

Colombo Investment Trust PLC

Annual Report
2019/20

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Notice of Meeting

NOTICE IS HEREBY GIVEN that the THIRTY THIRD Annual General Meeting of COLOMBO INVESTMENT TRUST PLC will be held at the Grand Oriental Hotel, No 2, York Street, Colombo 1, on Monday, 31st August 2020 at 10.30 a.m. for the following purposes, namely :

- 1 To receive and consider the Annual Report of the Board of Directors, together with the Statement of Accounts for the year ended 31st March, 2020 and the Report of the Auditors thereon.
- 2 To re-elect Mr.S.D.R.Arudpragasam, who retires by rotation in terms of Articles 84 and 85 of the Articles of Association, as a Director.
- 3 To reappoint Mr.A.M.de S. Jayaratne who is over seventy years of age as a Director.
A Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment. (see Note No.(v) on page 2).
- 4 To reappoint Dr.J.M.Swaminathan who is over seventy years of age as a Director.
A Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment. (see Note No.(vi) on page 2).

- 5 To reappoint Mr.A.Rajaratnam who is over seventy years of age as a Director.

A Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment. (see Note No.(vii) on page 2).

- 6 To reappoint Messrs. KPMG, Chartered Accountants as Auditors and to authorise the Directors to determine their fees.

By Order of the Board,
Corporate Managers & Secretaries (Pvt) Limited
Secretaries

Colombo
27th July 2020

Note:
The aforesaid Annual General Meeting will convene on the assumption that no curfew will be in force by such date and that no restrictions will be imposed by the Authorities on conduct of meeting.

Notice of Meeting

Notes : -

- (i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him.
- (ii) A Proxy need not be a Member of the Company. The Form of Proxy is enclosed.
- (iii) The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than forty eight hours before the time appointed for the holding of the Meeting.
- (iv) Given that the health and well-being of our Members is paramount to us, Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to represent them and vote on their behalf. Members are advised to complete the Form of Proxy and their voting preferences on the specified resolutions to be taken up at the Meeting and submit the same to the Company in accordance with the instructions given on the reverse of the Form of Proxy.
- (v) A Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting :

Resolved -

"That Mr.A.M.de S. Jayaratne who is eighty years of age, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Director, Mr.A.M.de S. Jayaratne."

- (vi) A Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting :

Resolved -

"That Dr.J.M.Swaminathan who is seventy nine years of age, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Director, Dr.J.M. Swaminathan."

- (vii) A Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting :

Resolved -

"That Mr.A.Rajaratnam who is seventy nine years of age, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Director, Mr.A.Rajaratnam."

Notice of Meeting

Notes:

- (viii) The Meeting will be held in compliance with the Health and Safety guidelines issued by the Ministry of Health and Indigenous Medical Services (Ministry of Health) and standards imposed by the venue to ensure the safety and well-being of all Meeting attendees. Please note that in compliance with such guidelines and standards:
- a. All attendees will have to undergo a temperature check and sign a declaration form.
 - b. Persons who record temperatures in excess of norms prescribed by the Ministry of Health will not be permitted into the Meeting.
 - c. Persons with respiratory infections of any type including cough, cold, sore throat or exhibiting any other similar symptoms will not be permitted into the Meeting.
 - d. Physical contact such as shaking hands will not be permitted and attendees will not be permitted to linger or remain after the conclusion of the Meeting.
 - e. Any person not adhering to the health and safety guidelines and standards, including wearing a mask and maintaining the minimum social distance required, will be requested to leave the Meeting.
 - f. Food and beverage offerings are not guaranteed and may be limited in keeping with health and safety standards and regulations.
 - g. As social distancing measures will be implemented, once the hall capacity is reached as per the relevant Government guidelines, Members may not be permitted to enter.
 - h. A maximum total of forty shareholders will be accommodated at the Meeting venue. The number of shareholders at the Meeting venue has been limited as aforesaid to maintain 'social distancing' requirements in order to mitigate the risk factor associated with the spread of the Covid-19 Virus.
 - i. The selection of the shareholders eligible to participate physically will be made on a 'First come First served' basis.
 - j. In the event the Company is required to take any further action in relation to the meeting in the best interests of the meeting attendees due to COVID-19 Pandemic, and / or any communications, guidelines, directives or orders issued by the Government of Sri Lanka, Notice of such action shall be given by way of an announcement to the Colombo Stock Exchange.

Chairman's Review

On behalf of the Board of Directors it gives me great pleasure to welcome you to the Thirty Third Annual General Meeting of your Company and present you with the Annual Report and the Audited Financial Statements for the year ended 31st March 2020.

It was a year of unprecedented challenges, defined by two devastating events which brought the economy to a standstill. Beginning with the Easter Sunday terror attacks that took place in April 2019 and concluding the year with the devastating COVID-19 global pandemic during the fourth quarter of the financial year resulted in severe and prolonged stress across several industry sectors and value chains. Consequently the GDP growth moderated to 2.3% in 2019 compared to 3.3% in the previous year reflecting subdued consumer and investor sentiments combined with political uncertainty, unprecedented currency devaluation and fall in price indices and market capitalisation of the Colombo Stock Exchange.

The Colombo Stock market has been on an overall downward trend during 2019 although a modest improvement was reflected during the second quarter of 2019 due to presidential elections. The All Share Price Index ended the year at 4,571.63 (31.03.2019 - 5,557.24), decreasing by 18% in comparison with the previous year. On the positive side, interest rates declined during the year as the regulator adopted a more accommodative stance with a view to stimulate the economy while the headline and core inflation moved broadly in the desired range of 4%-6% during the year 2019 .

Although the country started recovering towards the end of 2019, the COVID-19 pandemic and the measures that were rapidly implemented worsened the economic impact that has yet to be determined. Consequently, the financial year that has commenced with nearly 6 weeks in lockdown is likely to be even more challenging than the reporting year.

As a result of the above mentioned macro-economic challenges, the Company achieved a turnover of Rs. 18.97 Million, a drop of 17% compared to Rs. 22.73 Million achieved during the previous financial year. This is mainly attributable to the drop in dividend income during the period under review. The profit prior to the fair value adjustment on Financial Assets was Rs. 10.80 Million compared to Rs. 18.59 Million in the previous year.

The Net Asset Value of your Company as at the end of the financial year was Rs. 96.17 per share as against Rs. 137.91 per share in the previous year. The fair value of quoted investments as at 31st March, 2020 and 31st March, 2019 were Rs. 0.68 Billion and Rs. 0.92 Billion respectively.

I wish to thank all Stakeholders for their continued trust and confidence in the Company and my colleagues on the Board for their unstinted support, advice and guidance.

A. Rajaratnam
Chairman

27th July 2020

Board of Directors

A.Rajaratnam - Chairman

FCA

Mr.A.Rajaratnam was appointed to the Board of Colombo Investment Trust PLC in 1991. He was appointed Chairman on 12th August 2011.

S.D.R.Arudpragasam - Deputy Chairman

FCMA (UK)

Mr.S.D.R.Arudpragasam is a Fellow Member of the Chartered Institute of Management Accountants (UK). He was appointed to the Board as Deputy Chairman in August 2011. He holds the position of Deputy Chairman of The Colombo Fort Land & Building PLC, Chairman of Lankem Ceylon PLC and Chairman/Managing Director of E. B. Creasy & Company PLC, in addition to serving on the Boards of other Companies within the CFLB Group.

S.Shanmugalingam - Director

Mr.S.Shanmugalingam was appointed to the Board in 2004. He has over 20 years experience in Share Trading and in the Capital Market and has worked for many years as a Senior Stock Broker. He currently functions as an Adviser. He holds a Higher Diploma in Information Technology.

A.M.de S.Jayaratne - Director

B.Sc. (Econ.), FCA

Mr.A.M.de S.Jayaratne was appointed to the Board in 2005. He graduated in Economics and is a Chartered Accountant by profession. He was the former Chairman of Forbes & Walker Ltd., Colombo Stock Exchange, Ceylon Chamber of Commerce and The Finance Commission. He also served as Sri Lanka's High Commissioner in Singapore. He is a Director of several public listed Companies.

S.Rajaratnam - Director

B.Sc., CA

Mr.S.Rajaratnam was appointed to the Board in 2008. He holds a Bachelor of Science Degree in Business Administration from Boston College, U.S.A. and is a member of the Institute of Chartered Accountants in Australia. He has been associated with overseas Companies in the field of finance and currently holds the position of Joint Managing Director of E.B.Creasy & Company PLC amongst other Directorships.

J.M.Swaminathan - Director

*Attorney-at-Law,LLB(Ceylon), LL.M, M. Phil.
(Colombo) and LLD (Honoris Causa)*

Dr.J. M. Swaminathan is an Attorney-at-Law with over 55 years in practice. He was the former Senior Partner of Messrs. Julius & Creasy. He is a Member of the office for Reparations Sri Lanka. He has served as a Member of the Law Commission of Sri Lanka and Member of the Council of Legal Education and the Council of the University of Colombo. He is also a Member of the Company Law Advisory Commission and the Intellectual Property Law Advisory Commission. He is the Chairman of the Studies of the Council of Legal Education and also a Consultant at the Institute of Advanced Legal Studies of the Council of Legal Education. He is a member of the Visiting Faculty of the LL.M Course of the University of Colombo. He also serves on the Boards of several public and private Companies.

Anushman Rajaratnam - Alternate Director to Mr.A.Rajaratnam

B.Sc. (Hons.), CPA, MBA

Mr.Anushman Rajaratnam was appointed as an Alternate Director to Mr.A.Rajaratnam on 18th August 2011. In addition he is the Group Managing Director of The Colombo fort Land & Building PLC whilst serving on the Boards of several subsidiaries of the CFLB Group.

Corporate Governance

Colombo Investment Trust PLC is committed to a policy of maintaining the highest standard of accountability in all its business and other activities.

The Company firmly believes that good corporate governance adopted and implemented will strengthen the confidence and trust of all stakeholders.

Board

Composition

The Board of Colombo Investment Trust PLC comprises of Six Non-Executive Directors of whom two are Independent.

These Directors are named below and profiled on page 5.

Mr.A.Rajaratnam	- Chairman Non-Executive
(Alternate, Mr.Anushman Rajaratnam)	- Non-Executive
Mr. S.D.R.Arudpragasam	- Deputy Chairman Non-Executive
Mr.S.Shanmugalingam	- Non-Executive
Mr.A.M.de S.Jayaratne	- Independent Non-Executive
Mr.S.Rajaratnam	- Non-Executive
Dr.J.M.Swaminathan	- Independent Non-Executive

The Non-Executive Directors have submitted declarations of their Independence or Non-Independence to the Board of Directors.

Mr.A.M.de S.Jayaratne and Dr.J.M.Swaminathan are on the Boards of other listed companies, in which, a majority of the Directors of the Company are Directors and also serve on the Board of other listed entities which have a significant shareholding in the Company. Mr.A.M.de S.Jayaratne & Dr. J.M.Swaminthan have served for over a period of nine years on the Board of the Company. However, the Directors, having taken into consideration all other circumstances listed in the Colombo Stock

Exchange Listing Rules pertaining to the "Criteria for Defining Independence" is, of the opinion that Mr.A.M.de S.Jayaratne and Dr.J.M.Swaminathan to be nevertheless Independent.

Decision Making of the Board

The Board has met on four occasions during the year under review. In addition to Board Meetings matters are referred to the Board and decided by Resolutions in writing.

Appointment and Re-election of Directors

The Board as a whole decides on the appointment of Directors in accordance with the Articles of Association of the Company and in compliance with the Rules on Governance.

In terms of the Articles of Association a Director appointed by the Board holds office until the next Annual General Meeting, at which he seeks re-election by the shareholders. The Articles require one of the Directors in office to retire at each Annual General Meeting. The Director to retire is he who has been longest in office since his last election. A retiring Director is eligible for re-election.

Financial Acumen

The Directors are from varied business and professional backgrounds and have vast experience and proven ability in the field of investment, management and trading in securities. Their expertise enables them to exercise independent judgement and their views carry substantial weight in decision making. The Board includes four finance professionals who possess the necessary knowledge to offer guidance on matters of finance. If necessary, professional advice is obtained from external independent parties.

The Board is responsible for the proper management of the Company along with monitoring an effective system of internal controls covering financial matters.

Corporate Governance

Remuneration Committee

The Company has no employees and consequently the appointment of a Remuneration Committee does not arise.

Audit Committee

The Audit Committee comprises of Mr.A.M.de S.Jayaratne - Chairman (Independent/Non – Executive Director), Dr. J. M. Swaminathan (Independent/ Non – Executive Director) and Mr. S. Rajaratnam (Non - Executive Director).

Related Party Transactions Review Committee

The Committee comprises of Mr.A.M.de S.Jayaratne - Chairman (Independent/Non - Executive Director), Dr. J. M. Swaminathan (Independent/ Non – Executive Director) and Mr. S. Rajaratnam (Non - Executive Director).

