POSITIONED TO PERFORM

BUKIT DARAH PLC | ANNUAL REPORT 2014/15

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DARAH PLC
Annual Report online.

POSITIONED TO PERFORM

STRONGLY ESTABLISHED IN THE SOUTH EAST ASIAN REGION, BUKIT DARAH PLC IS A BROADLY DIVERSIFIED HOLDING COMPANY.

OUR PORTFOLIO IS DIVERSE, INCLUDING OIL PALM PLANTATIONS, OILS AND FATS, BEVERAGE, PORTFOLIO & ASSET MANAGEMENT, REAL ESTATE AND LEISURE. THIS REPORT DESCRIBES A DIFFICULT YEAR ON ALL FRONTS WHICH THE GROUP ADAPTED TO CONSOLIDATE ITS KEY BUSINESSES. NEW HECTARAGES PLANTED, PLANT CAPACITY INCREASED, BRAND PORTFOLIO ADDED TO, SYSTEMS STREAMLINED AND STAFFING OPTIMISED.

WE ARE NOW READY AND WELL POSITIONED TO PERFORM.

Carson Cumberbatch PLC is a broadly diversified conglomerate with interests in oil palm plantations, oils and fats, beverages, portfolio & asset management, real estate and leisure sectors.

Goodhope Asia Holdings Ltd. is an integrated Oil Palm producer with end to end participation in Palm Oil value chain with presence in Indonesia, Malaysia, India and Singapore.

SECTOR OVERVIEW

BEVERAGE

The beverage sector of the Group has roots going back to over 100 years in the brewing industry of Sri Lanka, where sector holding company, Ceylon Beverage Holdings PLC – formerly known as 'The Ceylon Brewery'- , was the country's pioneer brewer.

It has nurtured its brand 'Lion' through times of traditional brewing in the picturesque and cool climes of Nuwara Eliya, to its modern high tech state-of-the-art plant owned by subsidiary and operating company, Lion Brewery Ceylon PLC in Biyagama.

The flagship brand "Lion" is also exported to several countries including USA, Canada, Australia, UK, Japan, and the Maldives where the company is the market leader.

In addition to its own brands, Lion Brewery (Ceylon) PLC also produces the internationally renowned global brand "Carlsberg", under license from Carlsberg International Denmark, since 1993. With the recent acquisition of Millers Brewery, the product portfolio of Lion Brewery has expanded further, to include a number of Millers brands, such as "Three Coins Lager", "Sando Dark" and "Sando Stout".

The company recently acquired distribution rights for the legendary Mexican beer brand "Corona" and is also the licensed distributor for Diageo brands in Sri Lanka.

In addition to Lion Brewery (Ceylon) PLC, Ceylon Beverage Holdings has also invested in a chain of pubs ("Machan" & "O!") and retail outlets, under subsidiary companies Retail Spaces and Pubs N Places, with the aim of providing consumers with a pleasant ambience and environment to purchase the alcoholic beverages they desire.

LEISURE

The Leisure sector of the Group constitutes of two hotel properties; The Pegasus Reef Hotel and Giritale Hotel, the latter being fully owned by the former.

The Pegasus Reef Hotel, which entered the hospitality industry of Sri Lanka during the early1970's as one of the first premier star class resort establishments in the country, is a luxurious tropical getaway, located in Hendala, Wattala, overlooking the breathtaking Indian Ocean. Today, it is a 140 key venue, equipped with modern banquet halls capable of hosting both banquets and MICE events alike. As such, currently the hotel is well patronized by both local and foreign clientele. In efforts to provide a unique guest experience and elevate the overall standards of the hotel, an exclusive sea food restaurant has been planned, which is expected to open in August 2015.

The Giritale Hotel is a 40 key resort located in Giritale, Polonnaruwa, one of the ancient Kingdoms of Sri Lanka rich in culture and heritage. The hotel is situated overlooking the Giritale Tank (reservoir) and close to Minneriya sanctuary, and is a well sought after eco-tourist destination.

SECTOR OVERVIEW

PLANTATIONS

Majority of our Oil Palm Plantations are situated in Indonesia, in the Kalimantan and in Irian Jaya regions, whilst our entry into plantations dates back to over 100 years with Rubber plantations in Malaysia. We entered Indonesia in 1996 with the setting up of PT Agro Indomas, in Central Kalimantan with a land bank of 12,000 hectares.

Our second plantations in Indonesia, PT Agro Bukit commenced development in 2005 and since then we have grown to a total extent of over 80,000 hectares planted in Indonesia and with a total land bank of over 150,000 hectares. We produced over 1 Mn MT of FFB (Fresh Fruit Bunches) and 230,000 MT of CPO (Crude Palm Oil) during the financial year 2014/15.

Goodhope Asia Holdings Ltd was incorporated in Singapore in 2008 as the holding company consolidating all investments by the Carsons Group in the Oil Palm Plantations and Oils & fats business segments.

As the planted extents grew, we have also set up required processing facilities to produce Crude Palm Oil (CPO), and developed infrastructure within the operating locations. Our plantations are developed adopting stringent sustainable development criterion, Goodhope is a member of the RSPO (Roundtable on Sustainable Palm Oil) and we produce RSPO certified palm oil at some of palm oil mills.

OILS & FATS

Goodhope entered the downstream edible Oils & Fats segment, with the acquisition of a specialty Oils & Fats manufacturing operation in Malaysia and a palm oil refinery in India. Our total refining and specialty fats manufacturing capacity is over 300,000 MT.

Our downstream operations supplies specialty fats to the confectionery, ice cream and bakery business, with the Malaysian plant exporting specialty fats manufactured out of palm kernel oil, palm oil and coconut oil to over 55 countries. Our customers range from multi nationals to regional and national players within these industries commanding significant market shares in their respective businesses.

The downstream businesses will facilitate us to integrate with the upstream plantations in Indonesia over the medium to long term, facilitating towards achieving our vision of becoming an integrated player within the Palm oil industry value chain.

SECTOR OVERVIEW

PORTFOLIO & ASSET MANAGEMENT

The Portfolio & Asset Management segment of the group is primarily focussed on capital market activities for management of portfolios, across multiple asset classes. Ceylon Guardian Investment Trust PLC, which is positioned as the sector holding company, holds the privilege of being the largest listed investment company on the Colombo Stock Exchange to date.

The Guardian group, with its specialised subsidiaries on different asset classes, serves as an investment house which offers investors variety in terms of exposure to asset classes based on their preference and risk appetite. To this end, the group has two listed subsidiary companies; Ceylon Investments PLC (CINV) and Guardian Capital Partners PLC which act as investment vehicles for listed and private equity respectively.

Ceylon Guardian's own proprietary portfolio forms the anchor funds under management, further to which, the group has diversified its business reach on three fronts –client portfolio management, unit trust management and private equity management.

The Group also has presence in the Unit Trust segment, via Guardian Acuity Asset Management, a joint venture formed with Acuity Partners. Guardian Acuity Asset Management primarily has three unit trust funds in offer; Guardian Acuity Fixed Income Funds, Guardian Acuity Equity Fund and Guardian Acuity Money Market Gilt Fund.

The sector also offers the Sri Lanka Fund, (formerly known as the Regent Sri Lanka Fund), a dedicated USD denominated country fund incorporated with the objective of facilitating investors residing overseas to gain exposure to the local market.

As at 31st March 2015, the total Assets under Management of the Guardian Group amounted to Rs.34.0 Bn, of which, the discretionary portion of Guardian's proprietary portfolio was valued at Rs.13.5 Bn and external client portfolios together with Unit Trust's stood at a cumulative Rs.6.6 Bn.

REAL ESTATE

The Real Estate business of Bukit Darah Group comprising of sector holding company, Equity One PLC and its subsidiaries, Equity Two PLC and Equity Three pvt Ltd is primarily engaged in the rental of office and warehouse spaces.

The sector owns and manages a total built up area of approximately 192,000 sq. ft. spread across a land bank of 2.94 acres, all positioned in the prime areas of Colombo, bearing significant value potential. For instance, the sector's office properties at Janadhipathi Mawatha are located in the commercial hub of Sri Lanka, facing the Central Bank, and neighbouring State and Commercial banks, the World Trade Centre, star class hotels and the Port. The group's warehouse complex at Vauxhall Lane is also situated in an area earmarked for rapid development, amidst many landmark projects envisaged to come up, some of which have already broken ground. The total property portfolio of the sector was valued at Rs.2.7 Bn as at 31st March 2015.

Further to the location factor, the sector also boasts of a diverse tenant profile featuring banks, multinationals and other corporates. The group has maintained healthy tenant retention levels over the past few years, which speaks of the high level of service provided.

FINANCIAL HIGHLIGHTS

(All figures in Sri Lankan Rupees thousands unless otherwise stated)

For the year ended 31st March	2015	2014	% Change
Statement of Income			
Group revenue	88,933,624	76,542,788	16
Segment results	13,265,075	12,892,314	3
Profit before taxation	8,488,819	11,133,371	(24)
Profit after taxation	5,884,720	7,873,501	(25)
EBITDA	16,069,266	15,733,307	2
Profit attributable to ordinary shareholders	2,156,404	3,275,017	(34)
Cash earning per share (Rs)	54.87	132.36	(59)
Earnings per share (Rs.)	20.71	31.67	(35)
Dividend per share (Rs)	3	3	-
Dividend payout (%)	73	93	(22)
Statement of Cash flow			
Operating cash flow	5,596,544	13,500,715	(59)
Capital Expenditure	22,104,715	17,787,504	24
Statement of Financial Position			
Shareholders' funds	28,111,689	30,278,385	(7)
Net assets	63,177,331	66,468,508	(5)
Net assets per ordinary share (Rs.)	275.21	296.45	(7)
Return on ordinary shareholders' funds (%)	7.51	10.67	(30)
Total assets	164,405,799	157,985,175	4
Net debt	66,834,591	47,652,088	40
Market / Shareholder Information			
Market value per share (Rs)	678	591	15
Enterprise value (Rs.Mn)	171,056	144,114	19
Market capitalization (Company) (Rs.Mn)	69,156	60,272	15
Revenue to Government of Sri Lanka	20,024,993	16,867,024	19
Group value addition	38,247,386	35,335,584	8
Group employment (Nos.)	15,954	15,580	2

CHAIRMAN'S STATEMENT

OVERVIEW

The results of the group during the year under review have been positive with a 16% overall increase in revenue. As predicted in the last review, performance for the year has been affected by volatility of uneven market conditions in currencies and commodities. The weak performance of the Indonesian Rupiah & the Indian Rupee and changes of the fair value of biological assets in our palm oil plantations were the major negative contributors though, they are mostly non-operational factors and beyond the control of the management.

PERFORMANCE AND NEW DEVELOPMENTS

Bukit Group recorded a net turnover of Rs.88.93 Bn from Rs.76.54 Bn recorded last year. Yet, the profit for the year shows a drop of 25% to record only Rs.5.88 Bn due to non-cash adjustments against Rs.7.87 Bn last year.

At the Company level, revenue has increased 22% from Rs.404.22 Mn recorded last year to Rs.492.82 Mn as a result of enhanced intra-group dividend income received. Company profitability reflects the same trends by recording a profit of Rs.464.42 Mn against last year's Rs.374.02 Mn.

The current fair value of biological assets (palm oil plantation assets) is a loss of Rs.104.70 Mn in the year under review compared to a profit of Rs.3.18 Bn. This inclusion of fair value of biological asset is a requirement of the International Accounting Standards and it is a non-cash adjustment.

The other significant non-cash item that has impacted profitability is the losses arising from foreign currency financial reporting. This is again, an international accounting requirement compounded by the weaker Rupiah & the Indian Rupee. The impact of the same in the current year's operations is Rs.2.46 Bn whereas it was Rs.2.94 Bn last year. This is an improvement of Rs.0.48 Bn.

In the beverage sector, we successfully acquired Millers Brewery Ltd and de-commissioned the plant retaining a very valuable piece of real estate for future requirements of the company.

Bukit's main line of business is holding a diversified portfolio through its significant investments under Carson Cumberbatch PLC and Goodhope Asia Holdings Ltd.

PORTFOLIO & ASSET MANAGEMENT

The Guardian Group which is our Portfolio and Asset management sector reflected a contribution of Rs.1.86 Bn. Guardian Group, through its wholly owned subsidiary, Guardian Fund Management limited a registered market intermediary, administers a total Assets under Management of Rs.27.34 Bn as at 31st March 2015, comprising of Guardian group & private investor portfolios, units trusts and the Sri Lanka Fund. The sector is now positioned for higher growth.

BEVERAGE

The Beverage sector consists of Ceylon Beverage Holding PLC and Lion Brewery Ceylon PLC, which is the manufacturing and marketing entity. Similar to previous years, the sector had to face low margins due to increased input costs, high tax impositions and competition from illicit and illegal brewers. I trust that the regulators will take action to stop illicit and illegal brewers from being a threat to society and not contributing to excise revenue.

RS.20 BN

CONTRIBUTION TO GOVERNMENT TAX REVENUE

RS.22.1 BN

CAPITAL EXPENDITURE FOR FUTURE CAPACITY

The previous constraint on the production capacity was surmounted by the expansion of production line by commissioning a state-of-the-art facility in Biyagama. During the financial period under review, Lion Brewery Ceylon PLC completed the acquisition of trademarks & brands as well as shareholding in its entirety of Millers Brewery Limited with a total investment of Rs.5.15 Bn. The cost of the investment ended up higher than originally planned by approximately Rs.340 Mn, due to the inability to recover input VAT, straddling the aforesaid 2014 budget proposition to exempt VAT for Tobacco and Alcobev manufacturers.

Performance of Diageo products marketed by the group has been satisfactory within the regulated market conditions.

CHAIRMAN'S STATEMENT | CONTD;

Beverage sector consolidated revenue reached Rs.32.4 Bn, an increase of 25% over the last year. However, Profit after tax contribution showed only a 4% increase reaching 1.21 Bn.

LEISURE

Performances of Pegasus Reef hotel and Giritale hotel which make up our Leisure sector, contributed Rs.83.7 Mn, up from Rs.62.5 Mn last year, to the group's consolidated Profit after tax.

The refurbishment plan of Pegasus Hotel is ongoing.

REAL ESTATE

Real estate sector's contribution to Group profit before tax was Rs.365.81 Mn against Rs.198.32 Mn from last year. The sector's true operating profit for financial years' 13/14 and 14/15 were at Rs.92.6 Mn and Rs.130.9 Mn respectively, excluding the unrealised gains from change in fair value of investment properties and previous year's net gain from the sale of investment property.

OIL PALM PLANTATIONS

As mentioned from the outset of my statement, the two major factors that affected the financial performance of this sector were the drop in fair value of biological assets and, the foreign exchange loss due to the weak Indonesian Rupiah & Indian Rupee. The sector recorded a turnover of Rs.24.63 Bn during the financial year ended 31st March 2015, as compared to Rs.22.35 Bn recorded during the previous financial year reflecting a 10% YOY increase. However, an exchange translation loss of Rs.2.32 Bn was booked as at 31st March 2015, reflecting as aforementioned the depreciation of the currency as at 31st March 2015. Consequently, a net profit after tax of Rs.3.13 Bn was recorded for the year under review after incorporating exchange and biological valuation losses, compared to Rs.5.28 Bn recorded in the previous financial year.

With over 15,000 hectares to reach maturity in the next 3 years or so, with the continuous operational efficiencies and fixed cost, profitability should be positive for the plantation sector.

OILS AND FATS

This industry is driven by the Economic and trade related factors in consumer markets hence, in spite of the slower than anticipated recovery in global economies, key markets pertaining to this segment such as the Middle East, CIS countries , Australia and New Zealand demonstrated resilience with steady growth in consumption patterns. Stemming from this, our Malaysian operations improved their overall specialty fats sales volumes including the high margin products against the previous year. Indian operations continue to be on difficult terms with policy, tariff and ground conditions favouring the local producers.

With many initiatives undertaken during the year, the sector improved its turnover to Rs.29.18 Bn as compared to Rs.25.89 Bn recorded in the previous year. However, the sector posted a net loss of Rs.619.10 Mn for the year under review against the net loss of Rs.128.22 Mn recorded during the previous financial year.

OUTLOOK

The new production facility in Lion and the introduction of "3 Coins" brand will have a positive contribution to the performance of the beverage sector. We expect to see new opportunities arising in our investment sector and, the leisure & property sectors continue to perform positively.

The global macroeconomic environment remains volatile and the foreign exchange headwinds persist in markets we operate in, which may have an effect in the palm oil sector. However, **we will continue to view the future with confidence.**

My colleagues on the board and I, thank all our group's staff numbering over 15,900 and our business associates for their contribution during the year under review.

As Chairman, I thank my board of directors for their guidance during the year. Mr. Nalake Fernando has resigned from our board and on behalf of the other members, I express my appreciation for the significant support he has given to the group. We are pleased to welcome Mr. Suresh Shah to the board from 20th February 2015.

Finally, a special thanks to our shareholders for the confidence placed in us.

(Sgd.)
Hari Selvanathan
Chairman

13th July 2015

GROUP STRUCTURE

PLANTATIONS, OILS & FATS

Goodhope Asia Holdings Ltd.
• 2008* • 88.89%

Agro Asia Pacific Limited
• 2010* • 100%

Premium Nutrients Private Limited
• 2011* • 100%

Agro Harapan Lestari Sdn. Bhd.
• 2007* • 100%

Shalimar Developments Sdn. Bhd.
• 1980* • 100%

Premium Oils & Fats Sdn. Bhd.
• 2011* • 100%

Premium Vegetable Oils Sdn. Bhd.
• 1978* • 100%

Premium Fats Sdn. Bhd.
• 1996* • 100%

Shalimar (Malay) PLC
• 1909* • 99.27%

Selinsing PLC
• 1907* • 96.17%

Indo-Malay PLC
• 1906* • 90.76%

Good Hope PLC
• 1910* • 94.49%

Agro Harapan Lestari (Private) Limited
• 2008* • 100%

AHL Business Solutions (Private) Limited
• 2010* • 100%

Goodhope Investments (Private) Limited
• 2012* • 100%

PT Agro Indomas
• 1987* • 94.30%

PT Agro Bukit
• 2004* • 95%

PT Agro Asia Pacific
• 2008* • 100%

PT Karya Makmur Sejahtera
• 2003* • 95%

PT Agro Harapan Lestari
• 2007* • 100%

PT Rim Capital
• 2006* • 95%

PT Agrajaya Baktitama
• 1994* • 95%

PT Nabire Baru
• 2008* • 95%

PT Agro Wana Lestari
• 2006* • 95%

PT Batu Mas Sejahtera
• 2006* • 95%

PT Sawit Makmur Sejahtera
• 2008* • 95%

PT Sumber Hasil Prima
• 2006* • 95%

PT Sinar Sawit Andalan
• 2008* • 95%

PT Sariwana Adi Perkasa
• 2008* • 95%

Arani Agro Oil Industries Private Limited
• 1986* • 100%

BEVERAGE

Ceylon Beverage Holdings PLC
• 1910* • 75.06%

Lion Brewery (Ceylon) PLC
• 1996* • 60.75%

Pubs 'N Places (Private) Limited
• 2007* • 100%

Retail Spaces (Private) Limited
• 2012* • 100%

Luxury Brands (Private) Limited
• 2012* • 100%

Pearl Springs (Private) Limited
• 2014* • 100%

Vee Waruna (Private) Limited
• 2014* • 100%

Millers Brewery Limited
• 2010* • 100%

GROUP STRUCTURE | CONTD;

LEISURE

Pegasus Hotels of Ceylon PLC
• 1966* • 92.67%

Equity Hotels Limited
• 1970* • 100%

Carsons Airline Services (Private) Limited
• 1993* • 100%

Riverside Resorts (Private) Limited
• 2008* • 51%

PORTFOLIO & ASSET MANAGEMENT

Ceylon Guardian Investment Trust PLC
• 1951* • 69.30%

Ceylon Investment PLC
• 1919* • 64.36%

Guardian Capital Partners PLC
• 1920* • 86.22%

Rubber Investment Trust Limited
• 1906* • 100%

Leechman & Company (Private) Limited
• 1953* • 100%

Guardian Fund Management Limited
• 2000* • 100%

The Sri Lanka Fund
• 1993* • 86.6%

Guardian Acuity Asset Management Limited+
• 2011* • 50%

REAL ESTATE

Equity One PLC
• 1981* • 96.27%

Equity Two PLC
• 1990* • 88.81%

Equity Three (Private) Limited
• 1990* • 100%

MANAGEMENT SERVICES

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

INVESTMENT HOLDINGS

Carson Cumberbatch PLC
• 1913* • 45.68%

% refer to group interest
+ refer to Joint Venture Company
* refer to year of incorporation

Country of Incorporation/ Operation

- Sri Lanka
- Indonesia
- Malaysia
- Singapore
- India

CORPORATE INFORMATION

NAME OF THE COMPANY
Bukit Darah PLC

COMPANY REGISTRATION NUMBER
PQ 56

LEGAL FORM
A Public Quoted Company with limited liability.
Incorporated in Sri Lanka in 1916

BOARD OF DIRECTORS
Mr. H. Selvanathan (Chairman)
Mr. M. Selvanathan
Mr. I. Paulraj
Mr. D.C.R. Gunawardena
Mr. P.C.P. Tissera
Mr. K.C.N. Fernando – *Resigned w.e.f 20/2/2015*
Mr. L.R. De Lanerolle
Mr. S. K. Shah – *Appointed w.e.f 20/2/2015*

Alternate Directors
Mr. K. Selvanathan - for Mr.M. Selvanathan

AUDIT COMMITTEE
Mr.L.R. De Lanerolle (Chairman) - *Non Executive/ Independent Director*
Mr.I. Paulraj - *Non Executive Director*
Mr.D.C.R. Gunawardena - *Non Executive Director*

REMUNERATION COMMITTEE
Mr.I. Paulraj (Chairman) - *Non Executive Director*
Mr.D.C.R. Gunawardena - *Non Executive Director*
Mr.L.R. De Lanerolle - *Non-Executive/Independent Director*

NOMINATION COMMITTEE
Mr. I. Paulraj (Chairman) - *Non Executive Director*
Mr.D.C.R. Gunawardena - *Non Executive Director*
Mr.L.R. De Lanerolle - *Non-Executive/Independent Director*

BANKERS TO THE GROUP
Standard Chartered Bank
Bank of Ceylon
Citibank NA
Commercial Bank of Ceylon PLC
HSBC
Sampath Bank PLC
Hatton National Bank PLC
Nations Trust Bank
Deutsche Bank A.G.
Public Bank
Pan Asia Banking Corporation PLC

AUDITORS
Messrs KPMG, Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha,
Colombo 3, Sri Lanka.
Tel: 94 11 5426426
Fax: 94 11 2445872

SECRETARIES
Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha, Colombo 1,
Sri Lanka.
Tel: 94-11-2039200
Fax: 94-11-2039300

REGISTERED OFFICE OF THE COMPANY
No. 61, Janadhipathi Mawatha, Colombo 1,
Sri Lanka.
Tel: 94-11-2039200
Fax: 94-11-2039300

EMAIL
carsons@carcumb.com

CORPORATE WEBSITE
www.carsoncumberbatch.com

OPERATIONAL REVIEW

As a passive investment holding company, Bukit Darah PLC has two key direct investments under its helm; a 45.68% stake in diversified conglomerate Carson Cumberbatch PLC and a 35.6% stake in Goodhope Asia Holdings Ltd., an integrated Oil Palm company incorporated in Singapore. It is pertinent to note that Carson Cumberbatch PLC too has a 53.3% direct holding in Goodhope Asia Holdings Ltd. which is reflected in the former's consolidated financial results.

CARSON CUMBERBATCH PLC

For the year ended 31st March 2015, Carson Cumberbatch PLC made a stand alone profit of Rs.645.7 Mn on Revenue of Rs.785.0 Mn. compared to the preceding financial year; the increase in company profit was 71.8%, driven by growth in dividend income and lower net finance cost upon settlement of borrowings.

