,339	2,174,725
Total equity	11,711,748	11,278,735	10,712,655
Property, plant & equipment	12,359,815	13,279,431	12,275,229
Investment property	2,400	2,400	13,900
Biological assets	179,610	208,082	181,028
Deposit on leasehold property	-	-	-
Capital work-in-progress	21,260	353,024	382,248
Intangible assets	366,982	384,362	391,938
Investments	1,155,031	1,298,570	1,376,659
Net current assets	713,772	(1,004,411)	(785,319)
	14,798,870	14,521,458	13,835,683
Deferred liabilities	(1,411,812)	(1,274,866)	(1,280,408)
Long-term liabilities	(1,675,310)	(1,967,857)	(1,842,620)
	11,711,748	11,278,735	10,712,655
Cash Flow Statement			
Net cash inflow/(outflow) from operating activities	949,385	(1,713,963)	2,236,464
Net cash inflow/(outflow) from investing activities	(189,708)	(1,315,568)	(2,368,100)
Net cash inflow/(outflow) from financing activities	(618,235)	227,624	(297,636)
Other Information			
Earnings per share (Rs.)	8.79	5.10	(4.36)
Dividend per share (Rs.)	2.00	-	1.00
Net assets per share (Rs.)	101.04	97.26	90.09
Market capitalisation (Rs.Mn)	3,183.54	3,366.52	5,179.55
Interest cover (No. of times)	2.10	1.50	1.47
Current ratio (No. of times)	1.03	0.96	0.96
Dividend cover (No. of times)	4.39	-	-
Price earnings ratio (No. of times)			
Ordinary	3.98	7.55	-
Non-voting(Class X)	3.29	5.02	-

2017 SLFRS	2016 SLFRS	2015 SLFRS	Restated 2014 SLFRS	Restated 2013 SLFRS	Restated 2012 SLFRS	2011 SLFRS
32,210,546	26,666,284	23,496,259	21,559,839	21,582,348	22,477,151	21,045,301
852,073	1,117,701	1,005,508	(832,986)	144,176	943,637	1,171,896
311,298	534,705	209,971	577,839	133,902	152,888	226,936
334,728	362,478	207,636	270,071	291,716	277,896	231,179
1,498,099	2,014,884	1,423,115	14,924	605,324	1,374,421	1,630,011
(384,066)	(366,777)	(397,697)	(72,047)	(174,818)	(353,890)	(466,894)
1,114,033	1,648,107	1,025,418	(57,123)	430,506	1,020,531	1,163,117
(227,116)	(14,273)	15,425	(1,069,716)	(246,530)	-	-
333,419	279,542	278,916	(155,126)	(49,339)	157,447	236,569
553,498	1,354,292	761,927	(971,713)	233,315	863,084	926,548
1,008,450	1,008,450	1,008,450	1,008,450	1,008,450	1,008,450	1,008,450
1,815,568	2,281,833	1,711,501	1,718,327	1,737,451	1,231,163	1,206,900
6,237,214	5,564,815	4,400,987	3,984,249	5,033,888	5,060,352	4,526,194
2,354,316	2,029,199	1,722,310	1,398,512	1,663,008	1,683,939	1,641,515
11,415,548	10,884,297	8,843,248	8,109,538	9,442,797	8,983,904	8,383,059
12,645,808	12,275,004	10,610,666	9,414,735	8,706,775	7,504,776	6,404,586
54,147	51,400	51,400	51,400	14,607	98,999	97,141
248,508	226,382	307,728	67,366	86,262	78,737	74,524
-	-	-	-	16,152	13,678	13,964
301,036	72,153	353,518	763,412	1,072,154	531,459	199,877
168,809	137,140	27,683	27,683	147,911	159,017	95,255
1,339,958	945,217	1,457,106	1,449,913	798,468	712,909	623,147
(1,124,166)	(1,929,784)	(2,084,183)	(2,158,904)	261,136	1,237,260	2,084,896
13,634,100	11,777,512	10,723,918	9,615,605	11,103,465	10,336,835	9,593,390
(431,580)	105,275	(773,775)	(648,946)	(662,939)	(701,318)	(603,471)
(1,786,972)	(998,490)	(1,106,895)	(857,121)	(997,729)	(651,613)	(606,860)
11,415,548	10,884,297	8,843,248	8,109,538	9,442,797	8,983,904	8,383,059
(132,541)	(451,359)	1,998,599	2,343,127	(1,001,983)	(1,307,519)	(299,377)
(353,331)	(1,436,441)	(1,420,071)	(1,219,656)	(1,499,063)	(1,663,267)	(837,282)
(246,839)	(2,473,931)	1,261,253	77,112	552,409	(94,104)	(214,538)
5.84	14.29	8.04	(10.25)	2.46	9.11	9.78
2.00	4.00	3.00	-	1.63	3.20	2.75
95.61	93.44	75.14	70.81	82.08	77.02	71.14
7,203.98	8,525.66	6,800.11	4,132.70	5,466.04	8,392.98	13,661.46
1.73	3.73	3.04	0.29	1.22	2.98	4.26
0.94	0.90	0.86	0.87	1.02	1.08	1.20
2.92	3.57	2.68	-	1.51	2.85	3.56
13.71	6.68	9.46	-	26.75	10.49	15.85
10.68	5.00	7.17	-	20.44	7.15	11.05