Managers & Secretaries

The Directors seek advice from Corporate Managers & Secretaries (Private) Limited (CMSL) who are qualified to act as Managers & Secretaries as per the provisions of the Companies Act No. 7 of 2007. The Company does not employ any staff. All accounting services are provided by CMSL. Proper internal control procedures are adopted within CMSL.

Annual General Meeting/General Meetings

The Board considers the Annual General Meeting/ General Meetings an opportunity to communicate with shareholders and encourages their participation.

Compliance with Legal Requirements

The Board strives to ensure that the Company complies with the Laws and Regulations of the country.

Corporate Social Responsibility

Corporate decisions are made with due consideration taking into account the rights and claims of all non-shareholder groups.

Corporate Governance

ADHERENCE TO THE CORPORATE GOVERNANCE RULES OF THE COLOMBO STOCK EXCHANGE

Rule	Adherence
7.10.1 Non-Executive Directors	
(a) The Board of Directors of a listed Company shall include 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.	Complied (The Board of Directors consist of six Directors and all are Non - Executive Directors)
(b) The total number of Directors is to be calculated based on the number as at the conclusion of the immediately preceding Annual General Meeting.	Not Applicable (The Board consist of only Non- Executive Directors)
(c) Any change occurring to this ratio shall be rectified within 90 days from the date of the change.	Not Applicable
7.10.2 Independent Directors	
(a) Where the constitution of the Board of Directors includes only two Non-Executive Directors in terms of Rule 7.10.1 (a) above, both such Non-Executive Directors shall be 'Independent'. In all other instances two or 1/3 of Non-Executive Directors appointed to the Board of Directors, whichever is higher shall be 'Independent'.	Complied (Two Non-Executive Directors are Independent)
(b) The Board shall require each Non-Executive Director to submit a signed and dated declaration annually of his/her independence or non-independence against the specified criteria.	Complied
7.10.3 Disclosures Relating to Directors	
(a) The Board shall make a determination annually as to the independence or non-independence of each Non-Executive Director based on such declaration and other information available to the Board and shall set out in the Annual Report, the names of Directors determined to be 'Independent'.	Complied
(b) In the event a Director does not qualify as 'Independent' against any of the criteria set out in the listing rules 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.	Complied
(c) In addition to disclosures relating to the independence of a Director set out above, the Board shall publish in its Annual Report a brief resume of each Director on its Board which includes information on the nature of his/her expertise in relevant functional areas.	Complied
(d) Upon appointment of a new Director to the Board, the Company shall forthwith provide to the Exchange a brief resume of such Director for dissemination to the public. Such resume shall include information on the matters itemized in Rule 7.10.3 (a), (b) and (c) mentioned above.	Not Applicable (No appointments made during the year)

Corporate Governance

Rule	Adherence
7.10.5 Remuneration Committee	
A listed Company shall have a Remuneration Committee in conformity with the following : (a) Composition (b) Functions (c) Disclosure in the Annual Report	Not Applicable (Refer the Corporate Governance Disclosure in the Annual Report)
7.10.6 Audit Committee	
A listed Company shall have an Audit Committee in conformity with the following :	Complied (Refer Audit Committee Report in the Annual Report)
(a) Composition The Audit Committee shall comprise of a minimum of two Independent Non-Executive Directors (in instances where a company has only two Directors on its Board); or Non-Executive Directors a majority of whom shall be independent, whichever shall be higher.	Complied (Audit Committee comprises of three Non-Executive Directors of whom two are Independent)
* In a situation where both the Parent Company and the Subsidiary are 'Listed Companies', the Audit Committee of the Parent Company may function as the Audit Committee of the Subsidiary.	Not Applicable
* However, if the Parent Company is not a listed Company, then the Audit Committee of the Parent Company is not permitted to act as the Audit Committee of the Subsidiary. The Subsidiary should have a separate Audit Committee.	Not Applicable
* One Non-Executive Director shall be appointed as Chairman of the Committee by the Board of Directors.	Complied
* Unless otherwise determined by the Audit Committee the Chief Executive Officer and the Chief Financial Officer of the Listed Company shall attend Audit Committee meetings.	Representatives of the Managers & Secretaries were in attendance on invitation.
* The Chairman or one Member of the Committee should be a member of a recognised professional accounting body.	Complied

Corporate Governance

Rule	Adherence
7.10.6 Audit Committee	
(b) Functions shall include -	
* Overseeing of the preparation, presentation and adequacy of disclosures in the financial statements of a Listed Company, in accordance with Sri Lanka Accounting Standards.	Complied
* Overseeing of the Company's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements.	Complied
* Overseeing the processes to ensure that the Company's internal controls and risk management, are adequate, to meet the requirements of the Sri Lanka Auditing Standards.	Complied
* Assessment of the independence and performance of the Company's external auditors.	Complied
* To make recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.	Complied
(c) Disclosure in the Annual Report	
The names of the Directors (or persons in the Parent Company's Committee in the case of a Group Company) comprising the Audit Committee should be disclosed in the Annual Report.	Complied (Disclosure made in the Audit Committee Report)
* The Committee shall make a determination of the independence of the auditors and shall disclose the basis for such determination in the Annual Report.	Complied
* The Annual Report shall contain a report by the Audit Committee, setting out the manner of compliance by the Company in relation to the above, during the period to which the Annual Report relates.	Complied
9.1 Shareholder Approval	
A Listed Entity shall obtain prior approval from the shareholders by way of a Special Resolution for the following Related Party Transactions :	
9.1.1 Non-recurrent Transactions	
(a) Any Related Party Transaction of a value equal to, or more than:	
(i) 1/3 of the Total Assets of the entity as per the latest Audited Financial Statements of the entity; or	Not Applicable
(ii) 1/3 of the Total Assets of the entity as per the latest Audited Financial Statements of the entity; when aggregated with other non-recurrent transactions entered into with the same Related Party during the same financial year.	Not Applicable

Corporate Governance

Rule	Adherence
9.1.2 Recurrent Transaction	
(a) Any recurrent Related Party Transaction of a value equal to, or more than:	
(i) 1/3 of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the entity: or	Not Applicable
(ii) 1/3 of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the entity as per the latest Audited Financial Statements of the entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same financial year. and	Not Applicable
(iii) The transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favourable to the Related Party than those generally available to the public.	Not Applicable
9.2 Related Party Transactions Review Committee	
A listed Entity shall have a Related Party Transactions Review Committee (RPTRC) in conformity with the following:	
9.2.1 Review of Transactions	
Except for transactions set out in Rule 9.5, all other Related Party Transactions should be reviewed by the Related Party Transactions Review Committee.	Complied (Refer Related Party Transactions Review Committee Report in the Annual Report)
9.2.2 Composition	
The Committee shall comprise a combination of Non-Executive Directors and Independent Non-Executive Directors and may also include Executive Directors at the option of the Listed Entity.	Complied (RPTRC comprises of Three Non-Executive Directors of whom two are Independent)
One Independent Non-Executive Director shall be appointed as Chairman of the Committee.	Complied

Corporate Governance

Rule	Adherence
9.2.3 Related Party Transactions Review Committee of the Parent Company	
In a situation where both the Parent Company and the Subsidiary are Listed Entities, the RPTRC of the Parent Company may be permitted to function as the RPTRC of the Subsidiary.	Not Applicable
However, if the Parent Company is not a Listed Entity, then the RPTRC of the Parent Company is not permitted to act as the RPTRC of the Subsidiary, the Subsidiary shall have a separate RPTRC.	Not Applicable
9.2.4 Committee Meetings	
The Committee shall meet at least once a calendar quarter.	The Committee has met on 4 occasions
The Committee shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.	Complied
9.2.5 Professional and Expert Advice	
Directors of the Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions, and where necessary, they should obtain appropriate professional and expert advice from an appropriately qualified person.	Complied
9.3 Disclosures	
9.3.1 Immediate Disclosure	
(a)(i) The Listed Entity shall make an immediate announcement to the exchange; <ul style="list-style-type: none"> - of any non-recurrent Related Party Transaction with a value exceeding 10% of the equity or 5% of the total assets whichever is lower, of the Entity as per the latest Audited Financial Statements, or - of the latest transaction if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same financial year amounts to 10% of the equity or 5% of the total assets which ever is lower of the Entity as per latest Audited Financial Statements. 	Not Applicable (All the non-recurrent transactions were below the disclosure threshold)
(ii) Listed Entity shall disclose subsequent non-recurrent transactions which exceeds 5% of the equity of the Entity, entered into with the same Related Party during the financial year.	Not Applicable

Corporate Governance

Rule	Adherence
9.3.2 Disclosure in the Annual Report	
(a) Disclosure of Non-recurrent Related Party Transactions	
If aggregate value of the non-recurrent Related Party Transactions exceeds 10% of the Equity or 5% of the Total Assets, whichever is lower, of the Listed Entity as per the latest Audited Financial Statements, the information must be presented in the Annual Report in accordance with the prescribed format under 9.3.2 (a).	Not Applicable (All the non-recurrent transactions were below the disclosure threshold)
(b) Disclosure of Recurrent Related Party Transactions	
If the Aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue/income (or equivalent term in the Income Statement and in the case of group entity consolidated revenue) as per the latest Audited Financial Statements, the Listed Entity must disclose the aggregate value of Recurrent Related Party Transactions entered into during the financial year in the Annual Report in accordance with the prescribed format under 9.3.2(b).	Complied (Refer Note 19(e) of the Annual Report)
(c) Report by the Related Party Transactions Review Committee.	Complied (Refer Related Party Transactions Review Committee Report)
(d) A declaration by the Board of Directors.	Complied (Refer RPTRC Report and Annual Report of the Board of Directors)
9.4 Acquisition and Disposal of Assets from/to Related Parties	
9.4.1 The Listed Entity nor any of its subsidiaries without obtaining prior approval from the shareholders by way of a Special Resolution, should not acquire or dispose of from/to any Related Party an asset/s amounting to a value which exceeds 1/3 of the total assets of the Entity (a substantial asset) as per latest Audited Financial Statements.	Not Applicable
9.4.4 The members of the Related Party Transactions Review Committee should obtain competent independent advice from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under consideration.	Not Applicable
9.4.5 The competent independent advice obtained in terms of Rule 9.4.4 above should be circulated with the notice of meeting to obtain the shareholder approval as set out in Rule 9.4.1 above.	Not Applicable

Risk Management Report

Colombo Investment Trust PLC is exposed to a variety of risks in the course of its operations. Being an investment company, our success depends on achieving an acceptable balance between the risks we take and the returns we earn. The Company's risk management framework has been developed to identify and manage risks in a systematic and professional manner. The Board of Directors of the Company is responsible for the management of risks.

The key risks faced by the Company are categorized into four; being market risk, portfolio risk, regulatory risk and operational risk.

Market Risk

Market risk is caused by changes in the macroeconomic environment which has an impact on the financial markets as a whole. Changes in borrowing costs, foreign exchange rates, inflation, and government policies are some of the causes of this form of risk. Market risk cannot be eliminated. It is an ever present factor in the management of equity Portfolios.

At Colombo Investment Trust PLC, market risks and the potential implications of those risks are factored into all asset allocation and investment decisions.

Portfolio Risk

Portfolio risk arises from the unique risks associated with each security that the company invests. In our equity portfolio the value of shares we invest will fluctuate with the fortunes of the company issuing those shares. We adopt a disciplined process of evaluating investments in order to ensure that our portfolio risk is within acceptable limits given our strategy of growth in value of our investments in a sustainable manner over the long term. As part of the process of monitoring the performance of our investments, the Board periodically reviews the Company's investments in related companies as well.

Regulatory Risk

Regulatory risk refers to the risk taken if the Company does not comply with all legal and regulatory provisions applicable to it. Internal systems and processes are structured to ensure that the Company complies with all legal and regulatory provisions.

All investments are made and trades executed in compliance with the Companies Act, CSE/SEC regulation, tax regulations and other applicable regulatory provisions.

Operational Risk

Operational risk is the risk of loss resulting from failed or inadequate internal processes, people and systems or from external events. Operational risk management is an integral part of the overall responsibility resting with the Board and they strive to maintain an appropriate internal control environment to commensurate with the nature of the operations within the framework of the Company's policies and procedures. The Board, in consultation with the Audit Committee, assesses the effectiveness of internal control systems and monitors the compliance with them on a regular basis. The observations of the above review process are used by the Board to improve those controls further and to update them in response to changing conditions associated with the business.