At group level, revenue for the year stood at Rs.89.0 Bn, reflecting an increase of 16.2% against the figure reported during financial year 13/14. In spite of the year-on-year growth in Revenue, consolidated operating profitability contracted to Rs.11.1 Bn during the year under review from Rs.13.3 Bn recorded for the twelve months ended 31st March 2014.

A synopsis of the operations of Carson Cumberbatch PLC by sector, excluding the businesses under Goodhope Asia Holdings is given below. The segments pertaining to the latter will be reviewed separately.

Beverage Segment

It was a year of mixed results for the Group's beverage sector, with the presence of both highs and lows.

To start off with the positives, during the year, the sector operational company, Lion Brewery (Ceylon) PLC completed expansion of its production facility, under which, the entire process from brewing to packaging was upgraded. As such, the company is now equipped with a state of the art facility, capable of addressing greater demand.

Lion Brewery (Ceylon) PLC also completed the acquisition of trademarks and brands and the shareholding in its entirety of Millers Brewery Limited during the reviewing financial period, at a total investment of Rs.5.15 Bn.

Whilst on the whole the transaction was carried out as planned, the cost of the investment ended up to be higher than originally projected, due to the inability to recover VAT claims, on the back of the 2014 budget proposition to exempt VAT for Tobacco and Alcobev manufacturers. The sector suffered a total cost Rs.640 Mn due to this for the period under review, of which Rs.339.8 Mn was pertaining to the Millers investment and the remainder stemmed from increase in operating expenditure during the period October 2014 to 31st March 2015.

Further, in October 2014, the Excise Duty on beer was revised on two instances, the first of which was the customary annual upward revision ahead of the budget, followed by a second sharp increase, meant to offset VAT charges made exempt as from that date for Tobacco & Alcobev manufacturers as mentioned above.

On the back of the aforementioned increases in excise duty, the beverage segment posted Revenue of Rs.32.4 Bn for the twelve months ended 31st March 2015 recording an increase of 25.3% against the figure reported in financial year 13/14. The increase in Tourist Arrivals and per capita income levels also facilitated such growth.

However, overall sector profitability was largely affected by the aforementioned excise duty and VAT structure changes.

Further, due to borrowings obtained during the year to finance the expansion project and the acquisition of Millers Brewery, net finance cost of the sector increased to Rs.620.0 Mn for the year concluded from Rs.296 Mn recorded for the year ended 31st March 2014.

Accordingly the overall sector profit for the period under review stood at Rs.1.2 Bn, reflecting a 4.0% increase compared to that of the preceding year.

PORTFOLIO & ASSET MANAGEMENT SEGMENT

Attractive market valuations along with the structural downward movement of interest rates saw a shift in funds from fixed income to equity during the twelve months concluded. As such, the ASPI gained by

14.3% year-on-year during the period under review, ending at 6,280 despite the dampening of market buoyancy with the onset of the elections in 2014.

Market capitalisation of the CSE crossed the Rs.3 trillion mark with domestic participation at 74% and foreign participation at 26% as at end March 2015. Higher turnover volumes were evident at the CSE, with institutional investor activity and foreign investment driving the daily average turnover of the market from Rs.828Mn in 2013 to Rs.1,414Mn in 2014 Mn.

On the whole, the overall capital markets business of Guardian Group showed encouraging progress during the year concluded.

The discretionary and non-discretionary portfolios under Ceylon Guardian Group was valued at a sum of Rs.27.34 Bn as at year end, based on market prices, reflecting a year-on-year appreciation of 15.16% (Including the impact of dividend distribution) against the benchmark All Share Price Index gain of 14.28% for the same period.

The discretionary portfolio of the group, representative of institutional funds was valued at Rs.13.48 Bn as at 31st March 2015 recording an increase of 14.95% (Including the impact of dividend distribution compared to the corresponding financial period.

The Group's Unit Trust business, Guardian Acuity Asset Management, which is an equally owned joint venture with Acuity Partners, recorded new fund inflows of Rs.2.63 Bn for the year concluded, which is a substantial growth over the previous year. Guardian Acuity Asset Management also launched a third fund during the year, Guardian Acuity Money Market Gilt Fund, in response to market demand and opportunity. On the private equity front, only a limited deal flow was witnessed by the Group during the year since many SMEs had access to cheaper loan financing and surplus cash. But with envisaged economic growth and stability, the deal flow is likely to pick up over time.

Total Assets under Management (AUM) by the Guardian Group, stood at Rs.33.97 Bn as at 31st March 2015. With unit trusts and PE showing promising growth, there's immense potential for future scale up in all aspects of the segment.

The Portfolio & Asset Management sector reported a Profit After Tax of Rs.1.86 Bn on a Revenue of Rs.2.0 Bn for the year ended 31st March 2015 signifying year-on-year increases of 19.2% and 10.4% respectively. The sector profitability for the period also benefited from a Rs.194.9 Mn unrealized gain from the net change in fair value of financial assets held for trading, which is an absolute increase of Rs.189.0 Mn when compared against the gain registered during the previous financial year.

At Rs.184, the share price of Ceylon Guardian Investment Trust PLC as at 31st March 2015 was trading at a discount of 28.6% when compared to the company's market based net asset value of Rs.257.65.

Leisure Segment

The statistics on Sri Lanka's Tourism industry were largely positive for the calendar year 2014, with record growth in arrivals and increased receipts from tourism. However, competition in terms of room supply has become more intense, due to the proliferation of both graded and ungraded accommodation establishments.

Amidst such an environment, the two hotels under the group's leisure sector; Pegasus Reef and Giritale Hotel have also been confronted with the challenge of improving occupancy levels. Average occupancy at Pegasus Reef Hotel for the year under review stood at 47%, against the 44% recorded in the previous year whilst average occupancy at Giritale Hotel declined from 59% during the preceding year to 57% for the year under review.

In order to better explore opportunities in the industry going forward in view of the positive trends in Tourism, plans are already underway to refurbish and upgrade the Pegasus Reef Hotel. To this end, an exclusive sea food restaurant is already being constructed at the hotel, and will be commencing operations by mid-August 2015. Once operational, it will enhance the overall appeal of the hotel and enable the hotel to provide a unique dining experience to its patrons. Future refurbishment plans include room upgrades and renovations in the lobby and car park areas

OPERATIONAL REVIEW | CONTD;

The leisure sector witnessed a 11.1% year-on-year increase in Revenue, to record a figure of Rs.510.5 Mn for 2014/15 due primarily to increased banquet income which primarily resulted from the banquet refurbishment at Pegasus Reef Hotel. Overall room revenue however, was comparatively lower during the year, due to competitive room rates across the industry and the meagre growth in occupancy.

Driven by top line growth, the leisure sector concluded the reviewing financial year with a net profit of Rs.83.7 Mn, which is a commendable increase of 33.9% compared to the previous year.

Real Estate Segment

The No: 55, Janadhipathi Mawatha property, which added approximately 44,000 sqft to the sector's rentable property space and became operational in 2013/14, experienced its first full year in operation during the period now under review. Due to this, the cumulative area under rent for the year was comparatively higher than during the previous year.

However, the average overall occupancy at sector level declined to 87% for the year concluded, as compared to the 91% recorded in 2013/14. This was due to the lower tenancy at the Dharmapala Mawatha building and the Equity Two property at no: 61 Janadhipathi Mawatha.

Stemming from the appreciation of sector property values consequent to the developments taking place in their respective areas, the real estate business recorded a gain arising from change in fair value of investment properties, amounting to Rs.265.8 Mn in the financial year 2014/15, compared to Rs.79.2 Mn in 2013/14. The opening of the Janadhipathi Mawatha roadway after more than a decade, has contributed significantly towards this. However access to buildings is still restricted via this roadway due to the guard fence remaining which effectively barricades the entrance to the premises.

On the back of higher cumulative area under rent, the real estate sector reported a Revenue of Rs.193.8 Mn for the financial year ending March 2015. This is an increase of 20.0% against the Revenue recorded in financial year 2013/14 which also included the proceeds from the sale of land in Kotte project.

As mentioned above, the Rs.265.8 Mn gain stemming from change in fair value of investment properties boosted sector operating profit for the period. As such, sector operating profit for the year under review was at Rs.396.7 Mn against Rs.251.8 Mn in the preceding financial year.

Deferred tax expenditure for the period under review was at Rs.7.8 Mn, down by 76.5% from the figure recorded in the previous year. At Rs.33.3 Mn the figure reported in the corresponding period was comparatively higher due to capitalisation of expenses pertaining to the aforementioned renovated building at Janadhipathi Mawatha.

Overall sector profitability for the year was at Rs.365.1 Mn, which is an increase of 84.1% compared to the previous year.

GOODHOPE ASIA HOLDINGS LTD

Goodhope Asia Holdings Ltd., through its subsidiaries has presence in both the upstream and downstream Oil Palm businesses. Under the upstream business, the oil palm plantation sector has a total land bank of 157,000 Ha's, primarily located in Indonesia. Of this, approximately 80,000 Ha's was developed as at 31st March 2015.

The company entered the downstream Oil Palm business in 2011, with the acquisition of Premium Nutrients. Based in Malaysia and India, the key output of this sector includes specialty fats, cooking & Bulk Oils and Animal feed & by-products.

Oil Palm Plantations Segment

In spite of positive expectations, CPO prices experienced much volatility during the first half of the financial year 14/15 trading below par, driven by factors such as; lower soy oil prices led by bumper soya bean crop, strong production growth in sunflower oil and the decline in global crude oil prices which affects CPO prices mainly due to the impact on the demand for palm oil based biodiesel. In September 2014, prices slipped below RM 2,000 levels to a 5 year low, but rallied thereafter to reach the current level of RM 2,100-2,200.

Further to the unfavourable CPO prices during the year, the sector FFB output too was affected by a prolonged drought faced by the overall industry and biological impacts, leading to lower than projected crop production volumes in the last six months of the reviewing year. This was also in deviation to the cropping patterns witnessed in the previous financial years where a relatively higher portion of the annual crop was recorded during the second half.

However, the Group's Oil Palm Plantation sector witnessed a year-on-year increase in FFB output on account of new areas coming into maturity and higher yields from young plantations as the palms reaches its maturity. In addition, CPO production for the year also increased by 33,243 MT to 234,270 MT on the back of higher FFB volumes produced during the period.

New land area developed by the Group's plantation business during the financial year concluded stood at approximately 3,700 hectares in different operating locations in Indonesia (excluding areas developed under the villagers' out-grower schemes – Plasma). Although there has been a steady growth in planted hectarage over the last few years, new plantation development activity especially over the recent 2-3 years was constrained due to operational issues faced.

In terms of operational focus areas, the lower price regime underscores the fact that cost management and continuous productivity improvement initiatives are two of the core aspects that could determine the competitiveness of a palm oil plantation company. In line with this, the sector management has been able to manage and sustain the cost of production at threshold levels during this period through rigorous and focused operational efforts. For instance, many initiatives have been undertaken to lower and reduce the fixed overheads within the business, such as streamlining operating structures and pooling and centralizing common support functions at regional level. Manpower and staff cadre has been rationalized and efficiencies have been gained through streamlining critical functions like procurement, engineering and workshop management.

Additionally, efforts have been made to optimize site yield potential through the practice of stringent agronomy and plantation management best practices. Yields and operating parameters of the business are constantly benchmarked against industry standards and records are maintained of continuous productivity improvements.

The dedicated centre of excellence for agronomy and plantations management built will enable the sector management to strengthen this aspect further, via extensive research and trial on different agronomy practices.

The Oil Palm plantation segment recorded Revenue of Rs.24.6 Bn for the year ended 31st March 2015, depicting an increase of 10.2% when compared to that of the preceding twelve months. The increase was driven by higher FFB and CPO sales volumes although CPO prices continued to remain below the expected levels. Sector Profitability for the period however was negatively affected by a Rs.104.7 Mn loss from change in fair value of biological assets, which is a considerable change against the Rs.3.2 Bn gain recorded last year. The loss registered for the financial year under review is mainly attributable towards the cautious CPO price outlook, which weighed down the valuation for the current period. Further, at Rs.2.3 Bn, the foreign exchange loss recorded for the period, although 16.9% lower than the figure reported in financial year 13/14, also contributed negatively towards overall earnings of the business. The foreign exchange loss is mainly arising from depreciation of the Indonesian Rupiah against the US Dollar, which is the functional currency of the business.

Sector EBITDA for the year ended 31st March 2015 was Rs.7.7 Bn, which is a decline of 25.3% against the Rs.10.3 Bn recorded in the financial year 13/14. EBITDA excluding Foreign exchange losses and gains or losses arising from change in fair value of biological assets stood at Rs.10.1 Bn for the period under review, depicting an increase of 0.6% in comparison to the figure recorded during the

OPERATIONAL REVIEW | CONTD;

corresponding twelve months.

Due to allowances claimed on capital expenditure incurred during the year, the Oil Palm plantation segment reported a deferred tax gain of Rs.35.2 Mn compared to the deferred tax expense of Rs.793.7 Mn recorded for the financial year ended 31st March 2014.

A net profit of Rs.3.1 Bn was recorded by this segment during the twelve months under consideration, as against a profit of Rs.5.3 Bn recorded during the previous financial year.

Oils & Fats Segment

Economic and trade related factors in consumer markets play an integral role in driving performance of the Oils & Fats segment. During the year, despite the slower than anticipated recovery in global economies, key markets pertaining to this segment such as the Middle East, CIS countries, Australia and New Zealand demonstrated resilience with steady growth in consumption patterns.

Malaysian Operations

During the first half of the financial year, specialty fats sales volumes by the sector's operations in Malaysia fell below expectations. However, with the trend improving towards the second half, overall specialty fats sales volumes for the year under review ended on a high compared to that of financial year 13/14. The improvement was also reflected in sales of high margin products under this category.

In the preceding financial year, the downstream business in Malaysia was affected by the relative advantage accrued to Indonesian refiners of palmatic based specialty fats, due to the differential duty structure that prevailed in the country favouring domestic refiners. However, with the reduction in CPO prices, there is currently no duty differential in Indonesia, thus, placing Malaysian refiners in par. The sustainability of this is doubtful as we envisage the Indonesian government to continue measures taken to support its domestic refiners in the medium term. In light of this, the sector management has been compelled to consider setting up refining facilities in Indonesia when the environment for refining is conducive which would facilitate the integration of upstream and downstream operations, generating synergies across both the segments.

Over the course of time, the management team has taken numerous initiatives to improve production infrastructure and strengthened ties with key customers and agents focusing on higher margin products. Production certifications have also been upgraded to adhere with the requirements of multi-national customers and enhance the sustainability footprint of operations. Further, the dedicated Research & Development centre set up during the preceding financial year will also enable the management to enhance product offerings and margins via better product formulations.

Indian operations

In India, the key challenge lies in the fact that the government policy generally favours the domestic refining industry through changes to the tariff structure. Further, duty on import of crude palm oil was also increased during the year in order to protect its domestic seed oils.

In addition, operations in India were further impaired by the challenges associated with sourcing of feedstock and managing the impact of price and exchange rate fluctuations on margins.

On a positive note, specialty fats volumes recorded a year-on-year increase during the year. This was also facilitated by relationships built with key customers and expansion of geographical coverage to key consuming regions of specialty fats within India.

The operational team also succeeded in enhancing value to by-products, thereby enabling the recovery of losses made previously on the sale of by-products.

With the overall improvement in specialty fats sales volumes for the year, the Oils & Fats segment reported

Revenue of Rs.29.2 Bn for the twelve months ended 31st March 2015, which is an increase of 12.7% against the figure reported in financial year 13/14. However, in spite of Revenue growth sector EBITDA for the year under review, at Rs.211.6 Mn declined by 69.2% year-on-year, largely due to the challenging business environment that prevailed in India as well as in the key markets in which the Malaysian entity operates in.

Profitability for the year was further impaired by Net Finance cost of Rs.501.1 Mn leading to a loss before tax amounting to Rs.769.4 Mn. On account of claims made on capital expenditure incurred, the sector reported a deferred tax gain of Rs.156.2 Mn against the gain of Rs.55.6 Mn registered in financial year 13/14.

The focus going forward will be on driving operational efficiencies whilst concurrently strengthening market development initiatives and building long term relationships with key customers. Enhancement of margins through improved product formulations and efficient sourcing operations are two of the key operational focus areas during the coming financial year. Further to this, new product development and greater product customizations are also being undertaken through the state of the art Premium Innovation Centre.

CONCLUSION

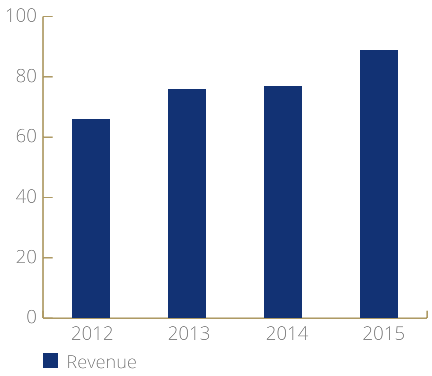
The business strategy of Bukit Darah PLC has been to hold and benefit from the two key strategic investments it has made over the years and it will continue to be so. The diversity of the business, in terms of geographic location and sector exposure is one of the key strengths of the company.

Carsons Management Services (Pvt) Ltd
13th July 2015

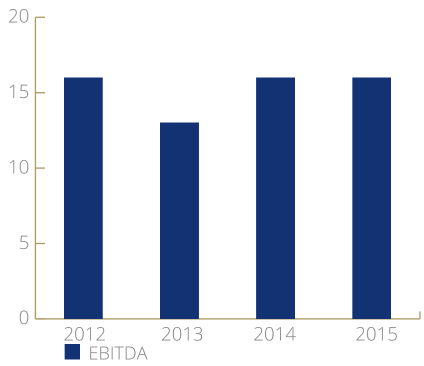
GRAPHICAL FINANCIAL REVIEW

We track performance against key financial and non-financial indicators.

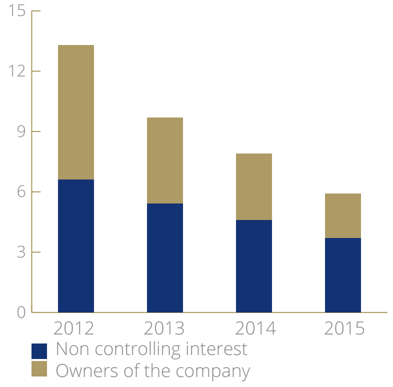
REVENUE (Rs. Bn)



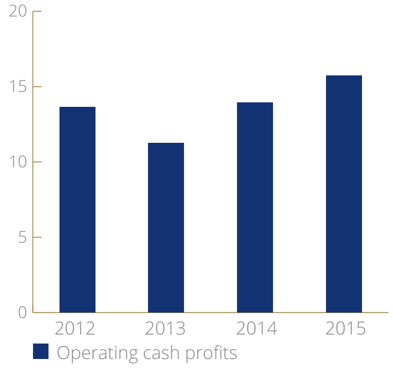
EBITDA (Rs. Bn)



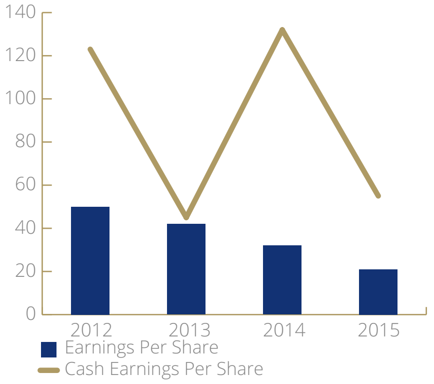
NET PROFITS DISTRIBUTION (Rs. Bn)



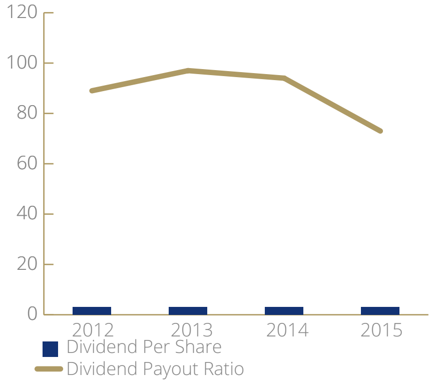
OPERATING CASH PROFITS: (Rs. Bn)



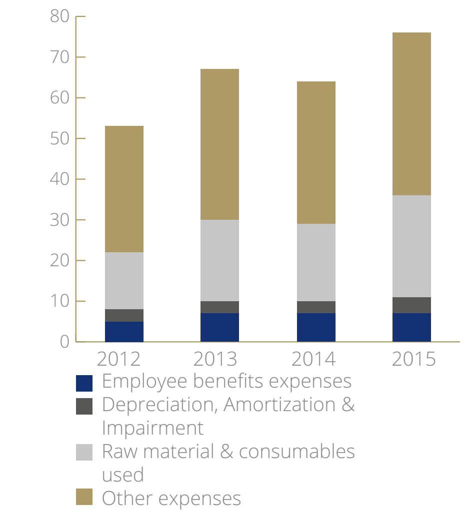
EARNINGS PER SHARE VS CASH EARNINGS PER SHARE (Rs.)