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty Seventh Annual General Meeting of CIC Holdings PLC will be held by way of audio visual means on Wednesday the 30th day of September 2020 at 9.00 a.m. centered from the Company's Registered Office at 199, Kew Road, Colombo 2 for the following purposes;

AGENDA

1. To receive and adopt the Statements of Accounts of the Company and of the Group for the year ended 31st March 2020 together with the Reports of the Directors and Auditors thereon.
2. To re-elect Mr. S.H. Amarasekera who retires in terms of Article 25(6) of the Articles of Association of the Company.
3. To re-elect Mr. S. Fernando who retires in terms of Article 25(6) of the Articles of Association of the Company.
4. To vote a sum as donations.
5. To re-appoint M/s KPMG, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.

By order of the Board of,
CIC HOLDINGS PLC

Shermal Fernando
Company Secretary

24th August, 2020

Notes:

- A Member entitled to participate and vote at the meeting is entitled to appoint a proxy to virtually participate and vote in his/her place in the manner provided for by completing the form of proxy enclosed herewith.
- A proxy need not be a Member of the Company.
- A Form of Proxy is enclosed for this purpose.
- Shareholders who wish to participate in the Annual General Meeting through the online platform are kindly requested to complete and forward the "Annexure 1- Registration of Shareholder Information" attached to the Annual Report to the email address "agm@cic.lk" with the email subject titled "CIC AGM 2020" or post it to the registered address of the Company, to be received not less than 3 days before the date of the meeting.
- Shareholders are requested to provide their email address in the space provided in Annexure 1 to enable us to forward the web link so that they may participate in the meeting through the online platform.
- The Chairman and certain members of the Board, the Company Secretary and key officials essential for the administration of formalities and conduct the meeting will be physically present at the Registered Office.
- Voting on the items listed in the Agenda will be registered via the online platform or a designated ancillary online application. All such procedures will be explained to the shareholders prior to the commencement of the meeting.
- Shareholders who wish to appoint a member of the Board of Directors as his/ her proxy to represent them at the AGM may do so by completing the Form of Proxy. In such event the email address of the proxy holder will not be required.
- The Board of Directors, having taken note of the health and safety guidelines issued by Health Authorities in view of the Covid- 19 pandemic and the Colombo Stock Exchange issuing guidelines to listed entities to hold Shareholder Meetings virtually, has decided to hold the Annual General Meeting (AGM) through Audio or Audio/Visual means in conformity with the regulatory provisions of the Company.
- Shareholders may send their questions/ comments on the items listed in the Agenda of the Notice Convening the AGM by email to "agm@cic.lk" or by post to the Company Secretary, 199, Kew Road, Colombo 02, to be received not less than 3 days before date of the meeting.
- The instrument appointing a proxy should be deposited at the Registered Office of the Company at CIC House, 199, Kew Road, Colombo 02 or scanned and emailed to agm@cic.lk not less than 48 hours before the date of the meeting.
- Only registered shareholders and registered proxy holders will be permitted to log in and participate in the AGM online.
- The date fixed for the AGM will not be affected even if a public holiday is declared on such a date since arrangements will be in place to proceed via online platform.

FORM OF PROXY
ANNUAL GENERAL MEETING

I/We .....

of .....being

a member/members of CIC Holdings PLC hereby appoint;

Shiran Harsha Amarasekera	of Colombo or failing him
Shermal Fernando	of Colombo or failing him
Rusi Sohli Captain	of Colombo or failing him
Steven Mark Enderby	of Colombo or failing him
Mahinda Preethiraj Jayawardena	of Colombo or failing him
Prawira Rimoe Saldin	of Colombo or failing him

.....

as *my/our Proxy to *speak and/to vote for *me/us on *my/our behalf at the Fifty Seventh Annual General Meeting of CIC Holdings PLC to be held as an online meeting on Wednesday the 30th September 2020 at 9.00 a.m at 199, Kew Road, Colombo 02 and at any adjournment thereof.