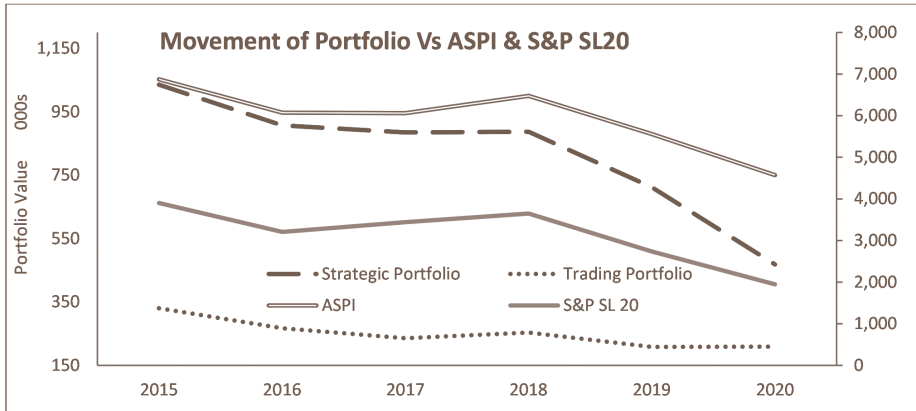
The Company also maintains its policies with regard to access, control, and protection of data and ability to cope with unexpected contingencies. Necessary safeguards are constantly introduced and upgraded to ensure the integrity of the information and the continuity of business operations. Preventive and proactive measures such as firewalls, virus guards and regular backup systems are amongst other steps kept in place.

The Company does not employ any staff as all services are provided by Corporate Managers & Secretaries (Pvt) Ltd. Thereby, the Company does not face material issues pertaining to employees and industrial relations.

Management Discussion and Analysis

Colombo Investment Trust PLC manages its investments in equity securities under two major categories, Strategic Portfolio and Trading Portfolio. Securities categorized under the strategic portfolio are invested for the long term, focusing on sustainability and other fundamental characteristics. Nearly 75 - 78% of the Company's funds are invested in this segment in both related and non-related counters. Remaining funds are invested in the trading portfolio to maximize return to investors.

The Company is continuously monitoring both the portfolios, but due to unfavorable market conditions that prevailed during the 2019/20 financial year there were not many transactions. Dividend income during the period has declined to Rs. 13.04 Mn against the previous years dividend income of Rs. 21.82 Mn.



In the year 2015, following political change, investors had shifted their focus towards real estate investments. New investments were made in mixed development projects and refurbishment of investment properties. In 2018 with the escalation of trade war between USA and China, new foreign direct investments in the real estate sector started to decline and the government has strengthened its policy towards fiscal consolidation, which stabilised the country's economic growth.

The financial year 2019/20 turned most challenging in the recent past due to the Easter Sunday tragedy and the outbreak of Covid-19. The Equity Market witnessed a steep fall until mid of May 2019 and then started to recover towards November 2019. Positive momentum faded in the beginning of 2020 due to the pressure of the pandemic on global economies. In LKR terms Sri Lanka's economy has grown by 2.3% in 2019 compared to 3.3% in 2018.

Future Outlook

Based on the current economic trends, industry performance and external factors, Colombo Investment Trust PLC is closely monitoring Its portfolio and exploring all possibilities to re-align the investments in an appropriate manner to grab future opportunities while minimizing the risks.

Annual Report of the Board of Directors

The Board of Directors of Colombo Investment Trust PLC present their Report on the Affairs of the Company together with the Audited Financial Statements for the year ended 31st March 2020.

Principal Activities / Business Review

The principal activity of the Company is holding and managing an investment portfolio. The Chairman's Review together with the Financial Statements reflect the state of affairs of the Company.

The Directors to the best of their knowledge and belief confirm that the Company has not engaged in any activities that contravene laws and regulations.

Financial Statements

The Financial Statements of the Company are given on pages 24 to 54.

Independent Auditors' Report

The Auditors' Report on the Financial Statements is given on pages 21 to 23.

Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 28 to 34.

Interest Register

Directors' Interest in Transactions

The Directors have made general disclosures as provided for in Section 192 (2) of the Companies Act No. 07 of 2007. Arising from this, details of contracts in which they have an interest are disclosed in Note 19 to the Financial Statements which are given on pages 46 to 48.

Directors' Interest in Shares

The Directors of the Company who have an interest in the shares of the Company are required to disclose their shareholdings and any acquisitions/disposals to the Board in compliance with Section 200 of the Companies Act.

Details pertaining to Directors' direct shareholdings are set out below.

Name of Director	No. of Shares As at	No. of Shares As at
	31.03.2020	31.03.2019
Mr.A.Rajaratnam	1	1
Mr.S.D.R.Arudpragasam	475	467
Mr.S.Shanmugalingam	** 449	**434
Mr.A.M.de S. Jayaratne	NIL	NIL
Mr.S.Rajaratnam	NIL	NIL
Dr.J.M.Swaminathan	165	162

** Aggregate of 240 Fractional shares held in Trust consequent to the Scrip Dividend in 2019.

Directors' Fees

Directors' fees in respect of the Company for the financial year 2019/2020 is given in Note 7 to the Financial Statements.

Corporate Donations

No donations were made during the year.

Directorate

The names of the Directors who held office during the financial year are given below and are profiled on page 5.

Mr.A.Rajaratnam	- Chairman (Non-Executive) (Alternate, Mr.Anushman Rajaratnam Non-Executive)
Mr.S.D.R.Arudpragasam	- Deputy Chairman (Non-Executive)
Mr.S.Shanmugalingam	- Director (Non-Executive)
Mr.A.M.de S.Jayaratne	- Director (Non-Executive Independent)
Mr.S.Rajaratnam	- Director (Non-Executive)
Dr.J.M.Swaminathan	- Director (Non-Executive Independent)

Annual Report of the Board of Directors

The Board of Directors met on four occasions during the year under review and the attendance at meetings had been as follows:

Mr.A.Rajaratnam	Excused
Mr.S.D.R.Arudpragasam	3/4
Mr.S.Shanmugalingam	3/4
Mr.A.M.de S.Jayaratne	4/4
Mr.S.Rajaratnam	1/4
Dr.J.M.Swaminathan	2/4

In terms of Articles 84 & 85 of the Articles of Association Mr.S.D.R.Arudpragasam, retires by rotation and being eligible offers himself for re-election.

Mr.A.M.de S.Jayaratne, who is over 70 years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Dr. J.M. Swaminathan, who is over 70 years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Mr. A. Rajaratnam, who is over 70 years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Corporate Governance

The Corporate Governance Principles adhered to by the Company are given on pages 6 to 13.

Auditors

The Financial Statements for the year have been audited by Messrs. KPMG. The amount payable to Messrs. KPMG as audit fees was Rs. 297,000/- (2018/19 Rs.297,000/-) and Rs. 94,600/- (2018/19 Rs.86,000/-) for non-audit related work which consisted mainly of fees for tax compliance services.

Further, Rs.55,000/- was paid for audit related work.

As far as the Directors are aware the Auditors do not have any relationship (other than that of an Auditor) with the Company and do not have any interest in the Company.

Revenue

The revenue of the Company for the year was Rs. 18.97 Million. (2018/19- Rs. 22.73 Million.)

Results

The Company made a Net Profit before tax of Rs. 11.19 Million against a Loss of Rs.29.68 Million in the previous year. The detailed results are given in the Statement of Profit or Loss and Other Comprehensive Income on page 24.

Taxation

In terms of the Inland Revenue Act No. 24 of 2017 the Company is liable to pay income tax at the rate of 28% for the First nine months and at 24% for the next three months during the Year of Assessment 2019/2020. The tax losses available for carry forward as at 31st March 2020 was Rs. 21.84 Million. The detailed income tax computation is given in Note 8 to the Financial Statements on pages 35 and 36.

Investments

The fair value of the Quoted Securities held as at 31st March 2020 was Rs. 0.68 Billion. (2018/2019 - Rs.0.92 Billion) The detailed investment portfolio is given in Note 10 to the Financial Statements on Pages 38 to 43.

Property, Plant and Equipment

The Company does not own any property, plant and equipment.

Stated Capital and Reserves

The Stated Capital of the Company as at 31st March 2020 was Rs.187.43 Million represented by 6,843,044 ordinary shares.

Reserves

The total reserves of the Company as at 31st March 2020 amounted to Rs. 470.69 Million comprising Retained Earnings of Rs. 210.61 Million (2018/19 - 206.40 Million.) and FVOCI Reserve of Rs. 260.07 Million (2018/2019 Rs.557.97 Million.) The movements are shown in the Statement of Changes in Equity in the Financial Statements.

Annual Report of the Board of Directors

Capital Commitments and Contingent Liabilities

Capital Commitments and Contingent Liabilities as at the reporting date are disclosed in Notes 17 and 18 to the Financial Statements on page 46.

Related Party Transactions

During the financial year there were recurrent related party transactions which exceeded the disclosure threshold. These transactions are disclosed in Note 19 to the Financial Statements. There were no non-recurrent related party transactions which exceeded the disclosure threshold. The Directors declare that the Company has complied with the requirements of Section 9 of Colombo Stock Exchange Listing Rules on Related Party transactions.

The Related Party Transactions presented in the Financial Statements are disclosed in Note 19 on pages 46 to 48.

Events after the Reporting Period

No circumstances have arisen since the reporting date that would require adjustments to or disclosures in the Financial Statements, other than those disclosed in Note 21 to the Financial Statements on page 49.

Share Information

Information relating to earnings, dividend, net assets, market value per share and share trading is given on pages 56 and 57.

Employment Policy

The Company does not employ any staff. All operational services are provided by Corporate Managers & Secretaries (Pvt) Limited to whom a fee is paid.

Shareholders

It is the Company's policy to Endeavour to ensure equitable treatment to its Shareholders.

Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory payments due to the Government have been paid or where relevant provided.

Internal Control

The Directors acknowledge their responsibility for the Company's system of internal controls. The system is designed to give assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information generated.

Going Concern

The Directors, after making necessary inquiries and reviews of the Company's future prospects and risks, cash flows and borrowing facilities, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

For and on behalf of the Board



S.D.R. Arudpragasam
Director



S. Shanmugalingam
Director

By Order of the Board



Corporate Managers & Secretaries (Private) Limited
Secretaries

Colombo
27th July 2020

Audit Committee Report

The Audit Committee Report focuses on the activities of the Company for the year under review, which the Committee has reviewed and monitored as to provide additional assurance on the reliability of the Financial Statements through a process of independent and objective views.

Composition

The Audit Committee of Colombo Investment Trust PLC comprises of three Non-Executive Directors, of whom two are Independent. The Committee is chaired by Mr.A.M.de S.Jayaratne who is a Chartered Accountant and who holds directorships in several Public Quoted Companies.

Mr.A.M.de S.Jayaratne	- Chairman
	- Independent
	- Non-Executive Director
Dr.J.M.Swaminathan	- Independent
	- Non-Executive Director
Mr.S.Rajaratnam	- Non-Executive Director

The Company's Secretaries Corporate Managers & Secretaries (Pvt) Ltd function as the Secretaries to the Audit Committee.

The members have varied experience, financial knowledge and business acumen to carry out their role effectively and efficiently.

Meetings of the Committee

The Audit Committee met on four occasions during the year under review and the attendance was as follows:

Mr.A.M.de S.Jayaratne	4/4
Dr.J.M.Swaminathan	4/4
Mr.S.Rajaratnam	1/4

The Directors of the Company and Managers from Corporate Managers & Secretaries (Pvt) Limited attended these meetings on the invitation of the Audit Committee. The activities and views of the Committee have been communicated to the Board of Directors by tabling the minutes of the Committee Meetings at Board Meetings.

Financial Reporting

The Committee as part of its responsibility to oversee the Company's financial reporting process has reviewed and discussed with the Management the quarterly and annual Financial Statements prior to their release including the extent of compliance with the Sri Lanka Accounting Standards, the Companies Act No. 07 of 2007 and the adequacy of disclosures required by other applicable laws, rules and guidelines.

The Committee has discussed the operations of the Company and its future prospects with Management and is satisfied that all relevant matters have been taken into consideration in the preparation of the Financial Statements and that the financial position of the Company is secure.

Risks and Controls

The Committee reviewed the significant business risks and internal control issues and have suggested, where necessary, appropriate remedial measures.

External Audit

The Committee undertook the annual evaluation of the independence and objectivity of the External Auditor and the effectiveness of the audit process. The committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to conflict of interest. Due consideration has been given to the level of audit and non-audit related fees received by the External Auditors' from the Company.

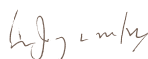
The Committee has recommended to the Board of Directors the re-appointment of the External Auditors, Messrs. KPMG, Chartered Accountants subject to the approval by the shareholders at the forthcoming Annual General Meeting.

Regulatory Compliance

The Committee reviewed the procedures established by the Management of the Company for compliance with the requirements of regulatory bodies.

Conclusion

Based on the assurances and certifications provided by the Board of Directors, and the discussions with Management and the Auditors both at formal meetings and informally, the Committee is of the view that the control environment within the Company is satisfactory and provides reasonable assurance that the financial position of the Company is adequately monitored and safeguarded.



A.M.de S.Jayaratne
Chairman
Audit Committee

Colombo
27th July 2020

Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee Report focuses on the related party transactions of the Company during the financial year, which the Committee has reviewed as to provide compliance with the regulations governing listed entities, through a process of independent views.