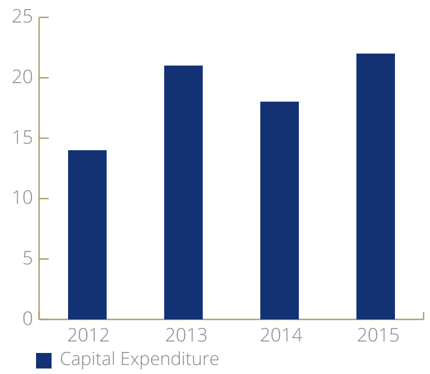
DIVIDEND PER SHARE (Rs.) VS DIVIDEND PAYOUT RATIO (%)



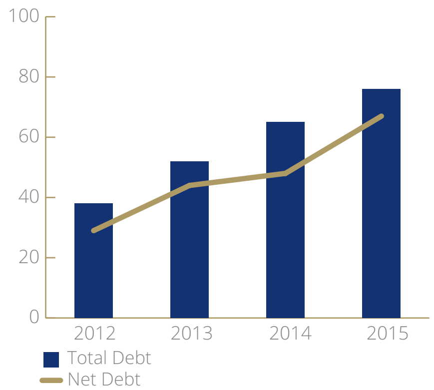
ANALYSIS OF GROUP OPERATING COST EXPENSES (Rs. Bn)



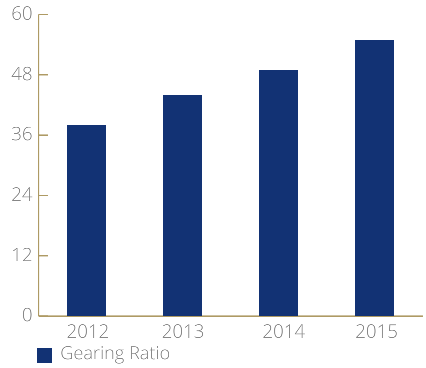
CAPITAL EXPENDITURE (Rs. Bn)



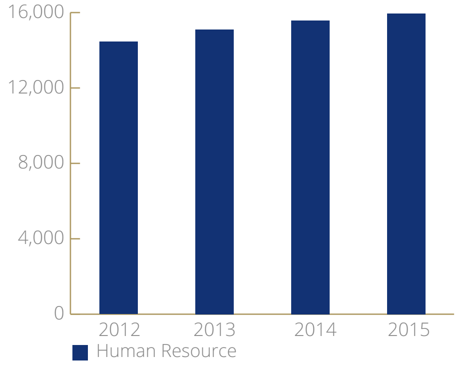
TOTAL DEBTS VS NET DEBTS (Rs. Bn)



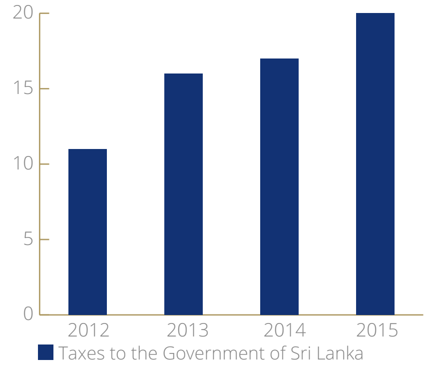
GEARING RATIO (%)



HUMAN RESOURCE (NUMBER OF EMPLOYEES)



TAXES TO THE GOVERNMENT OF SRI LANKA (Rs. Bn)



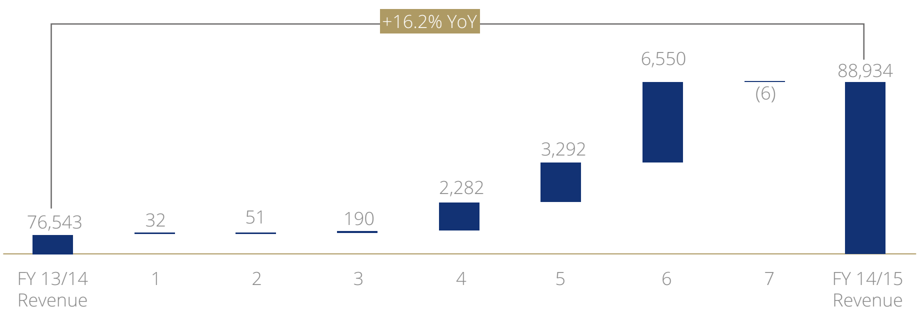
GROUP FINANCIAL REVIEW

REVENUE

Revenue by Sector (Rs.Mn)

	FY 14/15	FY 13/14	YoY Change
Beverage	32,396	25,846	25.3%
Oils & Fats	29,185	25,893	12.7%
Oil Palm Plantations	24,629	22,347	10.2%
Portfolio & Asset Management	2,005	1,815	10.5%
Leisure	510	459	11.1%
Real Estate	194	162	19.8%
Investment Holding and Management Services	15	21	(28.6%)
Group Total	88,934	76,543	16.21%

MOVEMENT IN GROUP REVENUE FROM FY 13/14 TO FY 14/15 (Rs. Mn)



Composition of Group Revenue

		FY 14/15	FY 13/14
1	Real Estate	0.22%	0.21%
2	Leisure	0.57%	0.60%
3	Portfolio & Asset Management	2.25%	2.37%
4	Oil Palm Plantations	27.69%	29.20%
5	Oils & Fats	32.82%	33.83%
6	Beverage	36.43%	33.76%
7	Investment Holding & Management Services	0.02%	0.03%

The Group reported a 16.2% year-on-year increase in revenue for the financial year concluded, fuelled by strong topline growth in the Oil Palm Plantations, Oils & Fats and Beverage segments.

Of the three sectors, the highest contribution to consolidated revenue for the year was from the Beverage business at 36.4% for the financial year ended 31st March 2015. This was largely driven by price adjustments on back-to-back excise duty increases proposed during the financial year and changes made to the Value Added Tax (VAT) structure. In addition to these adjustments, the significant growth in tourism and the improvement in the economy supported the industry to increase its turnover.

Compared to that of financial year 13/14, the group's Oils & Fats business witnessed a 12.7% improvement in overall revenue during the year under review, largely on the back of considerable growth in specialty fats sales volumes, although sales were sluggish in the initial six months. But, with the trend picking up towards the second half of the financial year, facilitated by higher demand in key consuming markets, the specialty fats business ended the year on a high, strengthening overall sector revenue.

During the year under review the Oil Palm plantations segment recorded a 10.2% year-on-year growth in Revenue mainly due to the increase in CPO volumes sold during the year, despite volatile CPO prices and adverse weather conditions in Indonesia. Amidst such challenges, the sector managed to record higher CPO sales volumes for the year, triggered by additional planted area reaching maturity during the period and increase in the yields from young plantations, as the palms reach its maturity.

At Rs.2.0 Bn, the Portfolio & Asset Management sector registered a 10.5% increase in revenue for the period under consideration relative to that of financial year 13/14 on account of higher net realized gains based on market opportunities presented.

Revenue reported by the Real Estate and Leisure segments too witnessed healthy improvement during the year, reflecting increases of 19.8% and 11.1% respectively against that of the preceding financial year, although their cumulative contribution to overall Group revenue was less than 1%. The increase in revenue of the group's Real Estate business is mainly attributable to higher cumulative area under rent, since this was the first full year of operation for the newly renovated building of Equity Two PLC at No: 55, Janadhipathi Mawatha. Further, rental revisions also contributed favourably towards sector topline.

In the leisure business, the key catalyst which drove the positive year-on-year change in sector turnover was enhanced Food & Beverage income, propelled by the success of the banquet renovation project carried out at the Pegasus Reef Hotel. However, sector Room revenue for the year declined compared to that of the preceding financial year due to competitive room rates offered mainly via promotions. This occurred despite a fractional growth in overall sector occupancy, which improved by 2% to stand at 49% for the reviewing period.

OPERATING PROFIT

Operating Profit/(Loss) by Sector (Rs.Mn)

	FY 14/15	FY 13/14	YoY Change
Oil Palm Plantations	5,978	8,669	(31.0%)
Beverage	2,930	2,357	24.3%
Portfolio & Asset Management	1,923	1,673	14.9%
Oils & Fats	(268)	272	(198.5%)
Real Estate	397	252	57.5%
Leisure	80	59	35.6%
Investment Holding and Management Services	(75)	(74)	1.4%
Total	10,965	13,208	(17.0%)
Foreign Exchange Losses	2,461	2,946	(16.5%)
(Gain)/Loss from change in Fair Value of Biological Assets	105	(3,182)	(103.2%)
Adjusted Operating Profit	13,531	12,972	4.3%

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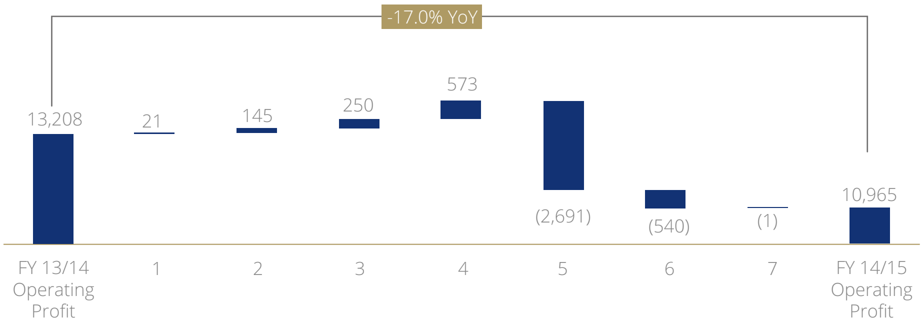
MOVEMENT IN OPERATING PROFIT FROM FY 13/14 TO FY 14/15 (Rs. Mn)



Composition of Group Operating Profit

		FY 14/15	FY 13/14
1	Leisure	0.73%	0.45%
2	Real Estate	3.62%	1.90%
3	Portfolio & Asset Management	17.54%	12.66%
4	Beverage	26.72%	17.85%
5	Oil Palm Plantations	54.52%	65.64%
6	Oils & Fats	-2.45%	2.06%
7	Investment Holding & Management Services	-0.68%	-0.56%

Contrary to the increase in consolidated revenue between the two comparable periods, Group Operating Profit fell by 17.0% year-on-year to Rs.11.0 Bn for the year under review, largely due to the challenges faced by the plantations businesses –both upstream and downstream - and the beverage segment.

The Oil Palm Plantation sector reported an operating profit of Rs.6.0 Bn for the twelve months concluded, down by 31.0% against the figure reported in the previous year. This was led by a number of factors, the key one being the low CPO price trend, which prevailed for the most part of the year and had a considerable impact on sector margins. Further, the unrealized loss of Rs.0.1 Bn recorded for the year from fair value adjustment of biological assets also contributed negatively towards sector earnings; especially in contrast to the Rs.3.2 Bn gain reported in financial year 13/14. In addition, the sector recorded a foreign exchange loss of Rs.2.3 Bn during the financial year concluded, arising mainly from the depreciation of the Indonesian Rupiah. However, this was an improvement compared to the sector foreign exchange loss of Rs.2.8 Bn in financial year 13/14.

Excluding the impact of change in fair value of biological assets and Foreign Exchange Losses, the operating profit of the Oil Palm Plantation segment for the current financial year amounted to Rs.8.4 Bn, which is a 1.5% increase year-on-year from the corresponding period's figure of Rs.8.3 Bn.

The Oils & Fats segment, which concluded the financial year 13/14 on a positive note with an operating profit of Rs.272 Mn, failed to maintain this positive momentum in spite of promising revenue growth. This was largely due to the challenging operating environment in India, heightened by factors such as depreciation of the local currency against the US Dollar and fluctuating CPO prices. The environment was made further difficult to operate in with revisions in the tariff structure for refined and crude palm oil in favour of domestic oil seed manufacturers.

Where the Malaysian operations of the sector were concerned, even though EBITDA for the year remained on par with that of the previous year, net margins were affected by higher depreciation and fixed costs. Accordingly, the overall Oils & Fats business of the group registered an operating loss of Rs.268 Mn for the reviewing financial year, contributing negatively towards group operating earnings.

Although the Beverage sector recorded a Rs.6.6 Bn year-on-year increase in revenue, the sector operating profit growth over the two years was only Rs.573 Mn primarily due to higher excise duty and the impact caused by exemption of VAT as proposed in the 2014 national budget which meant that input VAT incurred was not recoverable, thus increasing expenditure. The total cost to Lion Brewery (Ceylon) PLC (the key operating company of the sector) from this was approximately Rs.640 Mn, of which Rs.339.8 Mn stemmed from non-claimable VAT relating to the company's acquisition of the trademarks and brands of Millers Brewery.

Further, Group Operating Profit for the period under review was also affected by a Rs.384.5 Mn one-off impairment charge of business assets, of which, Rs.302.8 Mn was pertaining to the Beverage sector as explained below.

During the year Lion Brewery Ceylon PLC disposed its old canning lines and contracted to sell its old bottling line consequent to the successful completion of the upgrading and enhancement of its packaging facilities. This was as a consequence of , the old bottling and canning lines being replaced with more sophisticated state of the art equipment bearing greater potential in terms of capacity and efficiency. The said transactions on the bottling and canning lines resulted in an impairment loss of Rs.274.5 Mn. In addition to this an impairment loss on the plant & machinery and returnable containers of Millers Brewery has been recorded for a value of Rs.28.3 Mn. Both these adjustments amounted to Rs.302.8 Mn.

Driven by the year-on-year increase in Revenue stemming from higher net realized gains and unrealized gains resulting from change in fair value of short term financial assets; the Portfolio & Asset Management business recorded operating profit of Rs.1.9 Bn for the twelve months ended 31st March 2015, which is a growth of 14.9% compared to the Rs.1.7 Bn reported in 13/14.

The Leisure and Real Estate segments too contributed positively towards overall operating profitability of the Carsons Group during the reviewing year. Further to the expansion in revenue, earnings of the Real Estate sector also received a considerable boost from a net gain arising from the change in fair value of investment properties amounting to Rs.265.8 Mn during the period under review. The gain arose from the appreciation of sector property values over the two comparable periods, particularly from the valuation gains pertaining to property at No: 55 Janadhipathi Mawatha and Vauxhall Lane stemming from the opening of the Janadhipathi Mawatha roadway and the developments in the vicinity respectively.

The operating performance of the group's Leisure arm for the twelve months under review largely benefited from enhanced revenue driven by higher banquet income, which was a result of the aforementioned banquet renovation project at Pegasus Reef. As such, the sector posted an operating profit of Rs.80 Mn, up by 35.6% compared to that of the corresponding year.

NET FINANCE COST

Net Finance Cost/(Income) by Sector (Rs.Mn)

	FY 14/15	FY 13/14	YoY Change
Oil Palm Plantations	1,309	1,139	14.9%
Beverage	620	296	109.5%
Oils & Fats	501	465	7.7%
Portfolio & Asset Management	(1)	2	(150.0%)
Real Estate	3	2	50.0%
Leisure	(18)	(13)	38.5%
Investment Holding and Management Services	62	183	(66.1%)
Group Total	2,476	2,074	19.4%

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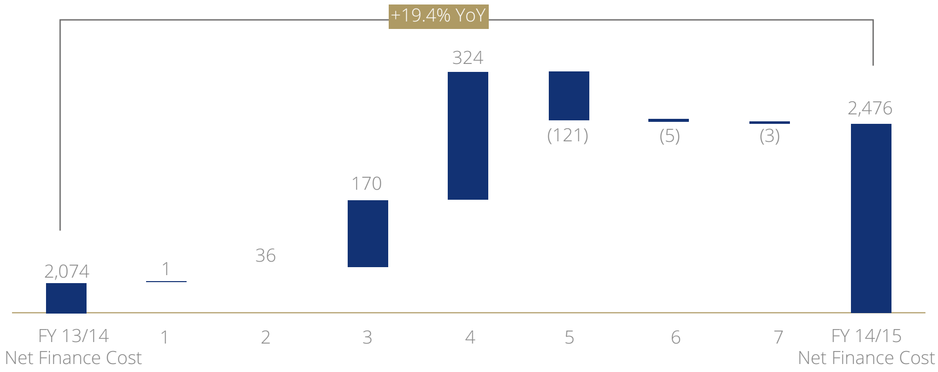
MOVEMENT IN GROUP NET FINANCE COST FROM FY 13/14 TO FY 14/15 (Rs. Mn)



Total Debt by Sector (Rs.Mn)

		FY 14/15	FY 13/14	YoY Change
1	Real Estate	-	-	N/A
2	Oils & Fats	11,499	12,649	(9.1%)
3	Oil Palm Plantations	49,368	37,228	32.6%
4	Beverage	14,048	13,668	2.8%
5	Investment Holding & Management Services	1,062	1,023	3.8%
6	Leisure	-	16	(100%)
7	Portfolio & Asset Management	3	4	(40.4%)
	Group Total	75,980	64,588	17.6%

Composition of Group Net Finance Cost

		FY 14/15	FY 13/14
1	Real Estate	0.13%	0.08%
2	Oils & Fats	20.24%	22.41%
3	Oil Palm Plantations	52.86%	54.93%
4	Beverage	25.04%	14.28%
5	Investment Holding & Management Services	2.52%	8.80%
6	Leisure	-0.74%	-0.61%
7	Portfolio & Asset Management	-0.05%	0.11%

The group recorded a Finance cost of Rs.2.8 Bn and a Finance income of Rs.285.0 Mn for the period under review, resulting in a Net Finance cost of Rs.2.5 Bn. This is an increase of 19.4% compared to the Net Finance cost reported in financial year 13/14, where Finance cost was Rs.2.8 Bn and Finance income amounted to Rs.694.9 Mn.

Despite a 17.6% year-on-year increase in total borrowings, total Finance cost for the period under review reflects a marginal decline of 0.3% against that seen in 13/14.
This is due to higher capitalizations of interest cost on property plant & equipment and biological assets, which in total was at Rs.2.4 Bn for the twelve months under review, compared to Rs.1.7 Bn in the corresponding period. Amounts capitalized as property plant & equipment stood at Rs.1.3 Bn for the year under consideration, compared to Rs.744.5 Mn in financial year 13/14, signifying a year-on-year increase of 69.9%. This is largely reflective of debt resulting from the plantation sector expansion activities. Amounts capitalized as biological assets represent investments in immature

plantations under the upstream Oils Palm Plantation segment. For the year ended 31st March 2015 this was at Rs.1.1 Bn, which is an increase of 18.7% against the preceding year.

Weighed down by the year-on-year decline in operating profitability and a 19.4% increase in Net Finance cost against that of the previous year, the Group Net Profit fell by 25.3% against the preceding year figure, to Rs.5.9 Bn for the year ended 31st March 2015.

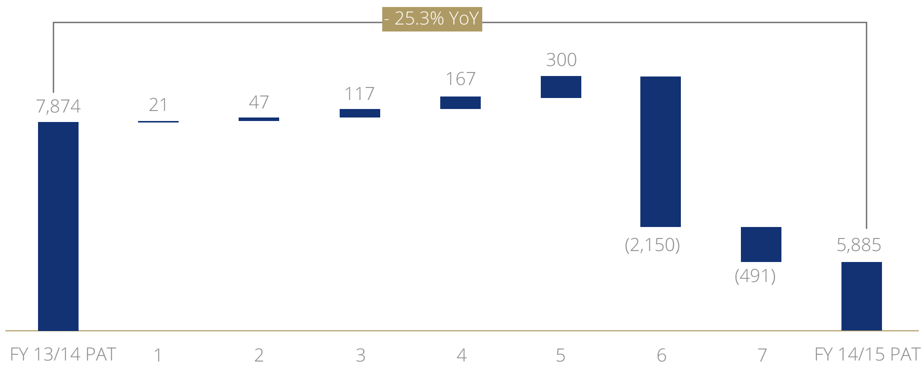
From a sector perspective, the upstream and downstream Oil Palm businesses were the key contributors towards reduction in overall profitability for the period, mainly due to the factors explain under drop in operating profitability.

PROFIT AFTER TAX

Profit/(Loss) After Tax by Sector (Rs.Mn)

	FY 14/15	FY 13/14	YoY % Change
Oil Palm Plantations	3,134	5,284	(40.7%)
Portfolio & Asset Management	1,860	1,560	19.2%
Beverage	1,216	1,169	4.0%
Oils & Fats	(619)	(128)	382.8%
Real Estate	365	198	84.3%
Leisure	84	63	33.3%
Investment Holding and Management Services	(155)	(272)	(43.0%)
Group Total	5,885	7,874	(25.3%)

MOVEMENT IN GROUP PAT FROM FY 13/14 TO FY 14/15 (Rs. Mn)



Composition of Group PAT

		FY 14/15	FY 13/14
1	Leisure	1.42%	0.79%
2	Beverage	20.67%	14.85%
3	Investment Holding & Asset Management	-2.63%	-3.46%
4	Real Estate	6.20%	2.52%
5	Portfolio & Asset Management	31.60%	19.81%
6	Oil Palm Plantations	53.26%	67.12%
7	Oils & Fats	-10.52%	-1.63%

GROUP FINANCIAL REVIEW | CONTD;

GROUP DEBT

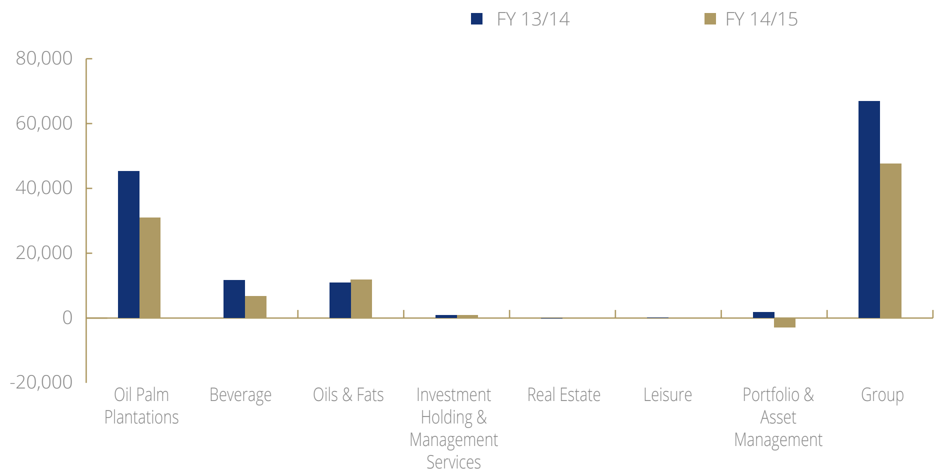
Total Debt at Group Level was Rs.76.0 Bn as at 31st March 2015 whereas the same for the corresponding date was at Rs.64.6 Bn. After accounting for Cash & Cash equivalents, Group Net Debt as at balance sheet date of financial year 14/15 was Rs.66.8 Bn, which is an increase of 40.2% compared to the financial year 13/14 figure. The increase was driven by the relative increase in net debt by the Oil Palm Plantations and Beverage sectors. Increase in net debt of the Oil Palm Plantations sector resulted from additional borrowings obtained during the year for development of new plantation area and maintenance of planted areas. The sector's total developed land area has increased from 64,200 Ha in financial year 11/12 to 80,400 Ha in financial year 14/15. Of the total land bank available, a considerable portion awaits to be developed in the future. Sector debt as at 31st March 2015 was at Rs.49.4 Bn against a total asset base of Rs.100.2 Bn for the same.

The increase in net debt pertaining to the Beverage sector was as a result of additional borrowing obtained during the year to support the expansion project, and a year-on-year decline in Cash & Cash equivalents on account of funds being utilized for the acquisition of Millers Brewery. The sector has been consciously raising debt in order to carry out capacity expansions and to reinvest in business infrastructure. During the year under review, Lion Brewery Ceylon PLC completed the modernization and upgrading of its production facility, with the installation of the new canning and bottling lines. In November 2014 Lion Brewery (Ceylon) PLC issued 20 Mn debentures at a total value of Rs.2 Bn. Accordingly, total debt outstanding by the Beverage sector as at year end was at Rs.14.0 Bn, compared to the outstanding balance of Rs.13.7 Bn as at year ended 31st March 2014.

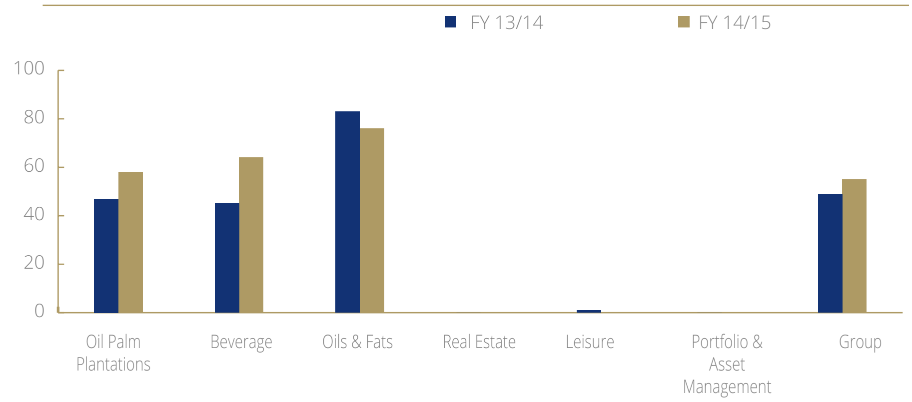
Sector net debt stood at Rs.11.7 Bn as at balance sheet date for the twelve months under review whilst the same for the corresponding date of financial year 13/14 was at Rs.6.8 Bn.

Driven by the net addition to total group debt during the year, the consolidated Debt to Capital ratio increased to 55% from the 49% recorded in financial year 13/14.