....
Date Signature

** Note: Please delete inappropriate words.*

Instructions as to Completion

1. Kindly perfect the Form of Proxy after filling in legibly your full name and address and by signing in the space provided. Please fill in the date of signature.
2. A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of him/her. A shareholder who appoints a Director as his/her proxy to represent him/her need not fill the email address of the proxy holder.
3. In the case of Corporate Shareholder, the Form of Proxy must be completed under the Common Seal, which should be affixed and attested in the manner prescribed by the Articles of Association.
4. If the Form of Proxy is signed by an attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy.
5. The completed Form of Proxy should either be;
   (i) addressed to the "Company Secretary" and posted or hand delivered to the registered office of the Company; CIC House, No.199, Kew Road, Colombo 2;

   or

   (ii) scanned and emailed to the email address: "agm@cic.lk" with the email subject titled "Proxy – CIC Holdings PLC"

   not less than 48 hours before the time appointed for the holding of the AGM, together with the following information.

CDS Account Number of the Shareholder(s)	
Shareholder's contact number/s	
Email address to which the online link should be forwarded to for the proxy holder's participation at the AGM	
Proxy holder's NIC number	

CIC House
199, Kew Road
Colombo 2

NOTES

FORM OF PROXY
ANNUAL GENERAL MEETING
NON-VOTING (CLASS X) SHARES

I/We .....

of .....being

a member/members of CIC Holdings PLC hereby appoint;

Shiran Harsha Amarasekera	of Colombo or failing him
Shermal Fernando	of Colombo or failing him
Rusi Sohli Captain	of Colombo or failing him
Steven Mark Enderby	of Colombo or failing him
Mahinda Preethiraj Jayawardena	of Colombo or failing him
Prawira Rimoe Saldin	of Colombo or failing him

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Date Signature

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3. In the case of Corporate Shareholder, the Form of Proxy must be completed under the Common Seal, which should be affixed and attested in the manner prescribed by the Articles of Association.
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   (iii) addressed to the "Company Secretary" and posted or hand delivered to the registered office of the Company; CIC House, No.199, Kew Road, Colombo 2;

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Shareholder's contact number/s	
Email address to which the online link should be forwarded to for the proxy holder's participation at the AGM	
Proxy holder's NIC number	

CIC House
199, Kew Road
Colombo 2

CORPORATE INFORMATION

NAME OF THE COMPANY

CIC Holdings PLC

COMPANY REGISTRATION NO.

PQ 88

LEGAL FORM

A Public Quoted Company with limited liability incorporated in Sri Lanka in 1964.

Re-registered under the Companies Act No. 07 of 2007 on 21st November 2007.

REGISTERED OFFICE

199, Kew Road, Colombo 2.

DIRECTORS

S.H. Amarasekera (Chairman)
S. Fernando (COO)
R.S. Captain
S.M. Enderby
M.P. Jayawardena
P.R. Saldin

COMPANY SECRETARY

S. Fernando

AUDITORS

KPMG
Chartered Accountants
32A, Sir Mohamed Macan
Markar Mawatha, Colombo 3.

BANKERS

Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank
Hatton National Bank PLC
NDB Bank PLC
Nations Trust Bank PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Standard Chartered Bank

LEGAL ADVISERS

Nithya Partners
Attorneys-at-Law
97A, Galle Road, Colombo 3.

Julius & Creasy
Attorneys-at-Law
371, R A De Mel Mawatha, Colombo 03

EXECUTIVE DIRECTORS

S. Fernando (COO)

NON-EXECUTIVE DIRECTORS

S.H. Amarasekera (Chairman)
R.S. Captain
S.M. Enderby
M.P. Jayawardena
P.R. Saldin

AUDIT COMMITTEE

P.R. Saldin (Chairman)
S.M. Enderby
M.P. Jayawardena

HUMAN CAPITAL & COMPENSATION COMMITTEE

P.R. Saldin (Chairman)
S.H. Amarasekera
R.S. Captain
S.M. Enderby
M.P. Jayawardena

NOMINATIONS COMMITTEE

S.H. Amarasekera (Chairman)
R.S. Captain
P.R. Saldin

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

M.P. Jayawardena (Chairman)
S.M. Enderby

Designed & produced by
emagewise
Printing by Printage (Pvt) Ltd

CIC Holdings PLC
199, Kew Road, Colombo 2, Sri lanka
www.cic.lk