Composition

The Related Party Transactions Review Committee of Colombo Investment Trust PLC comprised of the following members,

Mr.A.M.de S. Jayaratne	- Chairman
	- Independent
	- Non-Executive Director
Dr.J.M.Swaminathan	- Independent
	- Non-Executive Director
Mr.S.Rajaratnam	- Non-Executive Director

The Company's Secretaries Corporate Managers & Secretaries (Pvt) Ltd function as the Secretaries to the Related Party Transactions Review Committee.

Meetings of the Committee

The Related Party Transactions Review Committee met on four occasions during the Financial Year under review and the attendance was as follows:

Mr.A.M.de S.Jayaratne	4/4
Dr.J.M.Swaminathan	4/4
Mr.S.Rajaratnam	1/4

The representatives of the Managers, Corporate Managers & Secretaries (Pvt) Limited attended these meetings on the invitation of the Committee. The activities and views of the Committee have been communicated to the Board of Directors by tabling the minutes of the Committee Meetings at Meetings of the Board.

Policies and Procedures

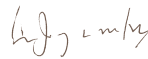
The Committee as part of its responsibility to review the Related Party/Entities Transactions, has identified the persons considered as "Related Parties". Declarations are obtained from each Director of the Company to identify such "Related Parties". Managers are requested to inform and obtain the approval prior to transactions being entered with such "Related Parties".

The Committee ensures that they have access to the terms and conditions of the proposed transactions and reviews all aspects and where necessary would obtain professional and expert advice from an appropriately qualified person and request the Board of Directors to approve the proposed transaction, where necessary. The Committee would further ensure that adequate and appropriate disclosures are made to the stakeholders.

Conclusion

The Related Party Transactions Review Committee has reviewed the Related Party Transactions entered into during the financial year under review and has communicated its comments and observations to the Board of Directors.

The Board of Directors has also declared in the Annual Report that there were no non-recurrent Related Party Transactions which exceeded the respective thresholds mentioned in Section 9 of Colombo Stock Exchange Listing Rules. The Board further declares that recurrent related party transactions have exceeded the respective threshold and are disclosed in Note 19 of the Financial Statements. The Company has thus complied with the requirements of Section 9 of the Colombo Stock Exchange Listing Rules on Related Party Transactions.



A.M.de S.Jayaratne

Chairman

Related Party Transactions Review Committee

Colombo
27th July 2020

Independent Auditors' Report



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

Tel : +94 - 11 542 6426
 Fax : +94 - 11 244 5872
 +94 - 11 244 6058
 Internet : www.kpmg.com/lk

TO THE SHAREHOLDERS OF COLOMBO INVESTMENT TRUST PLC

Report on the Audit of the Financial Statements Opinion

We have audited the financial statements of Colombo Investment Trust PLC ("the Company"), which comprise the Statement of Financial Position as at 31st March 2020, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a Summary of Significant Accounting Policies, and other explanatory information as set out on pages 24 to 54.

In our opinion, the accompanying Financial Statements give a true and fair view of the Financial Position of the Company as at 31st March 2020, and of its Financial Performance and its Cash Flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Carrying value of quoted investments

Refer Note 3.1 (significant accounting policy) and Note 10 (Notes to the Financial Statements).

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Nature and Area of Focus	Our Response
<p>The Company's quoted equity investment portfolio makes up 99% of total assets (by value) and is considered to be the key driver of the Company's capital and revenue performance.</p> <p>We do not consider these investments to be at high risk of significant misstatement, or to be subject to a significant level of judgment, because they comprise quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> documenting the processes in place to record investment transactions and to value the portfolio. agreeing the total valuation of the portfolio investments to externally quoted prices. agreeing the total portfolio investment holdings to independently received third party confirmations. assessing the adequacy of Financial Statement disclosure.

Independent Auditors' Report



Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors' Report



- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

KPMG
Chartered Accountants
 Colombo

27th July 2020

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March

	Note	2020 Rs. '000	2019 Rs. '000
Revenue	4	18,967	22,732
Cost of Investments disposed		(5,964)	(848)
Net change in Fair Value through Profit or Loss Financial Assets		398	(48,277)
Other Income	5	20	32
Administrative Expenses		(3,398)	(3,512)
Impairment Expense/(Reversal) for Related Party Receivable		634	(37)
Operating Profit/(Loss)		10,657	(29,910)
Finance Income		3,943	4,409
Finance Costs		(3,405)	(4,182)
Net Finance Income	6	538	227
Profit/(Loss) before Tax	7	11,195	(29,683)
Income Tax Expenses	8.1	-	-
Profit/(Loss) for the Year		11,195	(29,683)
Other Comprehensive Income/(Expense)			
Items that will not be reclassified to Profit or Loss			
Financial Assets at Fair Value through Other Comprehensive Income - Net change in Fair Value		(296,869)	(176,426)
Financial Assets at Fair Value through Other Comprehensive Income - Reclassified to Equity		(1,031)	(597)
Financial Assets at Fair Value through Other Comprehensive Income - Profit on Disposal		48	21
Total Other Comprehensive Expense		(297,852)	(177,002)
Total Comprehensive Expense		(286,657)	(206,685)
Earnings/(Loss) per Share	9.1	1.64	(4.34)

Notes on pages 28 to 54 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Financial Position

As at 31st March		2020	2019
	Note	Rs. '000	Rs. '000
ASSETS			
Non - Current Assets			
Financial Assets at Fair Value through Other Comprehensive Income	10.1	468,358	712,003
Total Non - Current Assets		468,358	712,003
Current Assets			
Financial Assets at Fair Value through Profit or Loss	10.2	208,835	208,169
Trade and Other Receivables	11	2,038	2,019
Amounts due from Related Companies	12	5,440	51,013
Cash and Cash Equivalents	13	997	316
Total Current Assets		217,310	261,517
Total Assets		685,668	973,520
EQUITY AND LIABILITIES			
Equity			
Stated Capital	14	187,431	179,373
Retained Earnings		210,614	206,398
FVOCI Reserve		260,073	557,973
Total Equity		658,118	943,744
Liabilities			
Current Liabilities			
Interest bearing Borrowings	15	3,000	6,000
Trade and Other Payables	16	24,319	23,526
Dividend Payable		195	214
Income Tax Payable		36	36
Total Current Liabilities		27,550	29,776
Total Liabilities		27,550	29,776
Total Equity and Liabilities		685,668	973,520
Net Assets per Share (Rs.)		96.17	137.91

Notes on pages 28 to 54 form an integral part of these Financial Statements.

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



M. V. M. Paulraj

Director

Corporate Managers & Secretaries (Pvt) Limited

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board of Directors of Colombo Investment Trust PLC.



S.D.R. Arudpragasam

Director

Colombo

27th July 2020



S. Shanmugalingam

Director

Statement of Changes in Equity

	Stated Capital Rs.'000	Retained Earnings Rs.'000	FVOCI Reserve Rs.'000	Total Equity Rs.'000
Balance as at 01st April 2018	171,467	243,369	734,995	1,149,831
Loss for the year	-	(29,683)	-	(29,683)
Other Comprehensive Expense	-	-	(176,425)	(176,425)
Scrip Dividend	7,906	(7,906)	-	-
Financial Assets at Fair Value through Other Comprehensive Income, Reclassified to Equity	-	597	(597)	-
Financial Assets at Fair Value through Other Comprehensive Income, Profit on disposal	-	21	-	21
Balance as at 31st March 2019	179,373	206,398	557,973	943,744
Profit for the year	-	11,195	-	11,195
Other Comprehensive Expense	-	-	(296,869)	(296,869)
Scrip Dividend	8,058	(8,058)	-	-
Financial Assets at Fair Value through Other Comprehensive Income, Reclassified to Equity	-	1,031	(1,031)	-
Financial Assets at Fair Value through Other Comprehensive Income, Profit on Disposal	-	48	-	48
Balance as at 31st March 2020	187,431	210,614	260,073	658,118

Notes on pages 28 to 54 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Cash Flows

For the year ended 31st March

	Note	2020 Rs. '000	2019 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES			
Dividend Received		6,605	10,411
Payments to Service Providers		(2,462)	(3,495)
Acquisition of Investments		(50,000)	(590)
Settlement to Broker		-	(1,293)
Proceeds from Disposal of Investments		33	-
Receipt of Current Account Balances		17,150	1,000
Income Tax paid		-	(185)
Overdraft Interest		(38)	-
Interest paid		(620)	(3,526)
Net Cash (used in)/generated from Operating Activities		(29,332)	2,322
CASH FLOW FROM INVESTING ACTIVITIES			
Interest Received		-	179
Settlement of Loan		33,000	-
Net Cash generated from Investing Activities		33,000	179
CASH FLOW FROM FINANCING ACTIVITIES			
Movement in Fractional Share proceeds		13	5
Dividend Paid		-	-
Loan Repayment		(3,000)	(6,000)
Net Cash used in Financing Activities		(2,987)	(5,995)
Net increase/(decrease) in Cash and Cash Equivalents		681	(3,494)
Cash and Cash Equivalents at the beginning of the Year	13	316	3,810
Cash and Cash Equivalents at the end of the Year	13	997	316

Notes on pages 28 to 54 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1 REPORTING ENTITY

Colombo Investment Trust PLC, is a Quoted Public Company with limited liability incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The Company's registered office is situated at 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1.

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

The Company does not employ any staff. All staff related services are provided by Corporate Managers & Secretaries (Pvt) Limited.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company comprise the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows together with the Accounting Policies and Notes to the Financial Statements. The Financial Statements have been prepared in accordance Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CASri Lanka) and the requirements of the Companies Act No.7 of 2007.

The Financial Statements were authorised for issue by the Board of Directors on 27th July 2020.

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis, except for the following material items in the Statement of Financial Position.

* *Financial assets at fair value through profit or loss investments (in quoted equity instruments) which are measured at fair value.*

* *Fair value through Other Comprehensive Income financial assets which are measured at fair value.*

2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional currency, rounded to the nearest thousand, unless otherwise stated.

2.4 Use of Estimates and Judgments

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

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

2.4.1 Impact of COVID 19 Pandemic

The ongoing COVID-19 pandemic has increased the uncertainties of estimates used in the preparation of these financial statements.

These estimation uncertainties are associated with:

- The extent and the duration of the disruption to business due to the spread of virus.
- The extent and duration of the expected economic downturn and the duration taken for the global economy to recover from the downturn.
- The effectiveness of the measurement taken by the authorities to support business and consumers through this disruption and economic downturn.

The impact of the COVID-19 pandemic on accounting estimates is discussed under the relevant notes to these financial statements.

Notes to the Financial Statements

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, is provided below.

2.4.2 Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an appropriate interest rate to discount them. Management makes certain assumptions based on their judgment in forecasting future operating results.

2.4.3 Fair Value of Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.4.4 Going Concern

In preparing these financial statements, the management has assessed the existing and anticipated effect of COVID-19 on the company and the appropriateness of the use of going concern basis of preparation giving special attention to highly impacted areas.

Having evaluated the future outlook of the company, the Directors are satisfied that the company has adequate resources to continue its operation at least, but not limited to, 12 months from the reporting date, to justify adopting the going concern basis in preparing these financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

3.1 Financial Instruments

3.1.1 Financial Assets

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 Company becomes a party to the contractual provisions of the instrument.

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

Classification and Subsequent Measurement of Financial Assets

On initial recognition, financial assets are classified as amortised cost; FVOCI (Fair value through OCI) debt investment; FVOCI - equity investment; or FVTPL.

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

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

- *it is held within a business model whose objective is to hold assets to collect contractual cash flows; and*

Notes to the Financial Statements

- *its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.*

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

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company 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.

Re-classification of Financial Assets

Re-classification of financial assets is required if the Company changes its business model for managing those financial assets. Re-classification is applied prospectively from the date of the re-classification.

De-recognition of Financial Assets

On de-recognition of a financial asset in its entirety, the difference between: The carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be

recognized in profit or loss, except for financial asset measurement FVOCI.

Impairment

Financial Instruments and Contract Assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on:

- *financial assets measured at amortised cost;*
- *debt investments measured at FVOCI; and*

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- *debt securities that are determined to have low credit risk at the reporting date; and*
- *other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.*

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- *the borrower is unlikely to pay its credit*

Notes to the Financial Statements

obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or

- *the financial asset is more than 90 days past due.*

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

12-month ECLs are the portion of ECLs that result from default events that are possible within 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 Company is exposed to credit risk.

Measurement of ECLs

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

Presentation of Allowance for ECL in the Statement of Financial Position.

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

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

3.1.2 Financial Liabilities

Financial Liabilities are initially recognised only when Company becomes a party to the contractual provisions of the financial instrument. All financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade and other payables. After initial recognition,

interest-bearing loans and borrowings are subsequently measured at amortised cost. A financial liability is derecognized only when it is extinguished - i.e. when the obligation specified in the contract is discharged or cancelled or expires.