NET DEBT BY SECTOR (Rs. Mn)

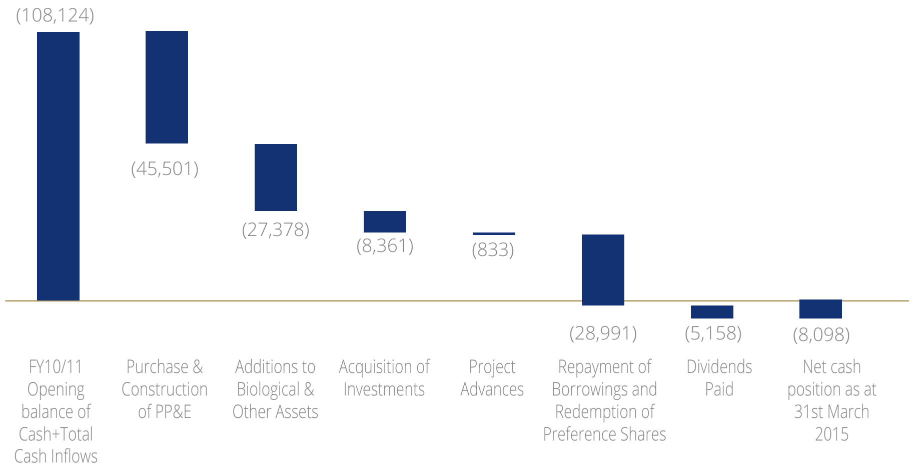


DEBT TO CAPITAL RATIO BY SECTOR (%)



CASH UTILISATION

CASH UTILISATION OVER THE LAST FIVE YEARS (Rs. Mn)



Rs.Mn	2010/11	2011/12	2012/13	2013/14	2014/15	Cumulative
Opening Cash Balance	(975)					(975)
Total Cash Inflows from Operating, Investing and Financing Activities	18,890	19,167	14,972	31,009	25,061	109,099
Cash Outflows						
Investing Activities						
Purchase and Construction of PP&E	(4,668)	(8,828)	(12,562)	(9,866)	(9,577)	(45,501)
Additions to Biological and Other Assets	(439)	(3,859)	(6,620)	(5,662)	(10,798)	(27,378)
Acquisition of New Investments and Non-controlling Interest	(430)	(5,066)	(414)	(227)	(2,224)	(8,361)
Project Advances	-	-	-	(164)	(669)	(833)
Total Investing Cash Outflows	(5,536)	(17,753)	(19,596)	(15,919)	(23,269)	(82,073)
Financing Activities						
Repayment of Borrowing and Redemption of Preference Shares	(2,335)	(9,407)	(6,710)	(2,926)	(7,613)	(28,991)
Dividends Paid (Including Dividend Paid to Non-Controlling Shareholders and Preference Shareholders)	(1,273)	(970)	(903)	(928)	(1,084)	(5,158)
Total Financing Cash Outflows	(3,608)	(10,377)	(7,614)	(3,854)	(8,697)	(34,149)
Net Cash Position as at Financial Year Ended 31st March 2015						**(8,098)**

GROUP FINANCIAL REVIEW | CONTD;

As at 31st March 2015, Group cash & cash equivalents stood at Rs.9.1 Bn, down by 46.0% from Rs.16.9 Bn recorded as at 31st March 2014. This was mainly triggered by cash outflows of Rs.5.15 Bn on acquisition of Millers Brewery under the Beverage segment.

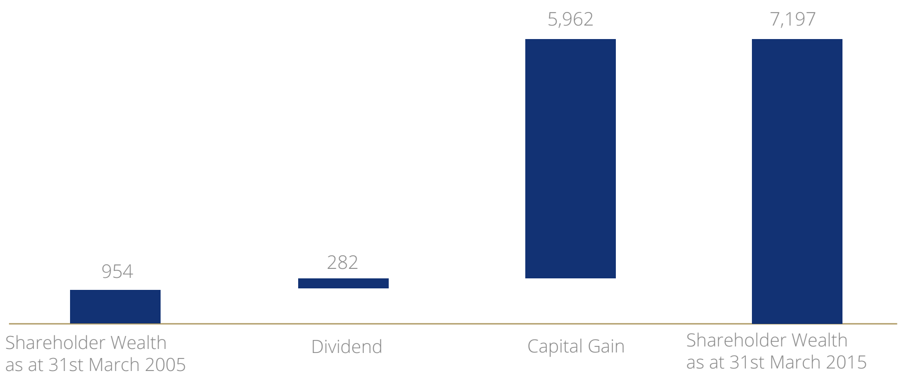
The net cash balance after adjusting for short term borrowings and overdrafts, stood at a negative Rs.8.1 Bn compared to a negative Rs.1.2 Bn reported in the preceding financial year.

A significant percentage of cumulative cash inflows generated since financial year 10/11 have been reinvested in the business mainly in the form of capital expenditure, acquisition of businesses, servicing of debt obtained for expansions and investments. Over the last five years, the group has incurred Rs.72.9 Bn as Capital Expenditure on property plant & Equipment and Biological assets, which forms 62.7% of the total cash outflows during the five year period. During the year, capital expenditure incurred by the group was at Rs.20.4 Bn which is 63.7% of the total cash outflows during the period under review.

Substantial capital expenditure incurred by the business sectors of the group over the years portray the group's commitment to develop and grow its businesses, which has brought the group to its commanding position today. Such expenditure has been mainly financed via cash generated by the respective sectors and borrowings thereby compromising the dividend flow to the shareholders of the Group to a certain extent. However from a long term perspective, this would enhance shareholder value and yield a better return to the Company and shareholders.

However, the movement in shareholder wealth over a ten year horizon has been positive, with an overall return of 22.4%, against the ASPI return of 14.6% for the same period.

SHAREHOLDER WEALTH MOVEMENT OVER A TEN YEAR HORIZON (Rs.)



Carsons Management Services (Pvt) Ltd
13th July 2015

DIRECTORS PROFILES

HARI SELVANATHAN

Hari Selvanathan is the Deputy Chairman of Carson Cumberbatch PLC and Goodhope Asia Holdings Ltd. He is the President Commissioner of the palm oil related companies in Indonesia. He holds Directorships in several subsidiary companies within the Carsons Group and is also a Director of Sri Krishna Corporation (Private) Limited and the Chairman of Express Newspapers (Ceylon) Ltd. He is also the Chairman of Carsons Management Services (Private) Limited and Agro Harapan Lestari (Private) Limited, the Group's Management companies. Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka).

He counts over 20 years experience in commodity trading in International Markets.

He holds a Bachelor of Commerce Degree.

MANO SELVANATHAN

Mano Selvanathan holds a Bachelors Degree in Commerce and is the Chairman of Sri Krishna Corporation (Private) Limited, Ceylon Finance & Securities (Private) Ltd. and Selinsing PLC and is a Group Director of most Companies in the Carson Cumberbatch Group in Sri Lanka, Indonesia, Malaysia & Singapore and is an active Member of its Executive Management Forums. He is also the Deputy Chairman of Ceybank Asset Management Ltd.

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

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

In January 2011, he was awarded with the prestigious 'PRAVASI BHARATIYA SAMMAN AWARD' by the President of India.

He also received the Presidential Honour of 'ORDER OF KNIGHT COMMANDER' in October 2013 awarded by the Government of Chile.

ISRAEL PAULRAJ

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

He served as Past Chairman of the Federation of Exporters Associations of Sri Lanka and The Coconut Products Traders Association. He was a member of the Executive Committee of the Ceylon Chamber of Commerce, National Chamber of Commerce of Sri Lanka and Shippers Council. He served on the Board of Arbitrators of the Ceylon Chamber of Commerce. He has served as Hony. General Secretary of the Central Council of Social Services, Hony. Treasurer of The Christian Conference in Asia, President of the Church of Ceylon Youth Movement and Hony. Treasurer of the National Christian Council of Sri Lanka. He has also served as Chairman of the Incorporated Trustees of the Church of Ceylon. He also served on the Presidential Task Force on Non-Traditional Export and Import Competitive Agriculture set up by President R.Premadasa. He served as Chairman of the Ecumenical Loan Fund of Sri Lanka and on its International Board in Geneva. He was a member of the Commercial Law Reform Commission and has served on the Parliamentary Consultative Committee on Internal and International Trade.

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

CHANDIMA GUNAWARDENA

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

DIRECTORS PROFILES | CONTD;

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

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

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

CHANDANA TISSERA

Chandana Tissera is a Director of Carson Cumberbatch PLC and presently serves as the Chief Executive Officer for the Plantations, Oils and Fats Sector of the Carsons Group. He is also a Director of several other subsidiary companies of the Group. He has served as the Chief Executive Officer of the Investment Sector and as Director Finance of the Carsons Group.

He has previously served on the Board of Union Assurance PLC and counts over 30 years of experience in the fields of manufacturing, financial services, capital market operations, overseas plantations, project development and management services. He is a Fellow of the Institute of Management, UK.

NALAKE FERNANDO

(Resigned w.e.f 20th February 2015)

Nalake Fernando is a Director of the Property Management Companies of the Carson Cumberbatch Group-Equity One PLC and Equity Two PLC. He is also a Director of Carsons Management Services (Private) Limited and in some of the Boards of the Malaysian Plantation Companies of the Carsons Group. He was the Country representative for Sri Lanka with Dalekeller & Associates Ltd., Designers and Skidmore Ownings & Merrill Architects. He was also a Director of SKC Management Services Ltd.

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

LESLIE RALPH DE LANEROLLE

Ralph De Lanerolle has over 46 year of work experience in both the public and private sectors, where he has held senior management positions. A Chartered Engineer, Mr.De Lanerolle holds a Bachelors Degree in Civil Engineering (First Class Honors) from the University of Ceylon (1965) and a Masters Degree from the University of Waterloo, Ontario, Canada (1968). He is a member of the Association of Professional Bankers of Sri Lanka and a Fellow of the Economic Development Institute of the World Bank, Washington and a honorary life member of the Institution of Engineers Sri Lanka.

Mr.De Lanerolle has worked primarily in the field of Project Finance and Management, undertaking assignments in diverse sectors of the economy, especially in the financial services, real estate and property, tourism, hotel and transportation sectors He has worked as a team leader/member with several multi-disciplinary groups in carrying out project studies. In an individual capacity, he has served as Consultant to several private companies, providing project related advisory services from pre-investment to implementation.

Mr.De Lanerolle has served and continues to serve, on the Board of Directors of several other private and public listed companies.

SURESH SHAH

(appointed w.e.f 20th February 2015)

Mr. Suresh Shah is a Director and Chief Executive Officer of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC. He is also a Director of Carson Cumberbatch PLC and some other companies within the Carson Cumberbatch group.

He is the Immediate Past Chairman of the Ceylon Chamber of Commerce, is Vice Chairman of The Employers Federation of Ceylon, a Commissioner of the Securities & Exchange Commission of Sri Lanka and a Member of Council, University of Moratuwa.

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

KRISHNA SELVANATHAN

(Alternate Director to Mr. M. Selvanathan)

Krishna Selvanathan is a Director of Carsons Management Services (Private) Limited, Lion Brewery (Ceylon) PLC and the Investment Sector Companies of the Carsons Group.

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

MANAGEMENT TEAMS

PLANTATIONS, OILS & FATS

CORPORATE

Chandana Tissera
Director / Group CEO

Rizan Jiffrey
Director - Projects and Business Development

Ms. Janaka Jayawickrama
Director - Legal and Corporate Affairs

Kevin de Silva
Director / Chief Operating Officer - Business Systems & Services

Shalike Karunasena
Director / Chief Financial Officer

Sahad Mukthar
Director - Corporate Planning

Ms Sharada Selvanathan
Director

PLANTATIONS

Sanjaya Upasena
Director / Chief Operating Officer - Oil Palm Plantations

Christoforus Pakadang
Director / Head of Tax Administration and Statutory Assurance

R Ratha Krishnan V Raman
Director - Plantations

Mathew Gomez
Director - Engineering

Shaji Thomas
Director - Agronomy

Edi Suhardi
Director - Sustainability

Ramakrishnan Rajoo
Director - Plantation Advisory

EDIBLE OILS AND FATS

Jayaprakash Mathavan
Director / Chief Operating Officer - Edible Oils & Fats

T Tharumarajah
Director Business Development

Thahir Hussain
Director / Head of Business Operations -India

BEVERAGE

Suresh Shah
Director / CEO

Prasanna Amerasinghe
(Resigned w.e.f. 31/3/2015)
Director - Marketing

Chan Liyanage
Director - Supply Chain

Ranil Goonetilleke
Director - Finance

Stefan Atton
General Manager - Marketing

Preethi De Silva
General Manager -Ran Sahal (Private) Limited

Shamal Boteju
General Manager - Pub Chain

Ms. Sharlene Adams
Head of Exports and New Products Development

Shiyan Jayaweera
Head of Regular Category

Madhushanka Ranatunga
Marketing Manager - Premium Category

Shiran Jansz
Head of Procurement

Ms. Nausha Raheem
Head of Human Resources

Nishantha Hulangamuwa
Head of Outbound Supply Chain

Eshantha Salgado
Head of Quality Assurance

Janaka Bandara
Head of Production

Chaminda Rajapakshe
Head of Sales

Hiran Edirisinghe
Chief Engineer

Daham Gunasena
Financial Controller

Keerthi Kanaheraarachchi
Head of Administration

Chandana Rupasinghe
Head of Packaging

Prasanthan Pathmanathan
Finance Manager - Marketing

Nayana Abeysinghe
Head of Legal

Ama Ekanayake
Head of Information Technology

MANAGEMENT TEAMS | CONTD;

PORTFOLIO & ASSET MANAGEMENT

Ms. Ruvini Fernando
Director/CEO

Ms. Niloo Jayatilake
Director/Head of Portfolio Management

Tharinda Jayawardena
Head of Research

Sumith Perera
Senior Fund Manager

Asanka Jayasekara
Fund Manager

Lakmal Wickramaarachchi
Accountant

Champa Perera
Manager - Operations

REAL ESTATE

Nalake Fernando
Director - Property Management

S. Rajaram
Head of Engineering

Sisira Wickramasinghe
Accountant

MANAGEMENT SERVICES

Ajith Weeratunge
Director

Ms. Keshini De Silva
Director

Krishna Selvanathan
Director

Ms. Amali Alawwa
Head of Legal

Bennett Patternott
Head of HR

Chaminda Premarathne
Head of Group Internal Audit

Amal Badugodahewa
Head of Tax

Sunimal Jayasuriya
Manager - IT

Vibath Wijesinghe
Financial Controller

LEISURE

Paddy Withana *(Resigned w.e.f. 31/1/2015)*
Director - Hotel Sector

Ajith Weeratunge
Director - Management Services

Harsha Jayasinghe
Resident Manager - Pegasus Reef Hotel

Kapila Gunatilaka
Chief Accountant

Ms. Mala Munasinghe
Executive Housekeeper

S. Kariyawasam
F & B Manager

D. Feranando
Sales & Marketing Manager

K. Jayathilake
Front Office Manager

Roshan Jayawickrama
Executive Chef

K. Thomas
Chief Engineer

Ganeshan Thiagarajah
Resident Manager - Giritale Hotel

Senarath Ekanayake
Accountant

Mahinda Tennekoon
House-keeper

Hendrik Nandasena
Chef

GROUP DIRECTORATE – 2015

PLANTATIONS, OILS & FATS

GOODHOPE ASIA HOLDINGS LTD.
Directors:
Chandra Das S/O Rajagopal Sitaram ** *NEI* (Chairman)
H. Selvanathan (Executive Director & Deputy Chairman)
P.C.P. Tissera,
Abdullah Bin Tarmugi ** *NEI,*
Chan Cheow Tong Jeffery ** *NEI,*
D.C.R. Gunawardena *** *NE & NI,*
J. Mathavan

SHALIMAR DEVELOPMENTS SDN. BHD.
Directors:
H. Selvanathan
M. Selvanathan
D.C.R. Gunawardena
P.C.P. Tissera
Ms. T.Y. Chan (resigned w.e.f 1/12/2014)
Ms. J.M.S. Jayawickrama
C.S. Karunasena
S. B. Ismail (appointed w.e.f 30/4/2014)
T.W. Sin (resigned on 30/4/2014)
H. B. Aminudin (appointed w.e.f 1/12/2014)

PT AGRO INDOMAS
Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan
M. Tjandrawinata (resigned w.e.f. 11/11/2014),
I. Paulraj
M. Ramachandran Nair
T. de Zoysa
D.C.R. Gunawardena
A.S. Amaratunga (appointed w.e.f. 11/11/2014)

Directors:
P.C.P. Tissera (President Director)
C.A.V.S. Upasena (Vice President Director)
S. Bastaman (resigned w.e.f 11/11/2014)
C.S. Pakadang
Ms. J.M.S. Jayawickrama
C.S. Karunasena
T. Illamurugan

SHALIMAR (MALAY) PLC
Directors:
H. Selvanathan (Chairman)
M. Selvanathan
I. Paulraj * *NE*
D.C.R.Gunawardena * *NE*
P.C.P. Tissera
K.C.N. Fernando
A.K. Sellayah ** *NEI*
S. Mahendrarajah** *NEI* (appointed w.e.f 1/6/2015)

SELINSING PLC
Directors:
M. Selvanathan (Chairman)
H. Selvanathan
I. Paulraj * *NE*
D.C.R.Gunawardena * *NE*
P.C.P. Tissera
C.F. Fernando** *NEI* (deceased on 15/11/2014)
S. Mahendrarajah** *NEI* (appointed w.e.f 1/6/2015)

INDO-MALAY PLC
Directors:
H. Selvanathan (Chairman)
M. Selvanathan
I. Paulraj * *NE*
D.C.R.Gunawardena * *NE*
P.C.P. Tissera
K.C.N. Fernando (resigned w.e.f. 1/6/2015)
T. Rodrigo** *NEI*
S. Mahendrarajah** *NEI* (appointed Director w.e.f. 1/6/2015 & alternate Director to Mr. I. Paulraj)

GOOD HOPE PLC
Directors:
H. Selvanathan (Chairman)
M. Selvanathan
I. Paulraj* *NE*
D.C.R.Gunawardena* *NE*
P.C.P.Tissera
T. Rodrigo** *NEI*
A.K. Sellayah** *NEI*
S. Mahendrarajah (alternate Director for Mr. I. Paulraj)

PT AGRO ASIA PACIFIC
Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan
D.C.R. Gunawardena

Directors:
P.C.P. Tissera (President Director)
C.A.V.S. Upasena
C.S. Pakadang
Ms. J.M.S. Jayawickrama
C.S. Karunasena
J. Mathavan

PT KARYA MAKMUR SEJAHTERA
Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan
D.C.R. Gunawardena

Directors:
P.C.P. Tissera (President Director)
C.A.V.S. Upasena (Vice President Director)
C.S. Pakadang
Ms. J.M.S. Jayawickrama
C.S. Karunasena
T. Illamurugan

PT AGRO HARAPAN LESTARI
Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan, (Vice President Commissioner)
I. Paulraj

* NE - Non-Executive Director ** NEI - Non-Executive / Independent Director
*** NE & NI - Non-Executive & Non - Independent Director

GROUP DIRECTORATE – 2015 | CONTD;

Directors:
P.C.P. Tissera (President Director)
Ms. J.M.S. Jayawickrama
C.A.V.S. Upasena
C.S. Pakadang
C.S. Karunasena
Ramakrishan Rajoo
Ratha K. Raman
M. Gomez
E. Suhardi
S. Thomas George

AGRO HARAPAN LESTARI SDN. BHD.

Directors:
H. Selvanathan
M. Selvanathan
J. Mathavan
P.C.P. Tissera
Ms. T.Y. Chan (resigned w.e.f 1/12/2014)
Ms. J.M.S. Jayawickrama
C.A.V.S. Upasena
H.B. Aminudin (appointed w.e.f 1/12/2014)
C.S. Karunasena
M.R. Jiffrey
K.G.G. De Silva
M.S. Mukthar

Alternate Director:
Satish Selvanathan (for H. Selvanathan) (resigned w.e.f 1/11/2014)

PT AGRO BUKIT

Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan
I. Paulraj
D.C.R. Gunawardena
T. de Zoysa

Directors:
P.C.P. Tissera (President Director)
C.A.V.S. Upasena (Vice President Director)
S. Bastaman (resigned w.e.f 11/11/2014)
C.S. Pakadang
Ms. J.M.S. Jayawickrama
C.S. Karunasena
M.F. Bin Mathunni (resigned w.e.f 28/2/2015)

AGRO HARAPAN LESTARI (PRIVATE) LIMITED

Directors:
H. Selvanathan (Chairman)
P.C.P. Tissera
J. Mathavan
Ms. J.M.S. Jayawickrama
K.G.G. De Silva
M.R. Jiffrey
C.A.V.S. Upasena
C.S. Karunasena
S. Mukthar
Ms. Sharada Selvanathan

Alternate Director:
Satish Selvanathan (for H. Selvanathan) (appointment revoked w.e.f 1/11/2014)

AHL BUSINESS SOLUTIONS (PRIVATE) LIMITED

Directors:
H. Selvanathan (Chairman)
P.C.P. Tissera
J. Mathavan
Ms. J.M.S. Jayawickrama
K.G.G. De Silva
M.R. Jiffrey
C.A.V.S. Upasena
C.S. Karunasena
S. Mukthar

AGRO ASIA PACIFIC LIMITED

Directors:
H. Selvanathan
M. Selvanathan
P.C.P. Tissera
J. Mathavan
Ms. J.M.S. Jayawickrama
C.S. Karunasena

PT AGRAJAYA BAKTITAMA

Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan
D.C.R. Gunawardena

Directors:
P.C.P. Tissera (President Director)
C.A.V.S. Upasena (Vice President Director)
C.S. Pakadang
Ms. J.M.S. Jayawickrama
C.S. Karunasena

PT RIM CAPITAL

Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan
D.C.R. Gunawardena
S.C.P. Chelliah

Directors:
P.C.P. Tissera (President Director)
C.A.V.S. Upasena (Vice President Director)
M.F. Bin Mathunni (resigned w.e.f. 28/2/2015
C.S. Pakadang
Ms. J.M.S. Jayawickrama
C.S. Karunasena

PT AGRO WANA LESTARI

Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan
D.C.R. Gunawardena

Directors:
P.C.P. Tissera (President Director)
C.A.V.S. Upasena (Vice President Director)
C.S. Pakadang
Ms. J.M.S. Jayawickrama
C.S. Karunasena
T. Illamurugan

PT NABIRE BARU

Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan
D.C.R. Gunawardena

Directors:
P.C.P. Tissera (President Director)
C.A.V.S. Upasena (Vice President Director)
C.S. Pakadang
Ms. J.M.S. Jayawickrama
C.S. Karunasena
M.F. Bin Mathunni (resigned w.e.f. 28/2/2015

PT BATU MAS SEJAHTERA

Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan
D.C.R. Gunawardena

Directors:
P.C.P. Tissera (President Director)
C.A.V.S. Upasena (Vice President Director)
C.S. Pakadang
Ms. J.M.S. Jayawickrama
C.S. Karunasena

PT SAWIT MAKMUR SEJAHTERA

Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan
D.C.R. Gunawardena

Directors:
P.C.P. Tissera (President Director)
C.A.V.S. Upasena (Vice President Director)
C.S. Pakadang
Ms. J.M.S. Jayawickrama
C.S. Karunasena

PT SUMBER HASIL PRIMA

Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan
D.C.R. Gunawardena

Directors:
P.C.P. Tissera (President Director)
C.A.V.S. Upasena (Vice President Director)
C.S. Pakadang
Ms. J.M.S. Jayawickrama
C.S. Karunasena

PT SINAR SAWIT ANDALAN

Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan
D.C.R. Gunawardena

Directors:
P.C.P. Tissera (President Director)
C.A.V.S. Upasena (Vice President Director)
C.S. Pakadang
Ms. J.M.S.Jayawickrama
C.S. Karunasena

PT SARIWANA ADI PERKASA

Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan
D.C.R. Gunawardena

Directors:
P.C.P. Tissera (President Director)
C.A.V.S. Upasena (Vice President Director)
C.S. Pakadang
Ms. J.M.S.Jayawickrama
C.S. Karunasena
M.F. Mathunni (resigned w.e.f. 28/2/2015)

ARANI AGRO OIL INDUSTRIES PRIVATE LIMITED

Directors:
H. Selvanathan (resigned w.e.f. 15/6/2015)
M. Selvanathan (resigned w.e.f. 15/6/2015)
P.C.P. Tissera
J. Mathavan
Ms. J.M.S. Jayawickrama
T. Tharumarajah
S.C.P. Chelliah
C.S. Karunasena
M.M.T. Hussain

PREMIUM OILS & FATS SDN. BHD.

Directors:
H. Selvanathan
M. Selvanathan
J. Mathavan
P.C.P. Tissera
Ms. J.M.S. Jayawickrama
T. Tharumarajah
C.A.V.S. Upasena
C.S. Karunasena
M.R. Jiffrey
K.G.G. De Silva
M.S. Mukthar
Satish Selvanathan (resigned w.e.f 14/9/2014)

PREMIUM VEGETABLE OILS SDN. BHD.

Directors:
H. Selvanathan
M. Selvanathan
J. Mathavan
P. C. P. Tissera
Ms. J.M.S. Jayawickrama
T. Tharumarajah
S.C.P. Chelliah
C.S. Karunasena

PREMIUM FATS SDN. BHD.

Directors:
H. Selvanathan
M. Selvanathan
J. Mathavan
P.C.P. Tissera
Ms. J.M.S. Jayawickrama
T. Tharumarajah
S.C.P. Chelliah
C.S. Karunasena

PREMIUM NUTRIENTS PRIVATE LIMITED

Directors:
H. Selvanathan
M. Selvanathan
P.C.P. Tissera
J. Mathavan
Ms. J.M.S. Jayawickrama
C.S. Karunasena
Satish Selvanathan (resigned w.e.f 14/9/2014)

GOODHOPE INVESTMENTS (PRIVATE) LIMITED

Directors:
H. Selvanathan (Chairman) - (appointed w.e.f. 11/2/2015)
P.C.P. Tissera
Ms. J.M.S. Jayawickrema
K.G.G. De Silva
M.R. Jiffrey
C.S. Karunasena
M.S. Mukthar

BEVERAGE

CEYLON BEVERAGE HOLDINGS PLC

Directors:
L.C.R. de C. Wijetunge** *NEI* (Chairman)
H. Selvanathan (Deputy Chairman)
M. Selvanathan (Director/ Alternate Director to H. Selvanathan)
S. K. Shah (Chief Executive Officer)
D.C.R. Gunawardena * *NE*
D.A. Cabraal** *NEI*
H. J. Andersen* *NE* (appointed w.e.f 1/4/2014)

* NE - Non-Executive Director
** NEI - Non-Executive / Independent Director

GROUP DIRECTORATE – 2015 | CONTD;

LION BREWERY (CEYLON) PLC
Directors:
L. C. R. de C.Wijetunge** *NEI* (Chairman)
H. Selvanathan (Deputy Chairman)
S. K. Shah (Chief Executive Officer)
D.C.R.Gunawardena* *NE*
C. P. Amerasinghe (resigned w.e.f 31/3/2015)
C.T. Liyanage
D. R. P. Goonetilleke
K. Selvanathan (Director / Alternate Director to H. Selvanathan),
Ms. S.J.F. Evans** *NEI*
H.J. Andersen* *NE*
D. A. Cabraal** *NEI*
Y.F. Lew* *NE*

PUBS 'N PLACES (PRIVATE) LIMITED
Directors:
S.K. Shah
C. P. Amerasinghe (resigned w.e.f. 31/3/2015)
D.R.P. Goonetilleke
S.W.M.K.N. Hulangamuwa
K.R.T. Bandara (resigned w.e.f 15/5/2014)
J.R. Kiridena
J.A.A. Jayasinghe (resigned w.e.f. 16/5/2014)
M.R.B. Ranatunga (appointed w.e.f 1/4/2014)

RETAIL SPACES (PRIVATE) LIMITED
Directors:
S.K. Shah
C.P. Amerasinghe (resigned w.e.f. 31/3/2015)
D.R.P. Goonetilleke
P.P. de Silva

LUXURY BRANDS (PRIVATE) LIMITED
Directors:
S.K. Shah
D.R.P. Goonetilleke
C.P. Amerasinghe (resigned w.e.f. 31/3/2015)
Ms.N.F.H Raheem

PEARL SPRINGS (PRIVATE) LIMITED
Directors:
C.T. Liyanage (Appointed w.e.f 20/5/2014)
Ms. N.F.H. Raheem (Appointed w.e.f 20/5/2014)
D.R.P. Goonetilleke (appointed w.e.f 21/05/2014)

MILLERS BREWERY LIMITED
D.R.P Goonatilleke (appointed w.e.f. 30/10/2014)
C.T. Liyanage (appointed w.e.f. 30/10/2014)
Ms.N.F.H. Raheem (appointed w.e.f. 30/10/2014)

VEE WARUNA (PRIVATE) LIMITED
Directors:
P.P. De Silva (appointed w.e.f. 17/11/2014)
L.E.J. Salgado (appointed w.e.f 17/11/2014)
W.W.M.A.J. Bandara (appointed w.e.f 17/11/2014)
S.G. Jansz (appointed w.e.f. 17/11/2014

REAL ESTATE

EQUITY ONE PLC
Directors:
D.C.R. Gunawardena* *NE* (Chairman)
S. Nagendra** *NEI*
K.C.N. Fernando
E.H. Wijenaike** *NEI*
A.P. Weeratunge
S. Mahendrarajah** *NEI*
P.D.D. Fernando** *NEI*

EQUITY TWO PLC
Directors:
D.C.R. Gunawardena* *NE* (Chairman)
K.C.N. Fernando
A.P. Weeratunge
E.H. Wijenaike** *NEI*
P.D.D. Fernando** NEI

EQUITY THREE (PRIVATE) LIMITED
Directors:
I. Paulraj
C. F. Fernando (deceased on 15/11/2014)
K. C. N. Fernando

LEISURE

PEGASUS HOTELS OF CEYLON PLC
Directors:
D.C.R. Gunawardena* *NE* (Chairman)
H. Selvanathan
M. Selvanathan
S. Nagendra** *NEI*
P.M. Withana (resigned w.e.f 31/1/2015)
M. Dayananda** *NEI* (appointed w.e.f. 15/7/2014)
W.A.A de Z. Gunasekera** *NEI* (appointed w.e.f. 19/11/2014)

Alternate Director:
K.C.N. Fernando (for M. Selvanathan)

EQUITY HOTELS LIMITED
Directors:
D.C.R. Gunawardena (Chairman)
P. M. Withana (resigned w.e.f. 31/1/2015)
V. R. Wijesinghe
A.P. Weeratunge (appointed w.e.f. 31/01/2015)

CARSONS AIRLINE SERVICES (PRIVATE) LIMITED
Directors:
H. Selvanathan (Chairman)
M. Selvanathan
D.C.R. Gunawardena

* NE - Non-Executive Director
** NEI - Non-Executive / Independent Director

RIVERSIDE RESORTS (PRIVATE) LIMITED

Directors:
H. Selvanathan (Chairman)
S. Mahendrarajah

MANAGEMENT SERVICES

CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED

Directors:
H. Selvanathan (Chairman)
M. Selvanathan
S.K. Shah
P.C.P. Tissera
K.C.N. Fernando
Mrs. K.D.De Silva
A.P. Weeratunge
K. Selvanathan

Alternate Director:
P.C.P. Tissera (for H. Selvanathan)

PORTFOLIO & ASSET MANAGEMENT

CEYLON GUARDIAN INVESTMENT TRUST PLC

Directors:
I. Paulraj* *NE* (Chairman),
D.C.R. Gunawardena* *NE*
A. de Z. Gunasekera** *NEI* (resigned w.e.f. 31/10/2014)
V.M. Fernando** *NEI*
Mrs. M.A.R.C. Cooray ** *NEI*
K. Selvanathan
C.W. Knight** *NEI*
T.C.M. Chia ** *NEI* (appointed w.e.f. 1/11/2014)

CEYLON INVESTMENT PLC

Directors:
I. Paulraj* *NE* (Chairman)
D.C.R. Gunawardena* *NE*
A.P. Weeratunge
Mrs. M.A.R.C. Cooray** *NEI*
A.de.Z Gunasekera** *NEI* (resinged w.e.f. 31/10/2014)
V.M. Fernando** *NEI*
K. Selvanathan
T.C.M. Chia***NEI* (appointed w.e.f. 1/11/2014)

GUARDIAN CAPITAL PARTNERS PLC

Directors:
I. Paulraj* *NE* (Chairman)
S. Mahendrarajah** *NEI*
D.C.R. Gunawardena* *NE*
W.A.A. de Z Gunasekera** *NEI* (appointed w.e.f. 19/11/2014)

Alternate Director:
S. Mahendrarajah (for I. Paulraj)

RUBBER INVESTMENT TRUST LIMITED

Directors:
I. Paulraj (Chairman)
D.C.R. Gunawardena
A.P. Weeratunge

Alternate Director:
A.P. Weeratunge (for I. Paulraj and D.C.R. Gunawardena)

LEECHMAN & COMPANY (PRIVATE) LIMITED

Directors:
H. Selvanathan
M. Selvanathan
S. Mahendrarajah

GUARDIAN FUND MANAGEMENT LIMITED

Directors:
Mrs. W.Y.R. Fernando
Mrs. B.D.N. Jayatilake
K. Selvanathan
A.P. Weeratunge

Alternate Director:
M.A.T. Jayawardana (for Mrs. B.D.N. Jayatilake) – appointed w.e.f 1/5/2014

GUARDIAN ACUITY ASSET MANAGEMENT LIMITED

Directors:
T.W. de Silva (Chairman)
D.C.R. Gunawardena
M. R. Abeywardena
K. Selvanathan
Mrs. W. Y. R. Fernando
D. P. N. Rodrigo

Alternate Directors:
Mrs. B.D.N. Jayatilake (for D.C.R. Gunawardena)
S.M. Perera (for K. Selvanathan) - appointed w.e.f. 1/8/2014

CARSON CUMBERBATCH PLC

Directors:
T. de Zoysa ** *NEI* (Chairman)
H. Selvanathan (Deputy Chairman)
M. Selvanathan
I. Paulraj * *NE*
D.C.R. Gunawardena * *NE*
P.C. P. Tissera
S.K. Shah
V. P. Malalasekera ** *NEI*
F. Mohideen ** *NEI*
R. Theagarajah ** *NEI*
W.M.R.S. Dias ** *NEI* (appointed w.e.f. 1/8/2014)

Alternate Director:
K. Selvanathan for M. Selvanathan)
S. Selvanathan (for H. Selvanathan) (ceased as alternate on 1/12/2014)

* NE - Non-Executive Director
** NEI - Non-Executive / Independent Director

SUSTAINABILITY REPORT

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Corporate social responsibility forms an integral component of corporate governance within our Group. In alignment with the World Commission on Environment and Development, the Group strongly believes in the need for a holistic and long-term approach towards positive change, based on the premise that sustainable growth can only be achieved by striking a balance with broader social and environmental aspects.

Group CSR goes beyond philanthropy to undertake initiatives that provide sustainable returns to the social, cultural and economic fabric of those countries with our business presence. The Group takes an interactive, multi-stakeholder approach to all our CSR activities, capturing our internal strengths to initiate, engage in and promote those programs that offer a greater benefit to a greater number of people. We seek those areas for development of people that are largely marginalized and unexplored by mainstream development initiatives. We believe that a country's greatest strength lies in its people, particularly its youth. As always, we keep striving in our long-standing commitment towards youth education, development and empowerment.

As a regional holding company, our CSR efforts extend beyond the country of origin, reaching out to communities in those countries where our business interests lie. Accordingly, for the Group's plantations sector we undertake a Free, Prior and Informed Consent (FPIC) process with the communities surrounding our plantations prior to commencement of operations in order to better identify and understand their needs.

GROUP CSR GOES BEYOND PHILANTHROPY TO UNDERTAKE INITIATIVES THAT PROVIDE SUSTAINABLE RETURNS TO THE SOCIAL, CULTURAL AND ECONOMIC FABRIC OF THOSE COUNTRIES WITH OUR BUSINESS PRESENCE.

A science class in progress – SMP Tunas Agro

These identified needs are then prioritized and programs developed to meet these requirements.

EDUCATION AND PEOPLE DEVELOPMENT

Education Advancement Efforts in Indonesia

The Group's plantations sector recognises that education is a key pillar to community growth in the remote operating locations in Indonesia. Accordingly, we strive to promote literacy for the next generation by increasing communities' access to quality formal education.

Hence the education program set up under the auspices of the "Agro Harapan Foundation" has developed and grown to meet its challenges head-on. The aim of this program is to advance the education of children in surrounding communities and give them the opportunity to pursue their higher education aspirations. The program serves 9,350 students of which only approximately 36% are children of employees. The Foundation manages 11 of its own schools, including a model secondary school – SMP Tunas Agro, which has attained national level "A" grade standard, a primary school and nine kindergartens in mature plantations in Central Kalimantan, Indonesia.

The construction of a new primary school in PT Agro Wana Lestari in Central Kalimantan has been completed, while another new primary school is being constructed in PT Agro Indomas in Central Kalimantan, which is targeted to be operational by July 2015. Plans are underway for the construction of another three kindergarten facilities in the coming year.

The Foundation also assists over 80 public schools, which range from vocational high schools, secondary schools, primary schools and kindergartens spread across Indonesia.

there were 200 recipients of scholarships, which included 22 university students residing in the communities surrounding our plantations in Sintang, West Kalimantan. Special scholarships are also offered to teachers in order for them to further their own education, and to obtain special teaching accreditation from the government which will allow them to get special incentives. A new scholarship scheme, known as BRIDGE, was launched in the year under review, to assist children of deceased employees to continue their education up to senior high school level with the possibility to continue on to university.

Sector	2014/15	2013/14
Total Students Served	9,350	9,845
No. of Schools Managed:		
• Kindergartens	9	9
• Primary Schools	1	0
• Junior High School	1	1
No. of Public Schools Assisted	87	91
Student Scholarships Provided	199	195
Teacher Scholarships Provided	9	0

Further, the Foundation offers scholarships to students to assist them in undertaking their higher education aspirations. In the year under review

Other education related support provided in the period under review includes provision of 88 auxiliary teachers, teachers' capacity building, provision of education facilities and provision of additional classrooms to villages and communities surrounding our plantation operating locations. The auxiliary teachers are hired to address the unavailability of teachers and to teach in public schools in surrounding villages throughout our plantations.

The Foundation operates a Junior High School – SMP Tunas Agro, which remains the flagship school of the Foundation, having been awarded an "A" Accreditation by the Indonesian Government since 2009. The school offers music, language and computer studies in addition to common studies carried out at other schools. In addition, special initiatives and educational activities are undertaken on a regular basis. One such activity is vegetable farming, where the aim is to teach students concepts and understanding of organic farming and entrepreneurship. The Foundation also provides books, transportation and uniforms to children attending SMP Tunas Agro.

Enhancing Employability of Youth

The Group continues its youth development efforts in the Hambantota District, and the year under review

SUSTAINABILITY REPORT | CONTD;

saw the culmination of the 4th consecutive year of the “Enhancing Employability of Youth” program. With the new intake in July 2014, the total number of youth that have benefited with English Language, Information Technology and Personality Development Skill training under the program exceeds 1,000.

The intensive four-month curriculum was developed based on the learning from a study conducted by the Employers’ Federation of Ceylon, on what the private sector is looking for from an entry level employee. The primary objective of the program is to nurture young adults with the right attitude and skills required to enter the modern world of work. With this in view, the program includes sessions such as enhancing persona, facing a job interview, writing a resume and etiquette of fine dining.

In the year under review, several value additions were made to the existing program. By shifting away from the town centre we were able to improve the program’s accessibility, and reach out to youth from more remote areas of the district. E-learning was introduced via an interactive online teaching software through a reputed foreign education service provider, to enhance students’ English speech and comprehension skills. We have consistently maintained the highest standards when engaging the services of institutions and professionals in delivering effective and interactive workshop sessions to these youth.

Computer Skills Training for Staff of Maternal and Child Health Unit of Hambantota District

On invitation of the District Health Office of Hambantota, we embarked on a program to provide computer skills training to approximately 220 midwives and public health inspectors from the Hambantota District. The primary focus of the training is to provide the necessary computer literacy to the staff that would enable them to shift to a computerized database management system with regards to the collection, storage and processing of medical records. Process efficiency improvements within the health sector would generate positive spill over effects, specifically with regards to improved maternal and child healthcare within the Southern region.

Classes are conducted by a dedicated instructor at the Carsons Computer Centre in Hambantota, the facilities of which are also open to others in the community. The district comprises 12 Medical Office of Health divisions, and at present the staffs of Hambantota and Sooriyawewa divisions have successfully completed the training. A certification ceremony was held for the first batch on 30th March 2015 in Hambantota.

“Learning by doing” – session on fine dining etiquette for youth in Hambantota

Facilitating Youth Education in Biyagama

We continue our youth education efforts in Biyagama, and for the fifteenth year in succession, a group company continued to provide the annual requirement of school books and stationery to children of the Biyagama South Gramasevaka area. This year, an even greater number benefited from this gesture, totalling over 2,250 school students.

In addition, we have now commenced running a fully-fledged Computer and English Training Centre in Biyagama. We employ the services of dedicated teachers, providing free IT and English training to students in the area, furthering their school curriculum.

Annual scholarships were awarded to three students in the area who had successfully completed the G.C.E. Ordinary Level Examination. The scholarship program would support the beneficiaries throughout their Advanced Level and university education.

ECONOMIC EMPOWERMENT

Our plantations sector has operationalised the "Goodhope Empowerment" program, with the primary aim of encouraging and assisting people and communities residing around our plantation operations to become more self-reliant. This also considers the need to give them greater confidence and self-assurance to take up available challenges and opportunities and earn a living.

In order to ensure the sustainability of the program, we have taken efforts to tap into local ingenuity and resources for potential business partnerships, to mobilize support from the local government and local community, and also to foster collaborative partnerships with NGOs and universities to help create impactful social responsibility programs that can be sustained for the longer term.

Several programs such as poultry, pig, goat and vegetable farming implemented in the past continue to operate successfully with community residents of our plantation operations.

Graduation photograph of staff of Hambantota and Sooriyawewa Medical Office of Health divisions

A new venture initiated in the year under review is the "Village Improvement Program". This is undertaken in 12 pre-identified villages located at PT RIM Capital, PT Agro Bukit in South Kalimantan and PT Agro Bukit in Central Kalimantan, in conjunction with the Al Azhar Foundation – a prominent national education foundation, with whom these plantation companies have signed MOUs. The program concentrates on improving lifestyles and living standards of residents through support for increasing household income, productive use of funds, empowering youth and women and upgrading public facilities.

Another new program to be implemented in the coming financial year is an integrated cattle-palm waste utilization project in co-operation with the Government Agency on Animal Husbandry and Forestry Plantation based in Sampit, Central Kalimantan, Indonesia. The project is aimed at facilitating 15 village residents in 3 villages to breed 15 cattle each using the cattle farm-palm oil plantation integration approach. As a pilot project this will first be

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Vegetable farming at Terawan village - PT Agro Indomas in Central Kalimantan

implemented in three villages.

The PLASMA Program

The tangible impact of palm oil plantations development in Indonesia is the introduction of the PLASMA scheme as stipulated by Government regulation in 2007. The scheme introduces a designation of a proportion of a minimum of 20% of its plantation areas for distribution to members of the smallholders cooperative.

The scheme nurtures these smallholders to adopt good agricultural practices, helps them gain access to financial support, ensures legal property ownership, and works with them as partners to develop and maintain their lands, also providing them with a guarantee to purchase their crops.

The sector's PLASMA program which initially commenced at PT Agro Indomas continues to benefit villagers and smallholders with new schemes being implemented in the sector's immature plantations expected to continue to create job opportunities for villagers and also create a reliable source of household income. The sector has in place plans to develop PLASMA of 19,340 ha together with designated smallholders. To date, the PLASMA program has successfully developed more than 6,045 ha benefiting more than 3,000 households in Kalimantan and Papua.

Youth To Nation Foundation

The Youth to Nation Foundation (YNF) was incorporated in 2013 with the aim of streamlining and providing greater focus to our efforts in facilitating youth with self-reliance. YNF has a twofold purpose. Firstly, YNF nurtures the development of selected young entrepreneurs, through a 3-year incubator period tailor-made to suit the needs of each individual business. Secondly, YNF promotes an entrepreneurial culture and develops necessary skills, by conducting workshops for larger target groups of young entrepreneurs.

Initially limited to the Hambantota District, YNF has expanded its scope towards other focal regions including Matara, Ratnapura as well as the Colombo suburbs.

Young Entrepreneurs Development Program

Currently in its 2nd year of activity, the flagship program of YNF aims to enhance the entrepreneurial, technical and business management skills of young entrepreneurs with a view of promoting sustainable socioeconomic development in Sri Lanka. The initiative is backed by Ceylon Guardian Investment Trust PLC and Ceylon Investment PLC, the two listed companies of the investment sector, which support the development of thriving, economically viable enterprises of high investment quality.

The program identifies young entrepreneurs below the age of 40 years, through a selection process that ensures economic value creation through utilization of local raw materials, provision of employment to skilled youth, integration with other small businesses in further value creation, and the potential to either earn or save foreign exchange.

Through networking with the regional chambers in the Southern region, the program has facilitated its beneficiaries to gain considerable growth, both in financial and non-financial terms. Such business improvement has been reflected in increased revenues and profitability, technological advancement, introduction of new products, access to markets as well as implementation of good business practices in areas such as health and safety practices, record keeping and cost management, labour management, environmental sustainability and community relations.

We observe the positive impact of the Young Entrepreneurs Development Program, in terms of employment generation, environmental improvements, and better

A soft toys manufacturer from Weligama supported by YNF

business acumen of the program's beneficiaries. The program has further been instrumental in empowering rural women, by encouraging opportunities for working from home and working flexible hours, thereby facilitating their choice to perform a dual role in society – that of home-maker and income generator.

Competency Development for Young Entrepreneurs

During the year under review, 200 young entrepreneurs from Southern and Sabaragamuwa regions gained access to business competency development through workshops conducted in Hambantota, Matara and Ratnapura Districts. YNF was assisted by the respective regional chambers of commerce in attracting deserving young entrepreneurs to participate in these workshops.

The workshops are conducted based on the training needs assessment of the target participants, and resource personnel include both in-house staff as well as external professionals. Some of the topics covered in these specialized training sessions included costing and financial management, sales and marketing, new product development, taxation and social media marketing.

INFRASTRUCTURE DEVELOPMENT

The plantation companies of the Group support the development and maintenance of roads and bridges in their remote operating locations in Indonesia. Infrastructure development and maintenance is one of the largest investments in social programs due to poor public infrastructure, particularly road access, bridges and water supply that benefit both employees and surrounding village residents.

Other support on public infrastructure include construction of community halls and worship houses, such as mosques and churches in neighbouring villages. Clean water facilities are also limited and the sector provides clean water facilities such as water tanks and water wells constructed in surrounding villages to improve lifestyles and reduce health problems. In the period under review, investment in infrastructure is focused on 29 neighbouring villages in Kalimantan and Papua.

Due to the magnitude of issue and scale of investment needed, it is imperative to work with the government to improve village infrastructure. We work with both local and central government on village infrastructure improvement. Field teams have been conducting rapid appraisal, community consultation and discussion with concerned agencies prior to preparation of government programs, to ensure synergy between our programs with government's infrastructure projects.

DISASTER RELIEF AND HUMANITARIAN EFFORTS

We assisted in drought relief in the Polonnaruwa District, by sending dry ration bags and 1,000 litre tanks to store much needed water in the severely affected areas.

We also continued our humanitarian efforts, providing dry rations and other subsistence requirements to those affected by floods in the Anuradhapura District.

CULTURE PRESERVATION

The plantations sector has in place cultural preservation programs which are aimed at preserving the legacy of tangible and intangible attributes inherent to the unique cultures of Indonesia. Some of the programs include preserving culturally significant landscapes,

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sacred trees and worship locations in Central and West Kalimantan, and intangible attributes of indigenous culture, including documentation of Dayak folklore, traditions and beliefs in West Kalimantan.