3.2 Stated Capital

Ordinary Shares

Ordinary shares are classified as equity. As per the Companies Act No. 07 of 2007, Section 58(1), Stated Capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of calls on arrears.

3.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

3.4 Provisions

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

3.5 Employee Benefits

The Company does not employ any staff. All operational services are provided by Corporate Managers & Secretaries (Pvt) Limited.

3.6 Revenue Recognition

Revenue represents dividend income and proceeds from disposal of investments recognized on an accrual basis.

a) Dividend Income

Dividend Income is recognized in the Statement of Profit or Loss when the right to receive such dividend is established.

Notes to the Financial Statements

b) Proceeds from Sale of Shares

Proceeds from sale of shares are recognized on an accrual basis.

c) Interest Income

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in the Statement of Profit or Loss, using the effective interest method.

3.7 Expenses

All expenditure incurred in the running of the business has been charged to revenue in arriving at the profit and loss for the year. For the purpose of presentation of the Income Statement, the Directors are of the view that "function of expense method" fairly presents the elements of the Company's performance, hence such presentation method is adopted.

Finance costs

Finance costs comprise interest expense on borrowings and interest on margin trading.

3.8 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in the Statement of Profit or Loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the Reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax provision is based on the expected manner of realization or settlement of the carrying amount of assets

and liabilities, using tax rates enacted or substantively enacted at the Reporting date.

Deferred tax assets relating to the carried forward unused tax losses are recognized to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. Deferred tax assets are reviewed at the Reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

Additional income taxes that arise from the distribution of dividends are recognized, at the same time as the liability to pay the related dividend is recognized.

3.9 Statement of Cash Flows

The Statement of Cash Flows has been presented using the "Direct Method" of preparing cash flows in accordance with Sri Lanka Accounting Standard LKAS 7- "Statement of Cash Flows".

3.10 Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or service (business segment), or in providing products and services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. However, there are no distinguishable components to be identified as segments of the Company which is subject to different risks and rewards.

Notes to the Financial Statements

3.11 Financial Risk Management Policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has loan and borrowing, trade and other receivables, and cash that arrive directly from its operations. The Company also holds fair value through OCI and fair value through profit or loss investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Board monitors these risks. The Company's financial risk-taking activities are governed by appropriate policies and procedures and the financial risks are identified, measured and managed in accordance with company policies and the Company's risk appetite.

3.12 Dividend Distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the dividends are approved by the Company's shareholders.

3.13 Earnings/(Loss) per share

The Company presents basic earnings/ (loss) 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 average number of ordinary shares outstanding during the period.

3.14 Events after the Reporting Period

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

3.15 Comparative figures

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amounts reported in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter- period comparability.

3.16 Commitments and contingencies

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Company's control.

3.17 Directors responsibilities

Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

3.18 New Accounting Standards Implemented during the year

SLFRS 16-Leases and a number of other amendments and interpretations to the standards are effective from 01 April 2019 but they do not have a material effect on the Financial Statements of the Company.

3.19 New and amended standards issued but not effective as at the reporting date

The Institute of Chartered Accountants of Sri Lanka has issued number of new Sri Lanka Accounting Standards (SLFRSs/LKASs) and amendments that are effective for annual periods beginning after the current financial year. Accordingly, these standards have not been applied in preparing these financial statements and the Company plans to apply these standards if applicable as and when they become effective.

Company does not expect the following new Accounting standards, amendments and interpretations that will become effective for future accounting periods will have a significant impact on the financial statements.

Notes to the Financial Statements

- Amendments to references to conceptual framework in Sri Lanka Financial Reporting Standards.
- The amendments to LKAS 1 "Presentation of Financial Statements" and LKAS 8 "Accounting policies, Changes in accounting Estimates and Errors" align the definition of "material" across the standard and clarify certain aspects of the definition. The new definition states that, "information is material if omitting or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments are applied prospectively for the annual periods beginning on or after 1st January 2020 with early application permitted.

Notes to the Financial Statements

For the year ended 31st March

4 Revenue

	2020 Rs.'000	2019 Rs.'000
Dividend Income - Related Parties	5,009	11,444
- Others	8,030	10,380
Proceeds from Disposal of Investments	5,928	907
Sale of Fractional Bonus Shares	-	1
	18,967	22,732

5 Other Income

Write back of Unclaimed Dividends	20	32
	20	32

6 Net Finance Income

Interest Income - The Colombo Fort Land & Building PLC	3,943	4,222
- Fixed Deposits (Commercial Bank of Ceylon PLC)	-	187
	3,943	4,409
Finance Costs - Interest on Long Term Loan	(620)	(1,390)
- Interest on Margin Trading	(2,747)	(2,792)
- Overdraft Interest	(38)	-
	(3,405)	(4,182)
	538	227

7 Profit/(Loss) before Tax

Is stated after charging all expenses including the following :

Auditors' Fees - Statutory Audit	297	297
- Audit Related Service	55	55
- Non Audit Service	95	86
Directors' Fees	360	360
Audit Committee Fees	90	90
Secretarial Fees and Registrars Fees	882	929

8 Income Tax Expenses

8.1 Current Tax Expenses

Taxation on Profits for the Year (Note 8.2)	-	-
	-	-

Notes to the Financial Statements

For the year ended 31st March

8.2 Reconciliation between Accounting Profit/(Loss) and Taxable Income

	2020 Rs.'000	2019 Rs.'000
Accounting Profit/(Loss) before Tax	11,195	(29,683)
Aggregate Disallowable Items	7,496	52,640
Aggregate Allowable Items	(13,435)	(32)
Profits and Income Exempt from Income Tax	(655)	(60)
Income not forming part of Total Statutory Income	-	(21,824)
Tax Loss Utilized	(4,601)	(1,041)
Taxable Income	-	-
Taxation on Profits for the Year	-	-

8.3 Accumulated Tax Losses

Tax Loss Brought Forward	26,338	27,303
Adjustment to Tax Loss Brought Forward	100	76
Tax Loss Utilized	(4,601)	(1,041)
Tax Loss Carried Forward	21,837	26,338

In accordance with the provisions of the Inland Revenue Act No. 24 of 2017, the Company is liable to income tax at 28% (2019 - 28%).

As per the Notice issued by the Inland Revenue Department on 06.05.2020 (Notice PN/IT/2020-03) (Revised) Implementation of proposed changes to the Inland Revenue Act No. 24 of 2017, the Company is liable to income tax at 24% and Dividend Income received from a resident company is liable to income tax at 14% w.e.f. 01.01.2020.

8.4 Deferred Taxation

For the year ended 31st March

	2020		2019	
	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000
Tax Loss carried forward	(21,837)	(6,114)	(26,338)	(7,375)

Deferred tax assets have not been recognised in respect of the tax loss carried forward because it is not probable that future taxable profits will be available against which the Company can utilize the benefits therefrom.

Notes to the Financial Statements

9 Earnings/(Loss) per Share and Dividend per Share

9.1 Earnings/(Loss) per Share

The calculation of earnings/(loss) per share is based on the profit/(loss) attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the year and is calculated as follows,

For the year ended 31st March	2020	2019
Profit/(Loss) attributable to Ordinary Shareholders (Rs.'000)	11,195	(29,683)
Weighted Average Number of Ordinary Shares (No.'000) [Note.9.1.1]	6,843	6,843
Earnings/(Loss) per Share (Rs.)	1.64	(4.34)
9.1.1 Weighted Average Number of Ordinary Shares		
Number of Shares in issue as at beginning of the Year (No.'000)	6,715	6,715
Number of Shares issued due to Scrip Dividend (No.'000)	128	128
Weighted Average Number of Shares as at end of the Year (No.'000)	6,843	<u>6,843</u>

9.2 Dilutive earnings per share

There were no potentially dilutive ordinary shares outstanding at any time during the year, hence diluted earnings per share is equal to the basic earnings per share.

For the year ended 31st March	2020	2019
9.3 Dividend per Share		
First & Final Dividend paid per Share (Rs.'000)	-	8,058
Number of Ordinary Shares entitled for Dividend (No.'000)	-	6,715
Dividend per Share (Rs.)	-	1.20

Notes to the Financial Statements

As at 31st March		2020	2019
		Rs.'000	Rs.'000
10	Investments		
10.1	Financial Assets at Fair Value through Other Comprehensive Income		
	Investments in Quoted - Non-Related Companies	- (Note 10.1.1)	192,575
	Investments in Quoted - Related Companies	- (Note 10.1.2)	518,535
		132,806	711,110
	Investments in Unquoted - Non-Related Companies	- (Note 10.1.3)	242
	Investments in Unquoted - Related Companies	- (Note 10.1.4)	501
	Investments in Unit Trust	- (Note 10.1.5)	148
	Investments in Debentures	- (Note 10.1.6)	2
		203	712,003
		501	
		128	
		2	
		468,358	

10.1.1 Investments in Quoted - Non-Related Companies

As at 31st March	2020			2019		
	No. of Shares	Fair Value Rs.'000	Cost Rs.'000	No. of Shares	Fair Value Rs.'000	Cost Rs.'000
BANKS						
Commercial Bank of Ceylon PLC - Voting	733,513	44,084	27,176	721,877	71,249	25,935
Commercial Bank of Ceylon PLC - Non Voting	1,880	110	81	1,845	155	77
DFCC Bank PLC	6,000	364	151	6,000	420	151
		<u>44,558</u>	<u>27,408</u>		<u>71,824</u>	<u>26,163</u>
CAPITAL GOODS						
Aitken Spence PLC	25,275	776	98	25,275	1,036	98
Hayleys PLC	3,000	371	118	3,000	504	118
John Keells Holdings PLC	11,418	1,317	682	11,418	1,781	682
		<u>2,464</u>	<u>898</u>		<u>3,321</u>	<u>898</u>
FOOD BEVERAGE & TOBACCO						
Ceylon Cold Stores PLC	26,296	17,224	239	26,296	15,120	239
Ceylon Tobacco Company PLC	4,038	4,038	47	4,038	5,411	47
Nestle Lanka PLC	50,904	51,479	313	50,904	82,699	313
		<u>72,741</u>	<u>599</u>		<u>103,230</u>	<u>599</u>
MATERIALS						
Chevron Lubricants Lanka PLC	10,000	535	177	10,000	626	177
CIC Holdings PLC - Voting	157,850	5,525	1,555	157,850	6,077	1,555
Union Chemicals Lanka PLC	6,400	2,560	113	6,400	2,560	113
		<u>8,620</u>	<u>1,845</u>		<u>9,263</u>	<u>1,845</u>
RETAILING						
John Keells PLC	102,848	4,423	68	102,848	4,937	68
		<u>4,423</u>	<u>68</u>		<u>4,937</u>	<u>68</u>
Total		132,806	30,818		192,575	29,573

Notes to the Financial Statements

10.1.2 Investments in Quoted - Related Companies

As at 31st March	2020		2019			
	No. of Shares	Fair Value Rs.'000	Cost Rs.'000	No. of Shares	Fair Value Rs.'000	Cost Rs.'000
Beruwala Resorts PLC	3,000,000	1,800	2,760	2,537,575	1,523	2,288
C M Holdings PLC	317,718	13,503	30,243	285,000	10,288	28,426
E B Creasy & Company PLC	105,410	86,109	2,309	105,410	157,061	2,309
Kotagala Plantations PLC	57,000	285	793	57,000	399	793
Lankem Ceylon PLC	270,000	4,617	13,148	270,000	5,940	13,148
Lankem Developments PLC	20,040	30	335	20,040	68	335
Marawila Resorts PLC	898,200	988	2,709	898,200	1,437	2,709
Muller and Phipps (Ceylon) PLC	90,000	54	124	600,000	360	932
Sigiriya Village Hotels PLC	44,550	1,172	322	44,550	2,080	322
The Colombo Fort Land & Building PLC	30,112,969	225,847	119,121	25,112,969	339,025	69,121
York Arcade Holdings PLC	5,043	313	480	5,043	354	480
		<u>334,718</u>	<u>172,344</u>		<u>518,535</u>	<u>120,863</u>

10.1.3 Investments in Unquoted - Non-Related Companies

Bartleet Transcapital Limited	10,000	203	200	10,000	242	200
		<u>203</u>	<u>200</u>		<u>242</u>	<u>200</u>

10.1.4 Investments in Unquoted - Related Companies

Agarapatana Plantations Limited	250,000	501	501	250,000	501	501
Capital Leasing Co. Limited	150,000	1,500	1,500	150,000	1,500	1,500
Imperial Hotels Limited	625	125	125	625	125	125
		<u>2,126</u>	<u>2,126</u>		<u>2,126</u>	<u>2,126</u>
Provision for Impairment		(1,625)	-		(1,625)	-
		<u>501</u>	<u>2,126</u>		<u>501</u>	<u>2,126</u>

10.1.5 Investments in Unit Trust

National Equity Fund	6,000	128	60	6,000	148	60
		<u>128</u>	<u>60</u>		<u>148</u>	<u>60</u>

10.1.6 Investments in Debentures

Vanik Incorporation Limited 15% Debentures @ Rs. 100/-	24	2	2	24	2	2
		<u>2</u>	<u>2</u>		<u>2</u>	<u>2</u>

Total Net Carrying Value of Investments		<u>468,358</u>	<u>205,550</u>		<u>712,003</u>	<u>152,824</u>
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10.1.7 Investments disposed during the Year

Name of the Company	No. of Shares	Fair Value as at date of Disposal Rs.'000	Cumulative Gain on Disposal Rs.'000
Beruwala Resorts PLC	37,575	19	7
Muller and Phipps (Ceylon) PLC	510,000	324	41

The above shares were disposed in order to manage cash flow deficits.

Notes to the Financial Statements

As at 31st March

10.2 Financial Assets at fair value through Profit or Loss

	2020 Rs.'000	2019 Rs.'000
Investments in Quoted - Non-Related Companies - (Note 10.2.1)	52,490	58,443
Investments in Quoted - Related Companies - (Note 10.2.2)	156,338	149,714
Investments in Unquoted - Non-Related Companies - (Note 10.2.3)	7	12
	208,835	208,169

10.2.1 Investments in Quoted - Non-Related Companies

As at 31st March

	2020			2019		
	No. of Shares	Fair Value Rs.'000	Cost Rs.'000	No. of Shares	Fair Value Rs.'000	Cost Rs.'000
AUTOMOBILES & COMPONENTS						
Kelani Tyres PLC	2,160	71	23	2,160	67	23
		<u>71</u>	<u>23</u>		<u>67</u>	<u>23</u>
BANKS						
National Development Bank PLC	3,206	212	147	3,057	288	132
Nations Trust Bank PLC	20,021	1,265	451	20,021	1,800	451
Sampath Bank PLC	13,461	1,602	1,653	12,930	2,329	1,528
Seylan Bank PLC - Voting	142	5	7	105	6	5
Seylan Bank PLC - Non Voting	150	3	3	109	4	2
Union Bank of Colombo PLC	200	2	5	200	2	5
		<u>3,089</u>	<u>2,266</u>		<u>4,429</u>	<u>2,123</u>
CAPITAL GOODS						
Hemas Holdings PLC	777	44	16	777	58	16
Lanka Walltiles PLC	4,830	198	125	4,830	290	125
Royal Ceramics Lanka PLC	434	24	6	434	26	6
Sierra Cables PLC	1,900	4	6	1,900	3	6
Vallibel One PLC	1,600	19	40	1,600	23	40
		<u>289</u>	<u>193</u>		<u>400</u>	<u>193</u>
COMMERCIAL & PROFESSIONAL SERVICES						
Gestetner of Ceylon PLC	225	20	31	225	20	31
		<u>20</u>	<u>31</u>		<u>20</u>	<u>31</u>
CONSUMER DURABLES & APPAREL						
Blue Diamonds Jewellery Worldwide PLC	1,000	1	4	1,000	1	4
Dankotuwa Porcelain PLC	12,375	56	159	12,375	65	159
Hayleys Fabric PLC	6,000	52	263	6,000	51	263
Hayleys Fibre PLC	5,758	501	317	5,758	493	317
Regnis (Lanka) PLC	1,242	74	12	1,242	78	12
Singer Industries (Ceylon) PLC	431	27	5	431	25	5
Teejay Lanka PLC	25,000	582	459	25,000	760	459
		<u>1,293</u>	<u>1,219</u>		<u>1,473</u>	<u>1,219</u>

Notes to the Financial Statements

10.2.1 Investments in Quoted - Non-Related Companies (Contd...)

As at 31st March

	2020			2019		
	No. of Shares	Fair Value Rs.'000	Cost Rs.'000	No. of Shares	Fair Value Rs.'000	Cost Rs.'000
CONSUMER SERVICES						
Eden Hotel Lanka PLC	565	9	6	565	8	6
Renuka City Hotel PLC	525	100	13	525	131	13
Royal Palms Beach Hotels PLC	375	5	4	375	6	4
Serendib Hotels PLC - Voting	80,000	1,688	102	80,000	1,272	102
Serendib Hotels PLC - Non Voting	50,000	550	389	50,000	630	389
Tal Lanka Hotels PLC	1,550	12	7	1,550	15	7
The Nuwara Eliya Hotels Company PLC	29	24	39	29	36	39
		<u>2,388</u>	<u>560</u>		<u>2,098</u>	<u>560</u>
DIVERSIFIED FINANCIALS						
Asia Capital PLC	1,550	7	42	1,550	9	42
Ceylon Investment PLC	209,102	6,085	1,083	209,102	7,632	1,083
LOLC Holdings PLC	30,840	2,800	20	30,840	2,742	20
Lanka Ventures PLC	300	11	6	300	12	6
Merchant Bank of Sri Lanka & Finance PLC	11,500	64	137	11,500	120	137
Nation Lanka Finance PLC	861	1	8	861	1	8
People's Leasing & Finance PLC	11,333	138	206	11,000	147	201
People's Merchant Finance PLC	1,500	13	25	1,500	14	25
Singer Finance (Lanka) PLC	2,500	22	32	2,500	31	32
The Finance Company PLC	140	-	11	140	-	11
		<u>9,141</u>	<u>1,570</u>		<u>10,708</u>	<u>1,565</u>
ENERGY						
Lanka IOC PLC	18,353	290	495	18,353	319	495
Laugfs Gas PLC	1,000	9	23	1,000	17	23
		<u>299</u>	<u>518</u>		<u>336</u>	<u>518</u>
FOOD & STAPLES RETAILING						
C T Holdings PLC	1,210	194	253	1,210	197	253
Cargills (Ceylon) PLC	2,857	486	536	2,857	572	536
		<u>680</u>	<u>789</u>		<u>769</u>	<u>789</u>

Notes to the Financial Statements

10.2.1 Investments in Quoted - Non-Related Companies (Contd...)

As at 31st March

	2020			2019		
	No. of	Fair	Cost	No. of	Fair	Cost
	Shares	Value	Rs.'000	Shares	Value	Rs.'000
FOOD BEVERAGE & TOBACCO						
Bairaha Farms PLC	300	24	8	300	34	8
Balangoda Plantations PLC	100	1	2	100	1	2
Browns Investments PLC	22,000	42	55	11,000	37	55
Carson Cumberbatch PLC	26,710	4,140	505	26,710	4,274	505
Ceylon Beverage Holdings PLC	1,800	1,440	161	1,800	1,485	161
Hapugastenne Plantations PLC	100	1	1	100	2	1
Hatton Plantations PLC	10,000	42	76	10,000	67	76
HVA Foods PLC	1,800	3	29	1,800	5	29
Kahawatte Plantations PLC	165	6	2	165	6	2
Keells Food Products PLC	2,283	247	72	2,283	285	72
Lanka Milk Foods (CWE) PLC	2,822	209	131	2,822	310	131
Lion Brewery Ceylon PLC	6,000	3,120	301	6,000	3,330	301
Maskeliya Plantations PLC	800	5	12	800	9	12
Madulsima Plantations PLC	100	1	1	100	1	1
Namunukula Plantations PLC	1,000	78	15	1,000	64	15
Renuka Agri Foods PLC	800	11	10	800	11	10
Three Acre Farms PLC	600	48	18	600	59	18
Udapussellawa Plantations PLC	100	2	1	100	3	1
Watawala Plantations PLC	8,430	169	15	8,333	154	13
		<u>9,589</u>	<u>1,415</u>		<u>10,137</u>	<u>1,413</u>
HEALTH CARE EQUIPMENT & SERVICES						
The Lanka Hospital Corporation PLC	500	14	8	500	22	8
		<u>14</u>	<u>8</u>		<u>22</u>	<u>8</u>
INSURANCE						
Ceylinco Insurance PLC	11,024	19,568	157	11,024	23,410	157
HNB Assurance PLC	17,000	2,057	287	17,000	1,967	287
Janashakthi Insurance Company PLC	4,000	91	48	4,000	106	48
People's Insurance PLC	14,600	250	219	14,600	288	219
		<u>21,966</u>	<u>711</u>		<u>25,771</u>	<u>711</u>
MATERIALS						
ACL Plastics PLC	300	34	12	300	24	12
Acme Printing & Packaging PLC	638,738	1,725	2,830	10,000	35	60
Bogala Graphite Lanka PLC	600	6	3	600	7	3
CIC Holdings PLC - Non Voting	75	2	1	75	2	1
Dipped Products PLC	1,352	77	5	1,352	105	5
Piramal Glass Ceylon PLC	120,000	396	483	120,000	420	483
Richard Pieries Exports PLC	100	19	5	100	21	5
		<u>2,259</u>	<u>3,339</u>		<u>614</u>	<u>569</u>

Notes to the Financial Statements

10.2.1 Investments in Quoted - Non-Related Companies (Contd...)

As at 31st March

	No. of Shares	2020 Fair Value Rs.'000	Cost Rs.'000	No. of Shares	2019 Fair Value Rs.'000	Cost Rs.'000
REAL ESTATE						
C T Land Development PLC	3,527	72	13	3,527	100	13
Lee Hedges PLC	125	8	1	125	9	1
Seylan Developments PLC	1,000	10	12	1,000	10	12
Serendib Land PLC	642	756	188	642	834	188
		<u>846</u>	<u>214</u>		<u>953</u>	<u>214</u>
RETAILING						
RIL Property PLC	6,666	27	53	6,666	43	53
Singer (Sri Lanka) PLC	1,000	20	3	1,000	25	3
Sathosa Motors PLC	232	60	8	232	106	8
United Motors Lanka PLC	1,650	75	157	1,650	110	157
		<u>182</u>	<u>221</u>		<u>284</u>	<u>221</u>
TELECOMMUNICATION SERVICES						
Dialog Axiata PLC	11,830	100	156	11,830	108	156
		<u>100</u>	<u>156</u>		<u>108</u>	<u>156</u>
UTILITIES						
Laugfs Power PLC	1,000	3	5	-	-	-
Panasian Power PLC	20,000	50	60	20,000	60	60
Resus Energy PLC	10,474	211	215	10,474	194	215
		<u>264</u>	<u>280</u>		<u>254</u>	<u>275</u>
Total		<u>52,490</u>	<u>13,513</u>		<u>58,443</u>	<u>10,588</u>

10.2.2 Investments in Quoted - Related Companies

Colombo Fort Investments PLC	2,731,229	150,218	113,334	2,775,398	139,325	114,402
C. W. Mackie PLC	12,500	485	668	12,500	505	668
Lankem Developments PLC	1,949,560	2,924	12,645	1,939,560	6,594	12,609
Laxapana Batteries PLC	304,600	2,711	2,116	304,600	3,290	2,116
		<u>156,338</u>	<u>128,763</u>		<u>149,714</u>	<u>129,795</u>

10.2.3 Investments in UnQuoted - Non Related Companies

LAUGFS Leisure Ltd	1,000	6	-	1,000	6	-
LAUGFS Power Ltd	-	-	-	1,000	5	-
LAUGFS Eco Sri (Pvt) Ltd	1,000	1	-	1,000	1	-
		<u>7</u>	<u>-</u>		<u>12</u>	<u>-</u>
Total net carrying value of investments		<u>208,835</u>	<u>142,276</u>		<u>208,169</u>	<u>140,383</u>

10.3 Disclosure of Interest in Other Entities

The Company holds 39.53% of the voting rights (2019 – 41.04%) of Colombo Fort Investments PLC (CFIP). This investment in CFIP is held under trading portfolio and classified as Financial Asset at Fair Value through Profit or Loss in accordance with SLFRS 9 (Financial Instruments) based on the exemptions provided in LKAS 28 (Investments in Associates and Joint Ventures) considering the nature and extent of entity's investment activities and entity's organization and its relationship with its investees.

Notes to the Financial Statements

As at 31st March		2020	2019
		Rs. '000	Rs. '000
11	Trade and Other Receivables		
	Dividend Receivables - Others	1,948	1,921
	Other Receivables	81	88
	Withholding Tax	9	10
		<u>2,038</u>	<u>2,019</u>
12	Amounts due from Related Companies		
	The Colombo Fort Land & Building PLC		
	- Interest bearing Receivable	-	33,000
	- Non - Interest bearing Receivable	5,503	18,710
	Provision for Impairment	(63)	(697)
		<u>5,440</u>	<u>51,013</u>
	The above amounts due from related parties are receivable "on demand" and interest is charged at AWPLR + 2% on interest bearing receivables.		
13	Cash and Cash Equivalents		
	Cash at Bank	997	316
	Cash and Cash Equivalents for the purpose of Cash Flow	997	316
14	Stated Capital		
	Issued and Fully Paid Shares		
	At the beginning of the year - 6,715,137 Ordinary Shares (2019: 6,588,636)	179,373	171,467
	Scrip Dividend	8,058	7,906
	At the end of the year - 6,843,044 Ordinary Shares (2019: 6,715,137)	<u>187,431</u>	<u>179,373</u>

During the year, with the approval of the shareholders, the Company paid a First & Final dividend of Rs. 1.20 per Ordinary Share, in the form of a Scrip dividend for the year ended 31st March 2019 amounting to Rs. 8,058,164.40. Accordingly the Company issued 127,907 Ordinary Shares in the ratio of 1 share for every 52.5001524545 existing shares at a value of Rs. 63.00 per share.