In the Papua region, we are committed to working together with the indigenous Papuan tribal groups to raise awareness levels of their culture to people, especially children. We also work with them to improve their children's education standards and the general lifestyles of their people.

RELIGIOUS ACTIVITIES AND COMMUNITY SERVICE

The completed Dharmashalawa at Agbopura Temple in the Polonnaruwa District, is now the centre for Buddhist education and observance of religious practices by the community in the area. Investment in building the Dharmashalawa as well as the voluntary efforts of the staff of Giritale Hotel, was a demonstration of our engagement towards promoting religion and harmonious relations within the community. This endeavour has helped approximately 200 children attending Sunday School, as well as the devotees who frequent the temple for religious observation.

A group company also continues to undertake the maintenance of the Kelaniya Temple grounds, as well as support in other community services, such as providing disaster relief to villagers in the area.

CATALYST FOR CORPORATE NETWORKING – THE "SHAKESPEARE SHIELD"

We continue to demonstrate our corporate citizenship through our engagement in many socio-corporate events. These include our continued sponsorship of the prestigious Shakespeare Shield Golf Tournament of the Royal Colombo Golf Club since 1911.

The tournament strengthens inter-organizational relations, by bringing together the corporate, governmental and diplomatic communities in this annual event of celebratory competition. The year under review saw the culmination of the 103rd year of the Shakespeare Shield Tournament.

ENVIRONMENTAL SUSTAINABILITY

PLANTATIONS, OILS AND FATS SECTOR

The issue of sustainability has never been more relevant and urgent in such challenging times to gauge the sector's commitment through innovation in addressing growing environmental and social concerns. We continue to adopt sustainability principles and practices by balancing financial objectives in tandem with environmental sustainability and social responsibility through implementation of Environment, Health and Safety (EHS) programs.

The sector consistently employs a two-pronged sustainability approach, ensuring compliance to applicable regulations and business standards and embedding sustainability strategies within the operations towards creating innovations and improving efficiency.

Accordingly, we aim to manage our plantations by implementing standards and best practices developed by recognised industry associations including the Roundtable on Sustainable Palm Oil (RSPO) and the Indonesian Sustainable Palm Oil (ISPO).

The sector has also recognised the growing demand by customers for certified sustainable palm oil and has thus taken steps to attain its RSPO certifications for its Crude Palm Oil Processing (CPO) mills in Indonesia and its edible oils and fats refinery operations based in Johor, Malaysia.

Consolidating our efforts towards achieving long-term aims and impactful return of our investment in sustainability, we are finalizing the Sustainability Strategy for 2015-2020 as a corporate framework on sustainability. The new strategy highlights the adoption of RSPO standards as the core sustainability platform augmented with the ISPO, ISO and other industry certification schemes.

Certifications and Recognition

We continuously strengthen our sustainability framework through benchmarking against standards and best practices developed by national and international industry bodies. We believe that when our operations are certified by these bodies, it re-enforces and sustains our sustainability commitments and progress as a responsible business entity.

Roundtable on Sustainable Palm Oil (RSPO) Certification

RSPO is a non-governmental organization formed by palm oil producers, end-users and other non-governmental organizations to promote the production of sustainable palm oil which is the global benchmark and a leading reputed body acclaimed in the Industry. It has very stringent criteria which its members need to follow which consists of 8 principles, 43 criteria and 138 indicators for its certification program. RSPO principles include commitment to transparency, compliance with applicable laws and regulations, commitment to long-term economic and financial viability, use of appropriate best practices by growers and millers, environmental responsibility and conservation of natural resources and biodiversity, responsible consideration of employees and of individuals and communities affected by growers and palm oil mills, responsible development of new plantings, and commitment to continuous improvement in key areas of activity.

As a measure of our continued commitment to the RSPO, the year under review saw a major development for the plantations business segment, which received the ordinary membership of the Roundtable on Sustainable Palm Oil (RSPO) for Goodhope Asia Holdings Ltd, the holding company of the segment incorporated in Singapore.

In addition to this membership, two mills of the oldest plantation company of the sector, PT Agro Indomas have been certified by the RSPO to produce sustainable certified palm oil. We are now working with reputed certifying bodies to perform RSPO audits of two mills at PT Agro Wana Lestari and PT Agro Bukit, which we expect to have certified by the end of 2015.

Further, the segment's refinery and specialty fats manufacturing facilities based in Malaysia are members of the RSPO and have received the RSPO Supply Chain Certification, thus enabling us to cater to the needs of the more sophisticated and environmentally conscious consumer.

ISO 14001 and OHSAS 18001 Certification

The sector continues to emphasize compliance with applicable business standards as demonstrated in maintaining and retaining its various certifications, including ISO 14001 on Environment Management System (EMS) and OHSAS 18001 on Occupational Health and Safety Management System. Both systems are voluntary with the aim to assist companies in continuously improving environmental performance for ISO 14001 and health and safety for OHSAS 18001, while complying with applicable legislation.

We obtained both the ISO 14001 and OHSAS 18001 certifications for another two of our plantation companies in Indonesia in February 2015. Currently, a total of five companies of the Group, namely PT Agro Indomas, PT Agro Bukit, PT Rim Capital, PT Agro Wana Lestari and PT Karya Makmur Sejahtera in Central Kalimantan, Indonesia are now ISO 14001 and OHSAS 18001 certified.

We will continue our efforts in obtaining these certifications for all plantation companies in Indonesia by the year 2019.

	2014/15	2013/14
ISO 14001 Certified Companies	5	3
OHSAS 18001 Certified Companies	5	3

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Indonesian Sustainable Palm Oil System (ISPO) Certification

The ISPO is a mandatory certification scheme regulated by the Indonesian Ministry of Agriculture, directed at creating a system for sustainable palm oil production and certification that will enhance Indonesia's competitiveness in the global palm oil market and reduce greenhouse gas emissions from the Indonesian oil palm plantations and operations.

The ISPO standard consists of seven principles, 40 criteria, 128 indicators and 158 guidances covering legal issues, economic, environmental and social terms which are extracted from 137 rules and regulations applied to oil palm plantations.

This certification which was introduced in 2012 is fast gaining momentum and the sector is working towards this certification process. However, there are only 63 companies that are ISPO certified out of 1000 palm oil companies listed by the Ministry of Agriculture in Indonesia.

We have commenced the certification process for our plantations with the registration of five companies which are eligible for this certification. The first stage audits in three of these companies have been successfully completed. We hope to complete the certification of two companies, namely, PT Agro Indomas and PT Agro Wana Lestari by the year 2015. We will continue with the registration process for the rest of the plantation companies under the ISPO scheme in the coming years.

Program for Pollution Control, Evaluation, and Rating (PROPER)

PROPER, developed by the Indonesian Ministry of Environment is a national level public environmental reporting initiative. It aims to encourage companies to adhere to environmental regulations and to achieve environmental excellence through the integration of sustainable development principles in their production process.

PROPER uses a simple five-colour rating scheme comprising gold, green, blue, red and black, to grade the different levels of pollution control practiced by milling and manufacturing facilities against the regulatory standards, with gold being the highest rating and black the lowest.

In addition to the ISO 14001, the environmental performance of the sector's mills along with their plantations in Indonesia are also scrutinized and rated by the Ministry of Environment. This exercise is legally binding with immediate sanctions imposed to those with a black rating or non-compliance.

Three mills at PT Agro Bukit and PT Agro Indomas have also been certified and rated Blue by PROPER or the environmental performance appraisal by the Ministry of Environment, Indonesia. The blue rating demonstrates the companies' full compliance to applicable Indonesian laws and regulations.

Quality Management Certifications

The sector's edible oils and fats operations based in Malaysia and India has also in place relevant food security quality certifications and procedures as required by industry standards. These certifications, which include FSSC 22000, GMP+, Halal, Kosher, ISO 20012 and HACCP enable us to meet the demands and required standards of our global clientele covering multi-nationals, regional and national level leaders in food and food ingredient industry spread over 50 countries world-wide.

Awards Received in the Year

Our commitment to sustainability has been well recognised by concerned stakeholders as shown in a number of awards and appreciations on education and culture preservation conferred by government agencies and partner organizations.

Shalimar PLC (Shalimar Estate), one of the Malaysian plantation companies of the sector, received the "MPOI Award" from the Malaysian Palm Oil Board (MPOB) for the year 2013/14 under the 'Best Estate Category (Peninsular Malaysia) - land extent between 40.47 ha to 499 ha'.

In total there were 21 awards presented for a variety of categories that recognised plantation companies with high levels of performance within Peninsular Malaysia, Sabah and Sarawak. The selection for an award is based on pre-set criteria decided by the Malaysian Palm Oil Industry (MPOI) Awards Committee and an Assessment Panel of the MPOB.

The criteria for the Best Estate Category included:

• Estate has to be the highest yielding for the calendar year 2013

• The best maintained estate in terms of overall estate condition including good control on pest & disease and improvement on work method.

• Provide good welfare and amenities to employees as stated in the Act 446

The awards and recognitions received for our Indonesian plantation companies are listed in the table below:

No.	SPU	Award	Conferred By	Date
1	PT Agro Bukit, Central Kalimantan	Zero Accident Award	Bupati Kotawaringin Timur	12 February 2014
2		Zero Accident Award	Minister of Manpower and Transmigration, Indonesia	April 2014
3	Goodhope Group	Partner in empowering CSR implementation in Indonesia	Al Azhar Foundation, Jakarta	12 Aug 2014
4	PT Sumber Hasil Prima and PT Sinar Sawit Andalan	Partner in capacity building for village organization	Local Community Empowerment Authority	8 Sep 2014
5		Supportive Company for local education program "Ayo Mengajar" movement	Chief of Education Department of Sintang	12 Sep 2014
6		Contribution to support school equipment and utilities	Head of Public Junior High School of Serawai (SMPN 1)	30 Nov 2014
7	Agro Harapan Foundation	Concern company in improving teachers' professionalism	Chief of Education Department of Central Kalimantan, Chief of Indonesian Teacher Association of Central Kalimantan	25 Nov 2014

PT Agro Bukit in Central Kalimantan received Zero Accident Award from Bupati Kotim

Environmental Management

The sector is committed to minimizing adverse environmental impacts from our business operations. We recognise that the scarcity of land, water and other natural resources, together with global concerns on pollution and climate change have an impact on the way business operations must be conducted. We thus give due consideration to the impact on the environment, and the ways in which this may be reduced and managed when undertaking day-to-day business operations by implementing monitoring, assessment, and research & development activities as part of our on-going

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efforts to minimize our environmental impact.

Environmental management in the sector's plantations and mills focus on two key areas:

1. To strive for eco-efficiency or "increase productivity with less resource use and minimum waste" through introduction and adoption of relevant environmentally friendly measures and methodologies for areas such as water conservation, soil conservation, domestic waste bank and zero waste management in operations.

2. By maintaining and managing High Conservation Value (HCV) areas and their biodiversity, while ensuring the conditions of conservation areas remain intact and redesignated as no-development areas.

Environmental Assessment – Minimizing Pollution

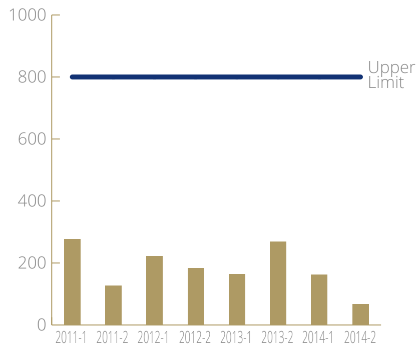
Regular environmental quality assurance and monitoring at both mills and plantations is carried out, with the aim of reducing and mitigating the environmental impact of business operations.

Regular monitoring is undertaken by both sustainability teams and independent parties for areas such as air emissions, air ambience, noise level, ground water levels, waste water, soil quality, surface water, and aquatic biota. We are determined to maintain compliance and ensure all environmental indicators are below the Indonesian Government-set threshold.

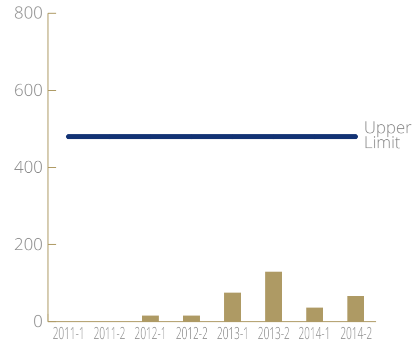
To ensure the reliability of the monitoring results, the sector coordinates with a certified laboratory to perform monitoring of key environmental indicators. So far, assessment and monitoring shows that all indicators of the mills and plantations are below the government limit.

On air quality, we closely monitor two of the main indicators, namely; NO2 and SO2 levels used to measure air emission from boilers. To ensure that our emission levels fall within the regulatory limit, we undertake monitoring measures once every six months with the assistance of external consultants, and consult with operation teams to follow-up on any findings and recommendations. Based on our monitoring results, the NO2 and SO2 levels in all mills are consistently within the permitted limit as shown in the graphs:

NO2 LEVEL FROM BOILER (mg/L)



SO2 LEVEL FROM BOILER (mg/L)



PT Agro Indomas, Central Kalimantan - Air emission (NO2 and SO2) from boilers (level is below the Government limit)

Waste Management

The sector's plantations and milling operations produce organic waste and by-products which are recycled and reused within our operations. These are mainly Palm Oil Mill Effluent (POME), Empty Fruit Bunches (EFB), and fibres and shells that are produced as a result of CPO production.

Waste recovery and usage:

Waste	Re-used, Recovered and Re-cycled
Empty Fruit Bunches	100% for mulching and composting as fertilizer
Mesocarp Fibres	100% used for boiler fuel and electricity generation
Shells	100% used for boiler fuel and power generation at our Palm oil Mills
Palm Oil Mill Effluent (POME)	100% treated and used as fertilizer
Tree Trunks and Fronds	100% left in the plantations to decompose naturally, used as fertilizer

One of the main effluents that are released through our palm oil milling operations is the 'Palm Oil Mill Effluents (POME)'. POME that is untreated has a high Biological Oxygen Demand (BOD), which means it could be hazardous to the natural flora and fauna of the aquatic system. As a practice all POME released is collected in a Pond System and treated in order to eliminate the BOD levels. This treated POME is collected, and reused in our plantations as organic fertilizer. POME is collected in anaerobic open pond system where it is treated and monitored regularly to ensure that POME parameters are in compliance with the government regulated limit for effluent land application. Further, we also have mechanisms in place to ensure that no effluent enters the rivers as surface run-off at all times.

As the BOD and pH levels are two main indicators for water quality, we measure and monitor the quality of POME through these indicators every month. All indicators measured are below the regulatory standard.

AVERAGE OF WASTE WATER BOD LEVEL PER MILL (mg/L)					
	TRM	SPM	SBM	BSM	LIMIT
2011	846.4	403	1,156		5000
2012	541	604	948.5		5000
2013	411	526	626	369	5000
2014	783	594.7	607	338	5000

AVERAGE OF WASTE WATER pH LEVEL PER MILL					
	TRM	SPM	SBM	BSM	LIMIT
2011	7.9	7.9	5.7		6-9
2012	8.1	8.3	8.1	8.1	6-9
2013	7.9	8.1	7.9	8.2	6-9
2014	7.9	8.0	8.2	8.5	6-9

The sector has introduced a "composting system" for the three mills located at PT Agro Wana Lestari in Central Kalimantan, PT Agro Bukit in South Kalimantan and PT Agro Indomas in East Kalimantan. Composting is hailed as a green and sustainable practice in sustainable palm oil, turning palm oil residues, EFB and POME into organic fertilizer. The composting system utilizes 100% EFB and POME using an advanced method to convert the waste into compost which offers an effective solution to waste disposal.

The compost product serves as a substitute to replace a significant proportion of chemical fertilizer. This system is more advanced, effective and environmentally friendly than traditional POME application as the source of alternative fertilizer.

Water Conservation

Water is a critical aspect for the sector's plantation operations. The main sources of water at each of our plantations are rivers, reservoirs and dams. Our plantations are 100% rainwater fed. We use water from reservoirs and waterways for our nurseries, office and housing needs, but our primary use is for our mills to process Fresh Fruit Bunches (FFB).

Due to the critical need for water, several initiatives are undertaken in its conservation. These include recycling waste water, which is then utilized for cleaning purposes, safeguarding the waterways during plantation development in order to minimize the overflow of hazardous chemicals and effluents, improving water retention systems in plantations and monitoring and providing clean water to local communities and workers. Further, we continue to advocate for water conservation and the optimal use of water for domestic purposes of employees' families and the local community.

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We also regularly monitor natural water bodies such as the lakes and rivers within our plantation lands, to ensure that they are not polluted, and are able to sustain their natural ecosystem.

Soil Fertility Management and Conservation

The sector's plantation operations implement rigorous soil management practices aimed at maintaining and enhancing soil fertility while reducing the risks of soil degradation posed by our business operations. We have implemented measures aimed at reducing the use of inorganic fertilizers.

Our plantations have in place a stringent policy for soil conservation integrated into the plantation development processes and plans. Accordingly, before undertaking the development of our plantations, we carefully identify and keep undisturbed the areas designated as "steep areas" for nature to take its course. In addition, significant areas are set aside as "water catchment areas" where the original vegetation is left intact and where necessary, additional trees are planted.

For new development areas, we mechanically clear land and harness the organic contents within fallen and decomposing biomass to replenish plantation soil. This enables us to reduce the inorganic fertilizer usage when undertaking new plantings. On plantation areas identified as "moderate slope areas", we build terraces and drainage systems to minimize soil erosion and the leeching of fertilizers and pesticides into water bodies. We also maintain buffers along riparian zones to protect river banks and maintain water quality.

Before beginning the planting process and even during the immature phase of oil palms, we plant the areas surrounding the oil palm trees with legume cover crops of fast growing nitrogen fixing plants, such as mucuna sp to conserve and improve soil fertility and fix atmospheric nitrogen for the trees.

We recycle all biomass and organic by-products produced in our plantations and mills such as pruned fronds, EFB and POME and use them as organic fertilizers. This helps us reduce the use of inorganic fertilizers. However, as the use of such organic fertilizers alone is not sufficient to maximize the potential of the palms, our research team conducts site specific leaf and soil analysis to recommend the optimal amount of inorganic fertilizer to be used in order to create a balanced nutrition for the palm trees to produce the best possible fruits while ensuring minimal harm to the environment.

Pest Control Management

Integrated Pest Management (IPM) is the practice of using natural methods to maintain pest populations within acceptable limits while causing minimal harm to the surrounding ecosystems within

Water sample taken from one of the rivers near our plantations for regular monitoring

plantations. By adopting the IPM approach in managing pests in our plantations, we strive to use biological controls to reduce the risks of harming these ecosystems that could be caused by the use of chemicals or pesticides. As a practice, we only use pesticides which are registered with and permitted by the Ministry of Agriculture.

Oil palm pests include rats, rhinoceros beetles, bunch moths and bagworms. Barn owls are used in the sector's plantations as a biological control agent for FFB, as they control the rat population. The sector also uses a natural method developed to capture rhinoceros beetles, whereby they are unable to harm the young palm trees in our plantations.

Fire Control

The sector's plantations in Indonesia experienced severe droughts through the periods of July to October 2014, which created potential danger for forest and land fires. In anticipation, a number of efforts to prevent and mitigate fire threats were implemented through the introduction of early detection and warning mechanisms augmented with fire awareness and trainings, which also involve local communities from neighbouring villages.

Fire control measures are also in place in the sector's refineries and manufacturing plants. In order to ensure readiness of all employees in case of a fire emergency, there are regular fire drills conducted at the manufacturing plants. Positive results from these measures were observed with no significant fire incidents occurring in our plantations.

Preservation of Biodiversity

Biodiversity is the variety of different types of life found on earth. It is a measure of the variety of organisms present in different ecosystems. This can refer to genetic variation, ecosystem variation, or species variation (number of species) within an area, biome, or planet.

Preserving biodiversity is an important part of being a responsible and sustainable oil palm plantation company. Indonesia has a rich and immensely varied biodiversity and we recognise the importance of protecting these ecosystems and habitats of rare and endangered species.

The sector's priorities include preserving and maintaining river bank integrity, ecosystem vitality, protecting and conserving endangered species. Some initiatives undertaken include the rehabilitation of areas designated as riparian zones, and building and maintaining animal corridors in our plantations.

To date we have recognised more than 500 species of flora and 251 species of fauna within the designated HCV areas. Some of these species are also listed in the IUCN red list for their status of scarcity and uniqueness. We strive to conserve the richness and abundance of the biodiversity in the HCV areas, and wherever possible rehabilitate these areas.

It is noted that existing biodiversity faces formidable challenges with constant threats of encroachment to the habitat from farming and the hunting of endangered species by villagers as well as people from other regions. We are working with conservation agencies to educate the local population, and also involving law enforcement bodies to uphold the law.

Preservation of High Conservation Value (HCV) Areas

HCV areas are wildlife habitats, rare ecosystems and cultural areas found within the concession lands allocated for development and also within our existing plantations.

We have consistently undertaken measures to identify and monitor HCV areas within our plantations prior to undertaking land development. With the recent introduction by the RSPO to identify and conserve those areas designated as High Carbon Stock (HCS) areas, the sector is currently in the process of assessing the same areas prior to land development, and plans are underway to calculate Green House Gas (GHG) emissions of our operations.

As of 31st March 2015, the sector manages 32,130 hectares designated as HCV areas spread across 14 locations in the Kalimantan and Papua regions of Indonesia. The sector has developed and implemented a framework for regular assessment and monitoring of such areas to protect biodiversity and the landscape from any encroachment.

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Partnership in Orangutan Conservation

We have signed MOUs with the Orangutan Foundation International (OFI) and Borneo Orangutan Foundation (BOSF) in Central Kalimantan, Indonesia. Cooperation with the OFI is focused on supporting research on Orangutan diets and continuing the maintenance of the Herbarium, while the agreement with the BOSF is aimed towards supporting the rehabilitation of Orangutans and releasing them back into their natural habitat.

The partnership with BOSF on adoption of 67 Orangutans has shown positive results with 20 Orangutans already released to their natural habitat in the nature reserves in Central Kalimantan. In addition, cooperation efforts with OFI are underway, in lieu of managing a herbarium for Orangutan diet collection as the basis for enhancement of Orangutan conservation.

We are committed to continue to support the OFI and BOSF on Orangutan conservation and the protection of its habitat for the foreseeable future.

BEVERAGE SECTOR

Action Plan to Minimize Environmental Impact

Keeping with our commitment towards reducing the environmental impact of our operations, we initiated the preparation of an Environmental Aspects Register to assess the environmental impact, following which the necessary controls would be implemented to reduce same. We also commenced calculation of our carbon footprint, following which targets would be set, results monitored and necessary measures adopted for improvement. This would be conducted every three years as per industry best practices.

The sector has appointed a cross-functional EHS (Environmental, Health & Safety) team, who would be responsible for identifying gaps and implementing corrective action across all departments.

ISO 14001 Certification

We have satisfied the necessary requirements, and are currently in the process of certifying our Environment Management System as per the ISO 14001:2004 certification standards.

Waste Minimization

The sector continues to adopt the 3R system (Reduce, Re-use, Recycle) in all production processes.

PEOPLE SUSTAINABILITY ACTIVITIES

Group's people philosophy is premised on the belief that people are our enduring competitive advantage. It is our people who will deliver our vision of being the most admired employer. The businesses we engaged in are fast-paced and performance-driven and therefore huge emphasis is placed on personal accountability. We have robust selection practices meaning we hire, reward and retain highly talented and motivated people.

Human resources strategy falls in line with its corporate goals and the principles of sustainability. It is based on five pillars: profitability, a competitive workforce, future-oriented managerial expertise, a high level of attractiveness as an employer, and a professional organization that focuses on principles of sustainability.