Notes to the Financial Statements

As at 31st March		2020	2019
		Rs. '000	Rs. '000
15 Interest bearing Borrowings			
Loan			
At the beginning of the Year		6,000	12,000
Repayment during the Year		(3,000)	(6,000)
Balance as the Year end		3,000	6,000
Loan Repayable within One Year		3,000	6,000

15.1 Terms and Conditions of the Loan

Lender	Carrying Value 31.03.2020 Rs.Million	Carrying Value 31.03.2019 Rs.Million	Repayment	Interest Rate
Commercial Bank of Ceylon PLC	3.0	6.0	To be paid over a period of 5 years in two bi-annual installments of Rs.3 Mn each in March and September each year	AWPLR+1.5%p.a.

15.2 Securities

Primary Mortgage Bond executed for Rs. 30Mn over the following shares owned by the Company lodged in a slash account opened through the Bank on the Central Depository Systems (Pvt) Ltd in the name of Commercial Bank of Ceylon PLC/Colombo Investment Trust PLC.

Company	Shares
CIC Holdings PLC	157,000
Ceylinco Insurance PLC	11,000
Aitken Spence PLC	25,000
John Keells Holdings PLC	9,142
John Keells PLC	102,000
LOLC Holdings PLC	30,000
E. B. Creasy & Company PLC	30,000

Notes to the Financial Statements

As at 31st March		2020	2019
		Rs.'000	Rs.'000
16	Trade and Other Payables		
	Trade Payables		
	Acuity Partners (Pvt) Ltd	21,607	20,600
	Asha Phillip Securities Ltd	1,356	2,483
	Other Payables		
	Accrued Expenses	1,356	443
		<u>24,319</u>	<u>23,526</u>

16.1 Margin Trading Facility

The Company has entered into a Margin Trading Facility with Acuity Partners (Pvt) Limited for Rs. 25 Mn. with effect from 3rd November 2016 at an Interest rate of 12.80%.

The undermentioned shares of the Company have been offered as security.

Company	Shares
Commercial Bank of Ceylon PLC	322,988
Ceylon Tobacco Company PLC	3,000
Ceylon Cold Stores PLC	18,000
Chevron Lubricants Lanka PLC	9,000
Ceylon Investment PLC	200,000
Lankem Ceylon PLC	225,000
Lankem Developments PLC	1,819,600

17 Capital Commitments

There were no material capital commitments as at 31st March 2020.

18 Contingent Liabilities

There were no material contingent liabilities as at 31st March 2020 .

19 Related Party Disclosures

(a) Parent and Ultimate Controlling Party

The Company does not have an identifiable parent on its own.

(b) Transactions with Key Management Personnel

(i) Key Management Personnel

Key Management Personnel comprise the members of the Board of Directors of the Company.

(ii) Loans to Directors

No loans have been given to the Directors of the Company.

(iii) Key Management Personnel Compensation

Details of compensation are given in Note 7 to the Financial Statements.

(iv) Other Transactions with Key Management Personnel

Details of Director's shareholding are given on page 16 of this Annual Report.

There were no other transactions with Key Management Personnel other than those disclosed in Note 19 to these Financial Statements.

(c) Terms and Conditions of Transactions with Related Parties

Transactions with Related Parties are carried out in the ordinary course of business on an arm's length basis. Related Party balances at the year end are unsecured and repayable on demand. Interest on balance transferred to interest bearing receivables are charged at the rate of AWPLR + 2%. There were no Guarantees received from or given to Related Parties during the Financial year.

Notes to the Financial Statements

(d) Transactions with Related Parties

Name of the Related Party	Names of Common Directors	Relationship	Nature of Transactions	Transaction Value	
				2020 Rs.'000	2019 Rs.'000
Beruwala Resorts PLC	Mr.S.D.R.Arudpragasam Mr.S.Rajaratnam	Related	Dividend income	-	34
			Purchase of shares	(506)	(1,215)
			Sale of shares	26	-
The Colombo Fort Land & Building PLC	Mr.A.Rajaratnam Mr.S.D.R.Arudpragasam Mr.A.M.de S.Jayarathne Mr.S.Rajaratnam	Related	Dividend income	-	3,774
			Dividend paid	(874)	(858)
			Transferred to interest bearing receivable	-	(3,000)
			Interest income - AWPLR + 2%	3,943	4,223
			Settlement of current account	17,150	-
			Settlement of loan account	33,000	1,000
			Purchase of shares	(50,000)	-
Sale of shares	-	756			
Colombo Fort Investments PLC	Mr.A.Rajaratnam Mr.S.D.R.Arudpragasam Mr.S.Shanmugalingam Mr.A.M.de S.Jayarathne Mr.S.Rajaratnam Dr.J.M.Swaminathan	Related	Dividend income	3,276	3,252
			Dividend paid	(2,160)	(2,119)
			Purchase of shares	(3,276)	(3,265)
			Sale of shares	5,928	-
C M Holdings PLC	Mr.A.Rajaratnam Mr.S.D.R.Arudpragasam Mr.A.M.de S.Jayarathne Mr.S.Rajaratnam Dr.J.M.Swaminathan	Related	Dividend income	542	568
			Purchase of shares	(1,817)	(41)
C. W. Mackie PLC	Mr.S.D.R.Arudpragasam Mr.A.M.de S.Jayarathne	Related	Dividend income	38	38
E. B. Creasy & Co. PLC	Mr.A.Rajaratnam Mr.S.D.R.Arudpragasam Mr.S.Rajaratnam Mr.A.M.de S.Jayarathne	Related	Dividend income	1,088	3,795
Kotagala Plantations PLC	Mr.A.Rajaratnam (Resigned w.e.f. 30.09.2019) Mr.S.D.R.Arudpragasam Mr.A.M.de S.Jayarathne	Related	Purchase of shares	-	(63)

Notes to the Financial Statements

(d) Transactions with Related Parties (Contd...)

Name of the Related Party	Names of Common Directors	Relationship	Nature of Transactions	Transaction Value	
				2020 Rs.'000	2019 Rs.'000
Laxapana Batteries PLC	Mr.S.D.R.Arudpragasam Mr.S.Rajaratnam	Related	Dividend income	65	-
Lankem Developments PLC	Mr.A.Rajaratnam (Resigned w.e.f. 20.06.2019) Mr.S.D.R.Arudpragasam	Related	Purchase of shares Sale of shares	(36) -	(31) 908
Muller & Phipps (Ceylon) PLC	Mr.S.D.R.Arudpragasam	Related	Sale of shares	365	-
York Arcade Holdings PLC	Mr.A.Rajaratnam Mr.S.D.R.Arudpragasam Mr.S.Shanmugalingam Mr.A.M.de S.Jayarathne Mr.S.Rajaratnam	Related	Purchase of shares	-	(91)

There were no related party transactions other than those disclosed above and in Notes 10, 11 and 12 to the Financial Statements. Unless otherwise stated, the transactions were made under normal commercial terms.

The Related Party Transactions Review Committee has reviewed the transactions mentioned above.

(e) Recurrent and Non-Recurrent Related Party Transactions

During the year there were no Non-Recurrent transactions which exceeded the disclosure threshold mentioned in Section 9 of the Colombo Stock Exchange Rules however the Recurrent transaction which exceeded the threshold is disclosed below.

Name of the Related Party	Relationship	Nature of Transaction	Aggregate Value of RPT* entered during the Financial Year Rs.'000	Aggregate Value of RPT* as a % of net Revenue/Income	Terms and Conditions of the/ RPT* Transaction
The Colombo Fort Land & Building PLC	Related	Interest received	3,943	20.80%	Interest received at the rate of AWPLR+2%

* RPT - Related Party Transaction.

Notes to the Financial Statements

20 Transaction with Managers and Secretaries

The Company's transactions with Corporate Managers & Secretaries (Pvt) Limited during the year were as follows.

For year ended 31st March	2020	2019
	Rs.'000	Rs.'000
Secretarial & Registrar's fees	882	929
Secondment of staff	722	760
Other expenses	127	132
Settlement of outstanding	(1,085)	(1,821)

All Secretarial and Accounting services are provided by Corporate Managers & Secretaries (Pvt) Limited.

21 Events after the Reporting Period

There were no events that occurred after the Reporting date which requires adjustments to or disclosure in the Financial Statements.

22 Financial Instruments

22.1 Financial Instruments - Statement of Financial Position

As at 31st March	2020	2019
	Rs.'000	Rs.'000
Financial Assets		
Financial Assets at fair value through Other Comprehensive Income		
Financial Assets including Derivatives - Non current	468,358	712,003
Financial Assets at fair value through profit or loss		
Financial Assets including Derivatives - Current	208,835	208,169
Total	677,193	920,172
Financial Assets at Amortised Cost		
Trade and Other Receivables	2,029	2,009
Amounts due from Related Companies	5,440	51,013
	7,469	53,022
Cash and Cash Equivalents	997	316
Total	8,466	53,338
Financial liabilities		
Other financial liabilities		
Interest bearing Borrowings	3,000	6,000
Other Payables	22,963	23,083
Dividend Payable	195	214
	26,158	29,297

Notes to the Financial Statements

22.2 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investments.

Exposure to credit Risk

The carrying amount of financial assets represents the risk at maximum credit exposure. The maximum exposure to credit as at the reporting date was :

As at 31st March

	2020 Rs.'000	2019 Rs.'000
Trade and Other Receivables	2,029	2,009
Amounts due from Related Companies	5,440	51,013
Cash and Cash Equivalents	997	316
	8,466	53,338

Amounts due from Related Companies

These balances represent amount receivable on demand. At company level these related party exposures are closely monitored to avoid any negative impact by way of credit risk. Management believes that there is no credit risk from the receivables from the related parties, except for the provisions made in the accounts.

Cash and cash equivalents

The Company limits its exposure to credit risk by investing only in liquid instruments with reputed banking Institutions. The Company also uses broad investment portfolios and limit investments with a single counterparty.

22.3 Impairment losses

The aging of trade and other receivables at the reporting date was as follows;

As at 31st March	2020		2019	
	Gross Rs.'000	Impairment Rs.'000	Gross Rs.'000	Impairment Rs.'000
Not past due	2,029	-	2,009	-
Past due 0-31 days	-	-	-	-
Past due 31-365 days	-	-	-	-
More than one year	-	-	-	-
	2,029	-	2,009	-

Based on historic default rates, the Company believes that, no impairment allowance is needed in respect of trade and other receivables and amounts due from related companies.

Amounts due from Related Companies

Company establishes an allowance for impairment that represents its estimate of expected losses in respect of Amounts due from Related Companies

Notes to the Financial Statements

The aging of amounts due from Related Party as at the reporting date was

As at 31st March	2020		2019	
	Gross	Impairment	Gross	Impairment
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Not past due	-	-	-	-
Past due 0-31 days	-	-	391	(5)
Past due 31-365 days	5,503	(63)	3,832	(52)
More than one year	-	-	47,487	(640)
	<u>5,503</u>	<u>(63)</u>	<u>51,710</u>	<u>(697)</u>

22.4 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

The Company closely monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

Non-derivative financial liabilities

As at 31st March 2020	Carrying amount Rs.'000	Contractual cash flows Rs.'000	12 months or less Rs.'000	1 - 2 years Rs.'000	2 - 5 years Rs.'000
Interest bearing Borrowings	3,000	(3,000)	(3,000)	-	-
Trade and Other Payables	22,963	(22,963)	(22,963)	-	-
Dividend Payable	195	(195)	(195)	-	-
	<u>26,158</u>	<u>(26,158)</u>	<u>(26,158)</u>	<u>-</u>	<u>-</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at a significantly different amount.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates will affect the Company'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 optimizing the return.

Notes to the Financial Statements

22.5 Currency Risk

At the reporting date the company was not exposed to currency risk.

22.6 Interest Rate Risk

At the reporting date the exposure towards interest rate risk was as follows;

As at 31st March	2020	2019
	Rs. '000	Rs. '000
Fixed Rate Instruments		
Financial Liabilities	21,607	20,600
Variable Rate Instruments		
Financial Assets	-	33,000
Financial Liabilities	(3,000)	(6,000)

Sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the profit before tax:

As at 31st March	2020	2019
	Rs.	Rs.
Variable rate instruments (1% decrease)	30,000	270,000
Variable rate instruments (1% increase)	(30,000)	(270,000)

22.7 Determination of Fair Value

This Note explains the methodology for valuing our financial assets and liabilities and provides an analysis of these according to a 'fair value hierarchy', determined by the market observability of valuation inputs.