Being a regional conglomerate, it is imperative that human resources practices must attune to local legislative and cultural nuances and also give consideration to varying degrees of development of business units and compelling business strategies they pursue.

JOINING CARSON CUMBERBATCH GROUP

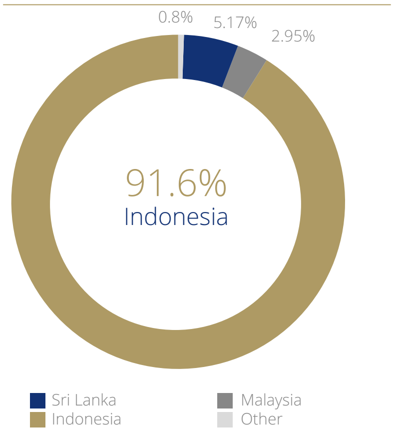
We provide a flexible, fair and diverse place at work. The Group employs approximate 16,000 people across 5 countries. Business success is driven by individual and group contributions and we recognise the advantages of a diverse workforce with multiple skills, commitments and desire to go beyond their normal scope of work.

We cherish equal employment opportunity as a corporate governance value and treat our employees equally respecting and promoting diversity. Our labour practices proactively meet the standards promoted by international labour organizations by continuous monitoring and auditing our practices to ensure a conducive work environment.

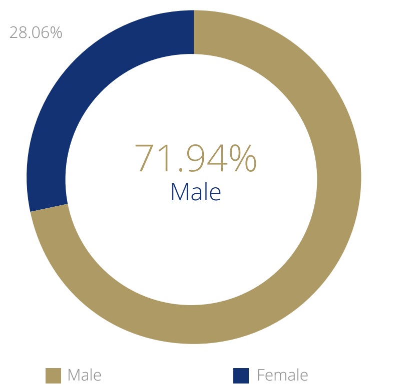
ATTRACTING AND RETAINING

We offer appropriate career development opportunities to all our employees and encourage each individual to take ownership of, and manage, their own development whether in their current role or to prepare them for chosen progression.

TOTAL WORKFORCE BY COUNTRY



GENDER DIVERSITY



Felicitation of employees of long service

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Our governance and open door policies coupled with comprehensive people services facilities enhance our position as an admired employer in the labour markets.

We continue to support and participate in career development of university undergraduates in order to harness and scout for talent.

REWARDS AND RECOGNITION

Our employees are compensated with fair wage/salary and comprehensive benefits and access to development opportunities both within their job roles and career progression. Group desires to pay for contribution and uses its policies to maintain equitable compensation both internal and external. At periodic intervals market surveys are conducted to gauge competitive and fair wage and also measure employees' performance in determining reward for their contribution. Long standing employees are felicitated at staff events in recognition of their dedicated and loyal service to the Group.

DELIVERING BUSINESS SUCCESS THROUGH HIGH PERFORMANCE

We recognise and reward strong performance. Interactive performance management system promotes each employee sets stretching individual objectives in conjunction with his/her manager. These goals are linked to overall business objectives, ensuring that each individual has clear accountability for delivering the business strategy. The performance feedback discussions encompass career and individual development, leading to management facilitation for continuous improvement of performance.

SAFETY AND HEALTH

Group offers comprehensive health and safety facilities over and beyond respective country compliances coupled with very beneficial health care facilities for both employees and their immediate families. Each of our businesses takes responsibility in ensuring a safe working environment and employs best practices on par with global standards. Regular audits are carried out to ensure proper implementation of safety measures in keeping with international best practices. For businesses that have residential workforce, perpetual medical care is extended for both preventive and corrective medication, having established hospital and qualified and experienced medical staff.

WORK-LIFE BALANCE

Group is mindful of life-style changes and complexities and takes strategic importance of employee affiliations and socialization. There are events in human resources calendar those bring staff and also their families together on events of recreation. Staff trips and annual get together, children's art competition & exhibition and participation in competitive sports events enhance sense of belonging and camaraderie at work.

Sector	Executive Directors	Managers	Executives	Non-Executives	Employees by Sector for 2015
Plantations, Oils and Fats	19	445	806	14,112	15,382
Investment	2	5	11	1	19
Beverage	3	66	82	87	238
Real Estate	1	1	6	10	18
Leisure	0	10	25	220	255
Management Services	3	8	24	7	42
Total	28	535	954	14,437	15,954

Climbing Sigiriya: family outing

Collective achievements : Group family day

Socializing: annual staff get-together

BEVERAGE SECTOR

In the Beverage Sector, the Human Resources continue to enhance their value adding architecture in support of long term business objectives, giving emphasis to talent attraction, development and retention.

The company ensures continuous implementation of the key HR processes including the effective tools to attract the right talent and retain the right stars, to align the organization structure to drive performance.

IMPLEMENTATION OF AN INTEGRATED AND ONLINE HUMAN RESOURCE MANAGEMENT SYSTEM

Company is in the process of upgrading the integrated HR Management Information System. This initiative would upgrade critical HR activities, thereby creating visibility of information to the users to make intelligent decisions with regard to people development and administration.

CONSOLIDATING THE PERFORMANCE BASED REWARD SCHEMES

Inculcating a culture of performance, the sector continues variable reward schemes that promote both individual and team efforts, in bringing best out of people by innovation and continuous improvement. The Quick-Win incentive scheme has created celebration of small initiatives as significant projects. These celebrations are held 3 times a year capturing 40-60 initiatives that has brought about significant cost saving and revenue generation.

TRAINING AND DEVELOPMENT

Whilst developing and empowering the next generation of leaders, the company has embarked on focused development initiatives of key staff, as a key strategic business initiative.

Secondments to International Carlsberg Network provides opportunities to broaden their perspectives in their specialized field of professional discipline. Taking part in Carlsberg Leadership Development Centre Asia, has offered opportunities for unique development initiatives with strong flavour of the Beverage industry.

The company continues to explore other international exposure in developing leadership and talent. In overall technical and soft skill development of the staff, training and development arm of HR has organized training on Negotiation Skills, Presentation Skills and Coaching & Mentoring.

EMPLOYEE ENGAGEMENT ACTIVITIES

Company sponsors English language learning for employees' children as an extension of people development initiatives. In addition Lions' Family Day, Employees' Children's Art Competition and number of staff get-togethers such as the Annual Trip, celebrating the highest ever sale and the "Paduru Party" after the annual production shutdown,

Felicitation of innovators

The participants: staff children's art competition

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helps to build and sustain employee morale.

"Open Day" is held after major events as an opportunity for feedback. As a tool of promoting employee engagement, cross section of employees are involved in identified CSR projects and other company activities.

SAFETY STANDARDS AND CERTIFICATION

We have improved safety standards in distributions and party squad operations, by providing guidelines, as well as conducting internal and external audits.

The sector is also in the process of certifying its Occupational Health and Safety Management System as per the OHSAS 18001: 2007 certification standards.

PLANTATIONS, OILS & FATS SECTOR

In line with its philosophy to 'Value and respect individuals and their aspirations and support their growth', the Sector continued to enhance the cutting edge HR systems, processes and procedures, to enable the best to be derived from both the systems and people thus creating a greater intangible value for all stakeholders.

In striving towards achieving the HR vision of 'Being the employer of choice to current and future employees', progress made with regards to some significant initiatives are as follows:

DYNAMIC HUMAN RESOURCE STRATEGIES

Through its strategic interventions, the HR function plays a pivotal role in supporting the achievement of set business goals and objectives. As the business operations of the Sector continue to grow and focuses on enhancing performance standards, the facilitation by adapting quality HR practices and standardized models including the use of Oracle HRIS systems to suit local requirements not only provides the Sector with a competitive advantage but also improves overall efficiency of human resources function.

CREATING A COMMITTED AND PASSIONATE WORKFORCE

To create an enthusiastic and engaged workforce, the Sector continues to focus on conducting sessions that socialize the values of the business to its current employees, including value based behaviours as part of the training curriculum and introducing the values through induction sessions for new employees. Focus is also given to internal elevations, wherein trained and qualified employees are given the first opportunity to grow with the business while creating a strong, passionate, committed and sustainable talent pool.

Leadership development for the second and third tiers of managers for the

Leadership development program in the plantations segment

Leadership development program for the ICT and business systems segment

Plantations and Business Systems segments were also initiated during the year under review, thus fostering a culture of personal growth and development of employees.

EMPLOYER BRANDING TOWARDS EFFECTIVE TALENT ATTRACTION & RECRUITMENT

Being an equal opportunity employer, the Sector continues to practice its non-discriminatory recruitment processes. Much emphasis has also been placed on attracting new best talent in addition to developing and retaining the existing talent across the Sector's business operations.

In order to retain the existing talent pool of the Sector's widespread business activities, the HR function introduced various talent retention strategies tailor-made to the different employee categories. Several reward and recognition initiatives were also implemented to support employee retention.

Towards this, greater efforts were made to build the Employer Brand of the Sector in order to achieve its vision. The resourcing teams approached various colleges, participated in multiple career fairs and sponsored various conferences in order to increase the brand awareness and attract the best possible talent to enhance the existing workforce of the Sector. These activities were carried out in most of the business operating locations of the Sector.

LEARNING ORGANIZATION

"The Goodhope Academy for Management Excellence" (GAME) Centre, which was established a few years ago, has today become instrumental in enabling the Sector to move towards a "true learning organization". GAME has been providing opportunities to employees across the Sector's business operations to enhance their inter-personal, leadership as well as technical skills through structured and simulated learning and development interventions.

The Learning & Development (L&D) team conducts comprehensive development interventions for different levels of employees of the Sector based on the "3E" model of Education, Experience and Exposure. In line with this the team has initiated many structured classroom sessions for developing skill and technical competencies based on identified learning needs of employees. In order to gain the best possible outcome from these training sessions, the application of skills and learnings by employees in business operations are monitored and measured in terms of enhanced efficiency achieved in performance standards. These in turn are used to improve and enhance future training sessions.

We endeavour to provide our people with ideal opportunities to reach their career aspirations

Training at the GAME Centre at PT Agro Indomas

Training at the GAME Centre at the Corporate Office, Sri Lanka

SUSTAINABILITY REPORT | CONTD;

by inculcating a conducive learning environment together with global business exposure. We strive to create agility, pro-activeness and dynamic teams to drive our business growth, who are empowered to work in a state-of the art systems driven workspace equipped with business intelligence tools and processes that build leaders of tomorrow.

EMPLOYEE ENGAGEMENT

In the year under review, a strategic imperative targeted at employee engagement was initiated, aimed at creating a distinctive 'Employee Value Proposition (EVP)' for the Corporate Office in Sri Lanka. The EVP initiatives were targeted to specific areas which will enhance employee engagement levels and foster a culture of team work and performance. The visibility and identity for all employee engagement initiatives implemented are aligned under the common theme of 'V Value U'.

Some of the programs that took place in the year under review included employee initiated programs, visits & donations to the CCC House attached to the Maharagama Cancer Hospital, donations to under-privileged schools by employees, a talent-show which was the pinnacle of events to showcase the unique talents and performances of our employees in music and drama, sports activities including the participation in badminton tournaments arranged by the Badminton Club,

Internal Badminton Tournament - Winners

Brainwave initiative in progress

Movie time at the CCC House

and seminars and field visits arranged by the Photography Club.

Further, the focus on process quality improvement through quality circles continued with the "Brainwave" initiative where employees meet in small teams to analyse and address process quality improvements and re-engineering of workflows relating to shared services functions operating from Colombo.

For the Oil Palm Plantations Segment in Indonesia, an employee engagement initiative targeting the needs and requirements of employees in the respective operating locations was initiated during the year under review. This initiative named "Capturing Hearts & Minds" which is now being implemented views employee engagement by taking into consideration the full potential of employee performance in driving business results, achieving productivity targets, innovation, efficiency enhancement and aligning it with the growth of the business.

The Edible Oils & Fats Segment witnesses various employee engagement initiatives through employee led committees that organize and conduct activities for their colleagues. These initiatives are aimed towards employees in order for them to build an emotional attachment with the work environment, in which they would be provided with physical, social and emotional support, in return for driving productivity and exponential performance of the business.

PERFORMANCE MANAGEMENT

The Sector continues to optimize performance standards of individuals, cross-functional teams, departments and business segments through its integrated performance management systems deployed across all operating locations. This system enables cascading of key result areas to its employees based on business plans and key business initiatives. The comprehensive review mechanism ingrained in the performance management process enables supervisors to guide their respective teams in prioritizing and achieving the set performance goals, as well as identify competency and capability areas for development, which will ensure improving the quality of results achieved by employees on an on-going basis.

SUCCESSION MANAGEMENT

The Sector has rolled out a comprehensive succession management framework which identifies and ensures the development and readiness of suitable talent pools to take-up successor positions in-line with business expansions and requirements. The HR and L&D teams together with the senior management of respective business segments, carry out a structured monitoring mechanism to assess the build-up of a succession pool, to ensure the presence of a healthy job coverage for all critical positions in the Sector.

OCCUPATIONAL HEALTH & SAFETY

The palm oil business is a labour intensive industry which requires a large number of workers to manage operations in our plantations and mills.

The Sector is committed to following internationally recognised safety practices towards fostering a safe and healthy work environment. Consequently, building a good occupational health

Team collaboration activities

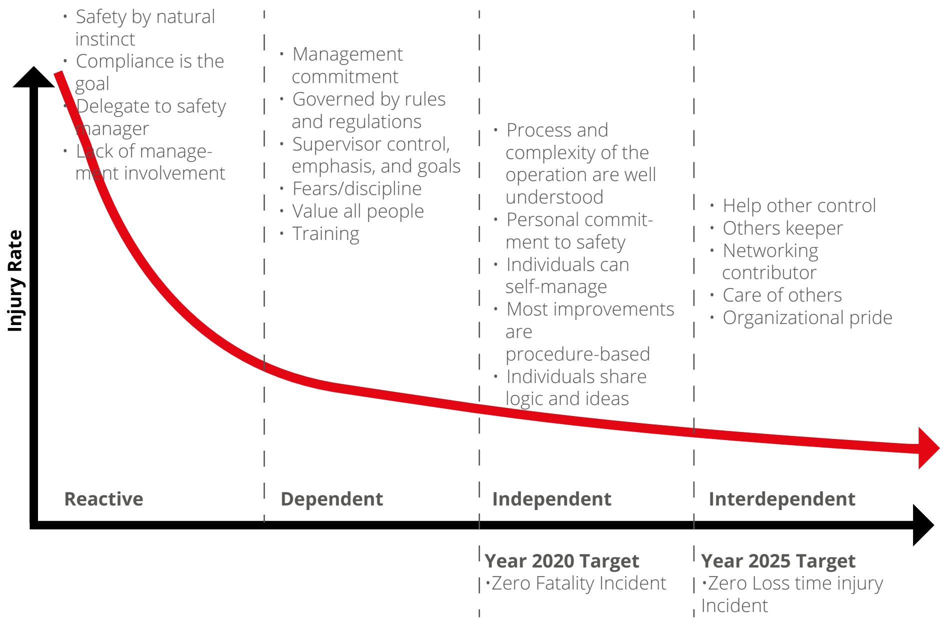
SUSTAINABILITY REPORT | CONTD;

and safety system is both critical and challenging due to the nature of employees' qualification and mindset, where health and safety awareness is not well understood.

Currently, some of the plantations of the Sector are certified for OHSAS 18001 which sets out the minimum requirements for occupational health and safety management best practice to be implemented by a company. To further strengthen our safety culture, a new strategy is being developed across the Sector's plantations operations using the "Bradley Curve Indicators" as shown in the graph below:

The Bradley Curve Model:

MEASURING AND STRENGTHENING OUR SAFETY CULTURE



We have conducted an initial appraisal to understand the Sector's standing on occupational health and safety and have rated ourselves as being on the "dependent" stage which is characterized by:

• A strong commitment to Health & Safety at top management level

• The organization having the Health & Safety policy signed by the top management

• The organization having a strong commitment to achieve OHS MS certifications such OHSAS. Five of 14 plantation companies have been certified for OHSAS 18001 in the FY 2014/15, the rest will complete the OHSAS certification by the FY 2017/18.

• The involvement of supervisory and line managers on controlling Health and Safety procedures in the workplace

• The availability of Health and Safety training programs

• The availability of Health and Safety organizational structure in all locations of operations.

Plans are in place to improve our safety performance with the target of achieving "independent" culture with the key indicator of "zero fatality" by 2020. The Independent stage is typified by understanding of all employees on the process and complexity of operations, personal commitment to safety and ability to self-manage. These improvements are procedure-based where all employees share logic and ideas.

In the long run we are aiming to achieve the level of "interdependent" or zero loss time making the work area free from accidents. The Sector hopes to achieve this status by the year 2025.

To curb accidents and ensure safety of employees, safety awareness trainings and briefing are undertaken regularly in all the Sector's business operations. Further, we are continuously working on building a higher safety culture to minimize the risk of accidents taking place by implementing the measures mentioned below:

• Fostering compliance with safety standards and procedures such as OHSAS 18001

• Creating a platform where safety of our people is a value which is not compromised, and "at risk" behaviours are not acceptable and are addressed when observed

• Recognizing safety level excellence as good business and where leaders at all levels are safety role models

• Integration of the occupational health and safety policy and practices with other company policies, workplace directives and plans

• Establishing a Safety Improvement Team at the regional office based in Jakarta and individual plantation companies: Involvement and consultation of all management teams in the Occupational, Health and Safety Management Process

• Training and mentoring of personnel, staff and workers on Occupational Health and Safety responsibilities, and familiarization and training of the use of equipment and substances used in the workplace.

• Expecting and requiring all employees to wear Personal Protective Equipment where required in the work place

• Putting up safety signs and notices in relevant areas in all the Sector's business operations.

• Informing all personnel on the occupational hazards and risks in their workplace, including regular inspection and safety briefings at the mills, refineries and plantations.

Health and safety of employees in the Sector's edible oils and fats refining operation is also carefully considered and adhered to by the Sector. Employees are at all times expected to wear the correct safety attire when undertaking their work in the refineries and manufacturing plants. Employees visiting these plants are also provided the relevant safety apparel. Sign-boards and safety warning notices are placed in relevant and prominent areas to ensure that safety is a first priority by all.

AWARDS AND RECOGNITIONS

Testament to the efforts and practices initiated by the HR Function are some of the awards that have been received during the year under review. The holding company of the Sector, Goodhope Asia Holdings Ltd received a Silver Award at the People Development Awards conducted by the Sri Lanka Institute of Training and Development in November 2014 in recognition for its continued efforts on developing people. Goodhope Asia Holdings Ltd also received a Silver Award in the Overall Category in recognition of its overall HRM practices on March 6th, 2015 at the biennial 6th consecutive HRM Awards 2014 in Sri Lanka.

Silver Award at the HRM Awards 2014 in Sri Lanka

PT Agro Indomas in Central Kalimantan - Regular inspection of PPE

Safety signs in our manufacturing plants in Pasir Gudang, Malaysia

Silver Award: People Development Awards 2014

VALUE ADDED STATEMENT

(Amounts expressed in Sri Lankan Rs.'000)

For the year ended 31st March	2015		2014		2013		2012		2011	
Revenue	88,933,624		76,542,788		76,160,413		66,078,183		36,008,053	
Other income	359,389		486,522		416,110		562,392		252,379	
	89,293,013		77,029,310		76,576,523		66,640,575		36,260,432	
Cost of materials and services purchased from outside	(51,045,627)		(41,693,726)		(41,748,775)		(32,490,166)		(12,839,576)	
Value Added	38,247,386		35,335,584		34,827,748		34,150,409		23,420,856	
		%		%		%		%		%
Distributed as follows:										
To Employees as remuneration and										
other benefits	7,392,979	19	7,372,948	21	6,583,155	19	5,268,992	15	3,735,545	16
To Governments										
as taxation/excise - Sri Lanka	17,313,788	45	13,637,182	39	12,489,456	36	9,216,232	27	5,740,020	25
- Overseas	1,341,304	4	1,234,454	3	1,732,190	5	2,272,139	7	1,647,571	7
To Providers of capital										
as interest on loans	2,476,181	6	2,073,516	6	1,496,146	4	1,669,457	5	775,413	3
as non controlling interest	3,728,316	10	4,598,484	13	5,365,882	15	6,644,704	19	4,863,701	21
as dividend to shareholders (Company)	350,202	1	350,202	1	350,202	1	291,844	1	103,400	0
Retained in the business										
as depreciation	3,488,212	9	3,143,983	9	2,882,210	8	2,386,493	7	1,547,831	7
as retained profits	2,156,404	6	2,924,815	8	3,928,507	11	6,400,548	19	5,007,375	21
	38,247,386	100	35,335,584	100	34,827,748	100	34,150,409	100	23,420,856	100

Note

1. The Statement of Value Added shows the quantum of wealth generated by the activities of the companies within the Group, excluding its Associate Companies and its application.

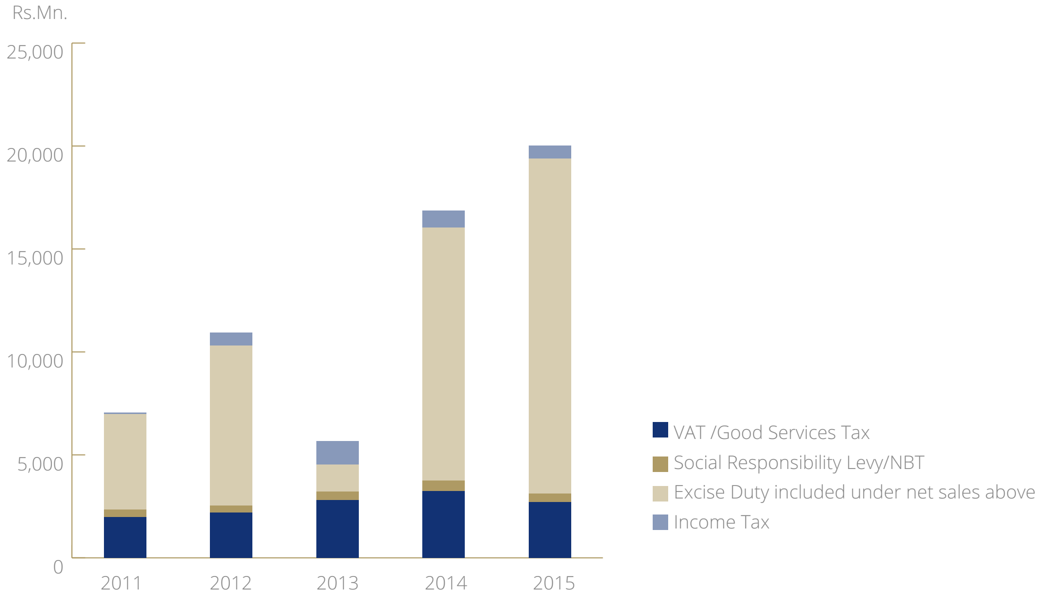
2. Value Added Tax, Economic Services Charge and Social Responsibility Levy are excluded in arriving at the above revenue. Therefore, total tax liability to the Sri Lankan Government during the year included the following:

For the year ended 31st March	2015	2014	2013	2012	2011
Value Added Tax /Good and Services Tax	2,711,205	3,229,842	2,794,957	2,204,416	1,988,353
Social Responsibility Levy/Nation Building Levy included under net sales above	398,185	516,290	431,469	337,641	346,950
Excise Duty included under net sales above	16,273,162	12,294,313	11,309,633	7,758,627	4,646,616
	19,382,552	16,040,445	14,536,059	10,300,684	6,981,919
Income Tax	642,441	826,579	1,118,964	639,404	75,071
Total Taxes paid to the Government of Sri Lanka	20,024,993	16,867,024	15,655,023	10,940,088	7,056,990

Value added is the wealth created by providing products and services in both domestic and international markets, less the cost of providing such products / services. The value added is allocated among the employees, Governments, providers of capital and the balance is retained in the business for expansion and growth.