22.7.1 Valuation Models

The Company measures fair values using the fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

22.7.2 Fair value Hierarchy

Assets and liabilities recorded at fair value in the Statement of Financial Position are measured and classified in accordance with a fair value hierarchy consisting of three "levels" based on the observability of inputs available in the market place used to measure the fair values as discussed below:

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

Level 2 : inputs other than quoted prices included within Level 1 that are observable 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).

Notes to the Financial Statements

22.7.3 Valuation methodologies of financial instruments measured at fair value

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the Statement of Financial Position.

	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
31st March 2020				
Financial Assets at Fair Value through Other Comprehensive Income	467,652	-	706	468,358
Financial Assets at Fair Value through Profit or Loss	208,828	-	7	208,835
	<u>676,480</u>	<u>-</u>	<u>713</u>	<u>677,193</u>
31st March 2019				
Financial Assets at Fair Value through Other Comprehensive Income	711,258	-	745	712,003
Financial Assets at Fair Value through Profit or Loss	208,157	-	12	208,169
	<u>919,415</u>	<u>-</u>	<u>757</u>	<u>920,172</u>

Following valuation technique was used by the Company in measuring Level 3 fair values, and the significant unobservable inputs used for the valuation.

Category	Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Unquoted equity securities	Net assets basis	Carrying value of assets and liabilities adjusted for market participant assumptions.	Variability of inputs are insignificant to have an impact on fair values.

22.7.4 Fair values of Financial Assets and Liabilities not carried at fair value

Set out below is a comparison of the carrying amounts and fair values of the financial assets and liabilities of the Company which are not measured at fair value in the Financial Statements.

As at 31st March	Explanatory reference	2020		2019	
		Fair Value	Carrying Value	Fair Value	Carrying Value
Loans and Receivable					
Trade and Other Receivables	a	2,029	2,029	2,009	2,009
Cash and Cash Equivalents		997	997	316	316
Financial Liabilities					
Interest bearing Borrowings	b	3,000	3,000	6,000	6,000
Trade and Other Payables		22,963	22,963	23,083	23,083
Dividend Payable		195	195	214	214

Notes to the Financial Statements

- a The carrying values of trade and other receivables have been considered as the fair value due to uncertainty of the timing of the cash flows.

The carrying amount of cash and bank balances are approximate fair values due to the relatively short maturity of the financial instruments.

- b Carrying values of financial liabilities have been considered as the fair value, due to uncertainty of the timing of the cash flow.

23 The impact of COVID-19 pandemic on the business/operations

The Company's main line of business is equity investments in listed companies and those assets have seen a marked decline as the indices of the Colombo Stock Exchange (CSE) have declined after the markets opened.

The value of the Company's Investment Portfolio is measured based on the traded prices of listed equities in the CSE. Due to COVID-19 outbreak, the CSE has experienced significant volatility. The operation of CSE was suspended from 20th March 2020 to 11th May 2020. Therefore, there were no quoted market prices as at 31st March 2020 to value the Company's equity securities.

The Company has valued its equity securities at the last traded price in March 2020.

The Company will not incur any contingent liabilities due to the COVID-19 pandemic situation in the Country.

The Operations of the Company gradually commenced once the work restrictions were relaxed, amidst adherence to health and safety guidelines issued by the Government. Various measures were taken to monitor the safety measures taken by the Managers with regards to staff members, service providers and Stakeholders.

According to the assessment made by the management, subsequent to the balance sheet date, there are no material changes in the value of the investment portfolio.

In order to manage liquidity, measures have been taken to restructure certain interest bearing borrowings which were due in March 2020.

Financial Summary

Year ended 31st March	SLFRS 9		LKAS 39		
	2020 Rs.'000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000	2016 Rs.'000
Trading Results					
Revenue	18,967	22,732	26,547	30,481	23,315
Profit/(Loss) from operations	10,657	(29,910)	21,594	(4,756)	(46,981)
Net Finance Income/(Expense)	538	227	290	(400)	(100)
Profit/(Loss) before tax	11,195	(29,683)	21,884	(5,156)	(47,081)
Income Tax Expense	-	-	(679)	(439)	(356)
Profit/(Loss) for the year	11,195	(29,683)	21,205	(5,595)	(47,437)
As at 31st March	2020 Rs.'000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000	2016 Rs.'000
Equity					
Stated Capital	187,431	179,373	171,467	163,667	163,667
Retained Earnings	210,614	206,398	244,028	230,623	244,018
FVOCI Reserve/AFS Reserve	260,073	557,973	734,995	749,922	773,250
	658,118	943,744	1,150,490	1,144,212	1,180,935
Assets Less Liabilities					
Current and Non-Current Assets	685,668	973,520	1,188,659	1,165,022	1,206,581
Current and Non-Current Liabilities	(27,550)	(29,776)	(38,169)	(20,810)	(25,646)
Net Assets	658,118	943,744	1,150,490	1,144,212	1,180,935
Financial Statistics					
Earnings/(Loss) per share	1.64	(4.34)	3.16	(0.85)	(7.30)
Net Assets per share	96.17	137.91	171.33	173.66	181.68
Market Price per share	61.00	60.00	80.00	80.00	85.00
Price Earnings ratio	37.20	(13.82)	25.32	(94.12)	11.64
Dividend Proposed per share	-	1.20	1.20	1.20	1.20
Dividend pay out ratio	-	(0.28)	0.38	(1.41)	(0.16)

Information to Shareholders and Investors

DISTRIBUTION OF SHAREHOLDINGS

Shareholdings	31st March 2020			31st March 2019		
	No.of Share Holders	Total Share Holdings	%	No.of Share Holders	Total Share Holdings	%
1 - 1,000	468	64,685	0.95	458	63,980	0.95
1,001 - 10,000	56	133,173	1.94	57	139,110	2.07
10,001 - 100,000	15	433,135	6.33	15	425,963	6.35
100,001 - 1,000,000	3	1,857,946	27.15	3	1,825,088	27.18
Over - 1,000,000	2	4,354,105	63.63	2	4,260,996	63.45
Total	544	6,843,044	100.00	535	6,715,137	100.00

Categories of Shareholders	31st March 2020			31st March 2019		
	No.of Share Holders	Total Share Holdings	%	No.of Share Holders	Total Share Holdings	%
Individuals	488	299,498	4.38	480	438,404	6.53
Institutions	56	6,543,546	95.62	55	6,276,733	93.47
Total	544	6,843,044	100.00	535	6,715,137	100.00

Public Holding

The percentage of the Issued Share Capital held by the public as at 31st March, 2020 was 10.34 %. (31.03.2019 - 10.51%)

The applicable option under Colombo Stock Exchange Rule 7.13.1 on Minimum Public Holding is Option 2 and the Float adjusted Market Capitalisation as at 31st March 2020 was Rs.43.16 Million.

Public Shareholders

The number of public shareholders as at 31st March, 2020 was 544.

Market Performance - Ordinary Shares

	2020 Rs.	2019 Rs.
Highest Price during the year	97.00	88.90
Lowest Price during the year	50.00	56.00
Market Value as at the year end	61.00	60.00

Information to Shareholders and Investors

TWENTY MAJOR SHAREHOLDERS OF THE COMPANY

	31st March 2020		31st March 2019	
	Shares	%	Shares	%
Financial Trust Limited	2,571,680	37.58	2,461,349	36.65
Colombo Fort Investments PLC	1,782,425	26.05	1,799,647	26.80
Property & Investment Holdings (Private) Limited	979,796	14.32	961,483	14.32
The Colombo Fort Land & Building PLC	742,328	10.85	728,453	10.85
DFCC Bank PLC/ G. A. C. De Silva	135,822	1.98	135,152	2.01
People's Leasing & Finance PLC/Dr.H. S. D.Soyasa & Mrs.G.Soyasa	71,685	1.05	70,346	1.05
Tranz Dominion, L. L. C.	64,170	0.94	62,971	0.94
Mrs. M. L. De Silva	60,350	0.88	59,222	0.88
People's Leasing & Finance PLC/Mr. M. A. N. Yoosufali	45,820	0.67	45,455	0.68
Trust Holdings & Investments (Pvt) Limited	40,871	0.60	40,108	0.60
Commercial Bank of Ceylon PLC/ N.H.Dawoodbhoj and Company (Private)Limited	25,897	0.38	25,413	0.38
Miss.G.I.A.De Silva	20,403	0.30	20,022	0.30
Hatton National Bank PLC/Mr. R. Jafferjee	18,099	0.26	17,761	0.26
Mr. G. J. W. De Silva	13,927	0.20	13,667	0.20
Miss.G.N.A.De Silva	13,927	0.20	13,667	0.20
Mr. R. Serasinghe	13,761	0.20	13,504	0.20
Shalsri Investments (Private) Limited	11,579	0.17	11,363	0.17
Glenford Investments (Pvt) Limited	11,484	0.17	11,270	0.17
Ms.N.Gunatilleke/Miss. N. Gunatilleke	11,070	0.16	10,864	0.16
Dr. H. W. E. Tissera	10,092	0.15	-	-
	6,645,186	97.11	6,501,717	96.82

Financial Statistics

	2020	2019
	Rs.	Rs.
Earnings/(Loss) per share	1.64	(4.34)
Net Assets per share	96.17	137.91
Dividend Proposed per share	-	1.20
Dividend pay out ratio	-	(0.28)

Form of Proxy

I/We the undersignedof

being a member/members of Colombo Investment Trust PLC, do hereby appoint :

.....of..... whom failing

Alagarajah Rajaratnam

of Colombo whom failing

Sri Dhaman Rajendram Arudpragasam

of Colombo whom failing

Skiskandamoorthy Shanmugalingam

of Colombo whom failing

Ajit Mahendra de Silva Jayaratne

of Colombo whom failing

Sanjeev Rajaratnam

of Colombo whom failing

Jayanta Mootatamby Swaminathan

of Colombo

as my/our Proxy to represent me/us to speak and to vote on my/our behalf at the Annual General Meeting of the Company to be held on 31st August 2020, and at any adjournment thereof and at every poll which may be taken in consequence thereof. I/We the undersigned hereby authorise my/our proxy to vote on my/our behalf in accordance with the preferences indicated below:

RESOLUTIONS						
Resolution Numbers as set out in the Notice convening the Meeting	1	2	3	4	5	6
For						
Against						

As witness, my / our * hands this.....day of2020.

.....
Signature of Shareholder

Notes :

Please indicate with an X in the space provided how your proxy is to vote. If there is in the view of the proxy holder doubt (by reason of the way in which the instructions contained in the proxy have been completed) as to the way in which the Proxy holder should vote, the Proxy holder shall vote as he thinks fit.

A Proxy holder need not be a member of the Company.

Instructions as to completion appear on the reverse hereof.

Instructions as to Completion

- 1 To be valid the completed Form of Proxy must be deposited at the Registered Office of the Company at No 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01 not less than 48 hours before the time appointed for the holding of the Meeting.
- 2 The Instrument appointing a proxy shall in the case of an individual be signed by the appointor or by his Attorney and in the case of a Company/Corporation the Proxy Form must be executed under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association or other constitutional document.
- 3 If the Proxy Form is signed by an Attorney, the relevant Power of Attorney or a notarially certified copy thereof, should also accompany the completed Form of Proxy if it has not already been registered with the Company.
- 4 The Full name and address of the Proxy and of the shareholder appointing the Proxy should be entered legibly in the Form of Proxy. Please sign in the space provided and fill in the date of signature.

Corporate Information

Name of the Company

Colombo Investment Trust PLC

Legal Form

A Public Quoted Company with Limited Liability Incorporated in Sri Lanka on 14th July 1986 under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007 on 19th November 2007.

Company No.

PQ 85

Stock Exchange Listing

The Ordinary Shares of the Company which were listed on the Main Board of the Colombo Stock Exchange has been transferred to the Diri Savi Board w.e.f. 4th January 2016

Registered Office

8-5/2, Leyden Bastian Road,

York Arcade Building,

Colombo - 1.

☎ 0112344485 - 9

Board of Directors

A.Rajaratnam FCA [Chairman]

(Alternate, Anushman Rajaratnam)

S.D.R.Arudpragasam FCMA (UK) [Deputy Chairman]

S.Shanmugalingam

A.M.de S.Jayarathne B.Sc. (Econ), FCA

S.Rajaratnam B.Sc., CA

J.M.Swaminathan Attorney- at-Law, LLB (Ceylon), LL.M, M. Phil (Colombo), Hon. LLD (Colombo)

Secretaries

Corporate Managers & Secretaries (Pvt) Limited

8-5/2, Leyden Bastian Road,

York Arcade Building,

Colombo - 1.

☎ 0112344485 - 9

Auditors

Messrs. KPMG

Chartered Accountants

P O Box 186

Colombo.

Lawyers

Messrs. Julius & Creasy

Attorneys-at-Law,

Solicitors & Notaries Public,

P O Box 154,

Colombo.

Bankers

Commercial Bank of Ceylon PLC

Colombo Investment Trust PLC

8-5/2, Leyden Bastian Road,
York Arcade Building,
Colombo 1.