Being an exemplary corporate citizen, we take pride in full compliance with statutory and regulatory requirements including accruing and paying all due fees and taxes on time. A dominant portion of the value added is distributed to governments both local & overseas in the form of taxes & excise duty.

TAXATION PAID TO SRI LANKAN GOVERNMENT (Rs Mn)



The portion of value added distributed to the government of Sri Lanka increased from 39% in the financial year 2014 to 45% in the financial year 2015, whilst the corresponding value distributed to overseas governments increased to 4% during the period under review from 3% recorded in the previous year.

RISK MANAGEMENT

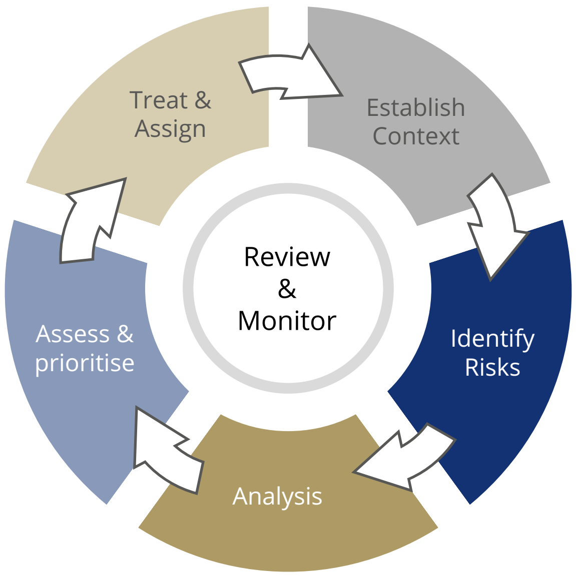
The Bukit Darah PLC is a diversified conglomerate. Bukit Darah PLC with global operations is exposed to a great variety of risks which are either general in nature or industry/country specific. As a result risk management has become an integral part of business and management. These practices provide reasonable assurance through the process of identification and management of events, situations, or circumstances which even if they occur would not adversely impact the achievement of objectives of the business. In other words risk management practices will ensure minimum impact from adverse events and will help to maximize the realization of opportunities whilst risks are managed until they are mitigated and re-assessed to be within sector's risk appetite.

Enterprise Risk Management (ERM) provides a common process and terminology for all risk management activities. Its main goals focus on fostering risk awareness and promoting proactive management of threats and opportunities.

In implementing the business plan, the Group has embodied enterprise risk management to its business activities. This risk management process supports;

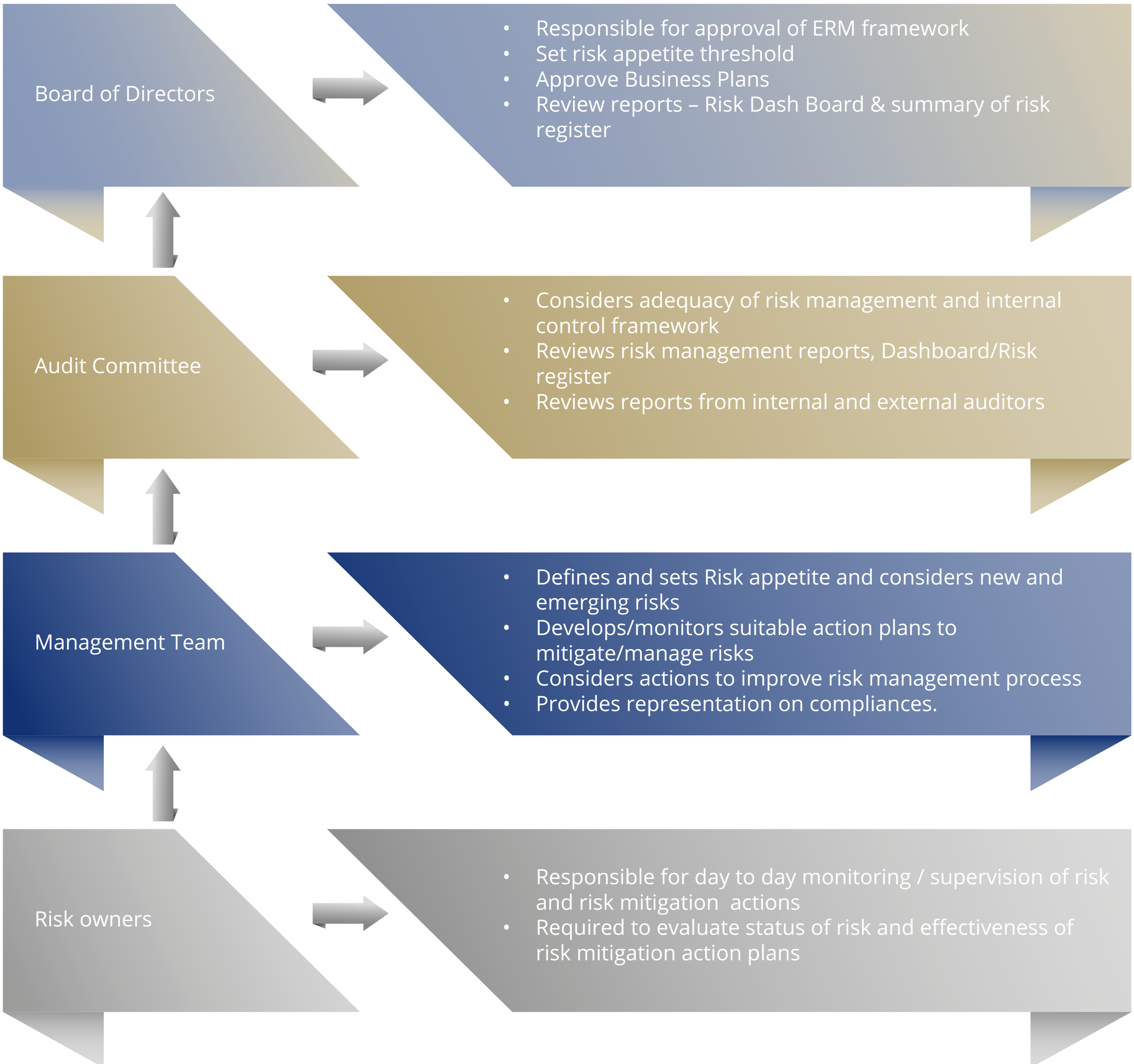
- Corporate Governance
- Quality of business planning
- Audit planning
- Project planning and implementation
- Building confidence of various stakeholder groups

ERM PROCESS



ERM process re-validates that the relevant internal control systems are in place and provides assurance to Management/Board of Directors that processes are robust and working effectively.

Risk Management Governance Structure includes a reporting framework within the organisation and to the Board of Directors, thereby allowing Directors to assume their supervisory function for better Corporate Governance.



We are of the view that Risk Management is one of the driving factors of sustainability of operations and have identified the following risk profiles. The principal risks thus identified are considered and reviewed at various stages within our business process continuously.

RISK MANAGEMENT | CONTD;

Risk	Impact	Risk Responses and Strategies
Commodity Price Risk	Oil & Fats sector is susceptible to fluctuations in global Crude Palm Oil (CPO) prices for which the sector has minimal control as a price taker. Amid the sluggish world economy, the anticipated growth in consumption was affected globally including the world's largest buyers of CPO being China & India. A dramatic fall in crude oil prices during the year (diminishing demand for palm oil based biofuels) and a record soybean harvest has further impacted demand for palm oil as a substitute corresponding to volatility in CPO prices. If the current trend of volatile CPO prices persists, it has a detrimental effect on the earnings and would inevitably affect the segment profitability and liquidity. Prices of other raw materials may also fluctuate due to changes in global economic conditions, weather patterns, government policies and developments in international trade.	• Oil Palm Plantation sector Manage price volatility and cash flows by entering into forward sale contract. • Oil & Fats sector seeks to maintain a back to back cover on raw material purchases to minimise the price volatilities. Further, transfer the price fluctuations to customers whenever possible. • Beverage sector continuously monitor commodity prices of raw materials and enters into forward contracts for buying major raw materials with the assistance of international business partner or on their own. Further, for local brands the production facility is made agile so that different combinations of raw materials could be used without compromising on either the taste or quality.
General Securities Risk	Any trading in securities carries inherent investment risks associated with the entity issuing those securities. In particular the price or value of any security can and does fluctuate and may even become valueless, resulting in possible loss not only of returns and profits, but even also of all or part of the principal sums invested. These risks arise as a result of the overall risks faced by the issuing entity which affects its ability to provide a return to the investors holding the securities issued by it. Particularly in the case of equities, past performance of any investment is not necessarily indicative of future performance. At Guardian our approach focuses on the fact that there is no substitute for fundamental individual security assessment.	• Investment sector - Sound internal research processes - Once an investment is made a continuous process of monitoring the performance of that investment is adopted. - Manage the concentration risk arising from over exposure to one security by monitoring sector exposure and single company exposure as mitigation strategies. Further, private equity exposure limits at company and group level are monitored as another measure of managing risk. Loss limits are set to monitor stocks performing below their cost of acquisition to determine whether temporary capital erosion is a concern. This helps us mitigate the downside risk of any security in the portfolio.

Risk	Impact	Risk Responses and Strategies
		- Market risks affecting a particular class of security are mitigated by switching to asset classes that are assessed to be less risky in a particular scenario. - In the case of private equity, Board representation in proportion to the investment for stakes over 10% is considered necessary while for smaller stakes, monitoring mechanisms to facilitate constant evaluation of the investment will be built into the shareholder agreement.
Development Delays Risk	Delays in achieving the plantation development targets are caused by multiple & ambiguous land claims, difficulties in procuring contractors and poor infrastructure in remote locations. Declining CPO prices has a direct negative impact on such delays as it creates cash flow constraints. Project delays may result in significant increases in development coats, subsequent overhead costs and loss of land to third parties.	- Anticipate & proactively resolve social issues affecting land release and multiple land claims. - Employ a bigger pool of experienced contractors to ensure that disruptions to development projects are minimised. - Ensure that necessary permits and licenses are acquired to complete the development process.
Land Ownership Risk	Plantation companies in Indonesia face conflicts with local communities due to unclear land titles and ownership which results from lack of clarity between authorities on land status. Despite efforts taken by various stakeholders land problems constantly affect the operational goals resulting in development delays and business disruptions.	- Ensure that all required approvals from the respective authorities are obtained and validated prior to commencement of land development. - Conduct complete due diligence of permits and licenses to ensure compliance. - Establish and maintain sound relationship with key personnel. - Have in place a plan to complete the land compensation within the stipulated time.

RISK MANAGEMENT | CONTD;

Risk	Impact	Risk Responses and Strategies
Human Resource Risk	Being unable to recruit and retain appropriately skilled employees could adversely affect the ability to grow and maintain a competitive position in the market place.	The following initiatives have been implemented by the Group. - Ensure recruitments are carried out to hire employees with required qualification, knowledge and experience - Availability of detailed job descriptions and role profiles for each job. - Human resource policies are focused on encouraging continuous training and development and ensuring appropriate compensation as per market rates to retain and develop employees.
Foreign Exchange Risk	Foreign currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currently Plantations, Oils and Fats and Beverage sectors are exposed to foreign currency exchange rate movements, primarily in US Dollar on its US Dollar denominated bank loans and foreign currency denominated supplies.	- Assets, liabilities and other operational expenses which arise from daily operations are primarily denominated in the functional currencies. - Resort to forward booking as appropriate and seek to match the foreign currency inflows and outflows as an internal hedging mechanism.
Business Environment Risks	Unfavourable global and local weather patterns resulting in adverse weather conditions, natural and man-made disasters including fires and haze from fires, droughts, floods, pestilence and crop disease could reduce the amount or quality of FFB we are able to harvest.	- Invest in agronomy and plantation management practices to minimise the impact by any sudden up-rise of diseases - Business Continuity Plan - Cover perils through adequate insurance
Liquidity Risk	The risk that the sector cannot easily meet its operational and financial obligations due to unavailability of sufficient funds that may interrupt the smooth functioning of the day to day operations.	- Manage such an exposure through effective working capital management - Maintain sufficient credit facilities - Develop policies and procedures to plan liquidity based on medium term plans.

Risk	Impact	Risk Responses and Strategies
		• Investment sector - Investing in companies with a reasonable free float and where securities are heavily traded. Also by limiting the portfolio's buy list to highly traded blue chips, the risk of illiquidity can be mitigated. Good research will enable the fund team to identify changes in fundamentals and be proactive in investment decision making. - In the case of private equity, liquidity risks are difficult to manage due to time bound exit strategies. However, our insistence on one or two fall back exit options being built into the shareholder agreement ensures that eventually private equity projects will end up in an encashable state with at least a minimum return.
Credit Risk	Each sector is exposed to credit risk primarily from its trade receivables, which arise from its operating activities and its deposits with Banking Institutions.	Individual companies exercise some of the following controls to mitigate this risk. - Implementation of credit policies - Continuous and regular evaluation of creditworthiness of customers - Ongoing monitoring of receivable balances. - Covering credit exposure through a combination of bank guarantees & discounting of credit to banks with no recourse to the company.
Interest Rate Risk	The interest rates on most of our loans and borrowings are currently on a floating basis. As such, our financial performance may be affected by changes in prevailing interest rates in the financial market.	• Financial strength of the Group treasury pool is used in negotiating the rates. • Obtaining a combination of loans linked to AWDR/SLIBOR/AWPLR & LIBOR
Systems and Process Risks	The risk of direct or indirect losses due to inadequate or failed internal processes and systems.	• Maintain detail procedure manuals and provide training and guidelines for new recruits. • The internal audit function of the Group carry out regular review on internal control systems and processes and recommends process improvements if shortcomings are noted.

RISK MANAGEMENT | CONTD;

Risk	Impact	Risk Responses and Strategies
Legal and Regulatory Compliance Risks	Failure to comply with regulatory and legal framework applicable to the Group.	• The management together with the Group legal division proactively identifies and set up appropriate systems and processes for legal and regulatory compliance in respect of Sector operations. • Arrange training programs and circulate updates for key employees on new / revised laws & regulations on need basis. • Provide comments on draft laws to government and regulatory authorities. • Obtain comments and interpretations from external legal consultants on areas that require clarity. • Obtain compliance certificates from management on quarterly basis on compliance with relevant laws and regulations.
Reputational Risk	As a Group which carries out business activities in different sectors, it is vital to safeguard the good name and reputation of the businesses.	• Employees are communicated the right values from the inception both by formal communication and by example. Our screening process at interviews, attempts to select people of the right calibre, while training them for higher responsibility is on-going. • The extensive compliance process also ensures that the Group does not take the risk of process failure that will lead to reputational risk. • Maintaining good relationships with all stakeholders further helps manage any crisis situations that can damage reputation.

INFORMATION TO SHAREHOLDERS & INVESTORS

1 STOCK EXCHANGE LISTING

Bukit Darah PLC is a Public Quoted Company, the ordinary shares of which are listed on the main board of the Colombo Stock Exchange of Sri Lanka.(CSE)

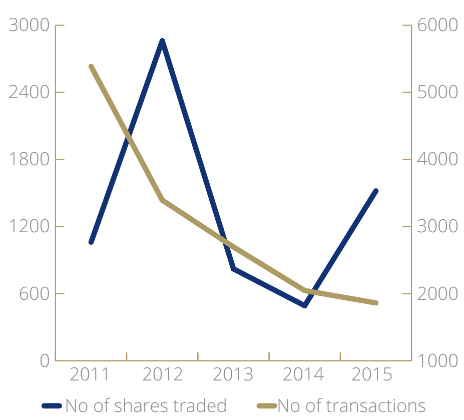
2 MARKET CAPITALISATION AND MARKET PRICE

Market Capitalization of the Company's share, which is the number of ordinary share in issue multiplied by the market value of a share, was Rs.69,156 Mn as at 31st March 2015. (Rs.60,272 Mn as at 31st March 2014).

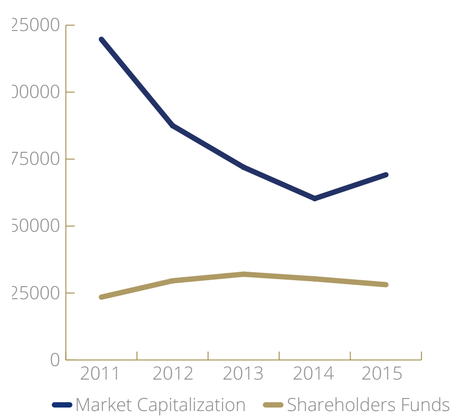
The Information on Market prices are set out below :

	2015	Q4	Q3	Q2	Q1	2014
Share Information						
Market value per share (Rs.)	678	678	715	719	650	591
Highest price (Rs.)	750	735	750	740	690	755
Lowest price (Rs.)	540	662	691	570	540	538
Trading Statistics						
No of transactions	1,863	268	316	782	497	2,047
No of shares traded	1,519,755	19,769	51,544	1,179,650	268,792	493,062
Value of all shares Traded (Rs.Mn)	991	14	36	778	163	316
Market Capitalization (Rs.Mn)	69,156	69,156	72,930	73,338	66,300	60,272
Enterprise Value (Rs.Mn)	171,056	171,056	174,607	169,418	156,279	144,114

Share Trading (Nos)



Shareholders fund & Market Capitalization (Rs.Mn)



INFORMATION TO SHAREHOLDERS & INVESTORS | CONTD;

3 SHAREHOLDER BASE

The total number of shareholders as at 31st March 2015 was 1,782 compared to the 1,945 as at 31st March 2014. The number of ordinary shares held by non-residents as at 31st March 2015 was 21,665,274 which amounts to 21.24 % of the total number of ordinary shares.

4 DISTRIBUTION AND COMPOSITION OF SHAREHOLDERS

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 1,000	1,525	182,477	0.18	12	4,114	0.00	1,537	186,591	0.18
1,001 - 10,000	154	423,507	0.42	9	29,706	0.03	163	453,213	0.45
10,001 - 100,000	35	1,253,112	1.23	14	491,335	0.48	49	1,744,447	1.71
100,001 - 1,000,000	9	2,197,348	2.15	10	3,825,619	3.75	19	6,022,967	5.90
Above 1,000,000	12	76,278,282	74.78	2	17,314,500	16.98	14	93,592,782	91.76
Grand Total	1,735	80,334,726	78.76	47	21,665,274	21.24	1,782	102,000,000	100

5 COMPOSITION OF SHAREHOLDERS

Ordinary Shares	31st March, 2015			31st March, 2014		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individuals	1,662	5,404,795	5.30	1,809	6,060,198	5.94
Institutions	120	96,595,205	94.70	136	95,939,802	94.06
Total	1,782	102,000,000	100	1,945	102,000,000	100
Residents	1,735	80,334,726	78.76	1,891	80,163,356	78.59
Non Residents	47	21,665,274	21.24	54	21,836,644	21.41
Total	1,782	102,000,000	100	1,945	102,000,000	100

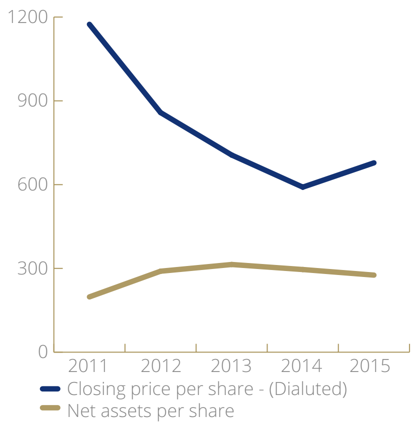
6 PUBLIC HOLDING

The percentage of ordinary shares held by the public as at 31st March 2015 was 23.04% and the number of public shareholders were 1,766.

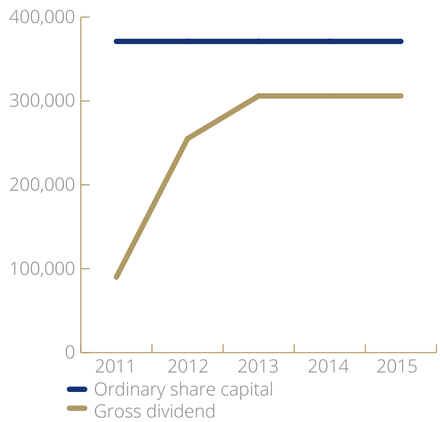
7 KEY RATIOS

As at 31st March	2015	2014
EPS (Rs.)	20.71	31.67
Dividend Payout Ratio (%)	73.74	92.88
Price Earnings Ratio	32.74	18.66
Dividend Yield	0.44%	0.51%
Market Value Added (Mn.)	142,944	113,836

NET ASSETS PER SHARE & CLOSING PRICE PER SHARE (Rs.)



GROSS DIVIDEND AND ORDINARY SHARE CAPITAL (Rs.)



8 INFORMATION ON DIVIDENDS

The details of the dividends paid are as follows:

For the year ended 31st March	2015		2014	
Ordinary Shares	Per share Rs.	Amount 000	Per share Rs.	Amount 000
Dividend paid	3.00	306,000	3.00	306,000
	3.00	306,000	3.00	306,000
Preference Shares				
Dividend paid	23.95	440.57	-	440.57
	23.95	440.57	-	440.57
Preference Shares				
Annual Dividend	0.08	145	0.08	145
	0.08	145	0.08	145

INFORMATION TO SHAREHOLDERS & INVESTORS | CONTD;

9 SHAREHOLDER INFORMATION - ORDINARY

The issued ordinary shares of the Company are listed on the Colombo Stock Exchange. Stock Exchange ticker symbol for the Bukit Darah PLC shares : BUKI.N0000

10 DIVIDENDS SINCE

Year ended 31st March	DPS (Rs.)	Dividends (Rs.'000)
2011	9.00	90,000
2012	2.50	255,000
2013	3.00	306,000
2014	3.00	306,000
2015	3.00	306,000

11 ORDINARY SHARES IN ISSUE

Year ended 31st March	Number of Shares
2010	10,000,000
2011	102,000,000
2012	102,000,000
2013	102,000,000
2014	102,000,000
2015	102,000,000

12 HISTORY OF SCRIP ISSUES

Year ended 31st March	Issue	Basis	Number of Shares (Ordinary)
2004	Bonus	24:1	9,600,000
2011	Sub-division	10:1	90,000,000
	Capitalisation	1:50	2,000,000

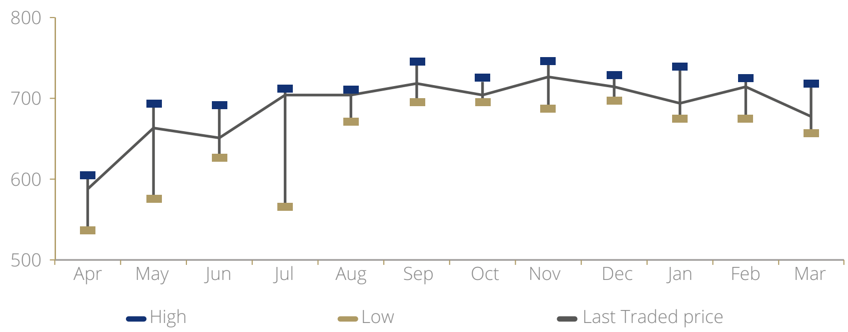
13 INFORMATION ON MOVEMENT IN NO OF SHARE

Financial Year	Issue	Basis	No of Shares issued Ordinary	Ordinary	Cumulative Redeemable preference
2003/04	Bonus Issue	24 for 1	9,600,000	10,000,000	180,350
2010/11	Sub-division	10 for 1	90,000,000	100,000,000	1,803,500
	Capitalisation	1 for 50	2,000,000	102,000,000	1,839,568

14 SHARE PRICE TREND OVER LAST FIVE YEARS

Year	2011	2012	2013	2014	2015
Highest Price (Rs.)	1,600	1,145	950	755	750
Lowest Price (Rs.)	815	809	652	538	540
Last Traded Price (Rs.)	1,174	858	706	591	678

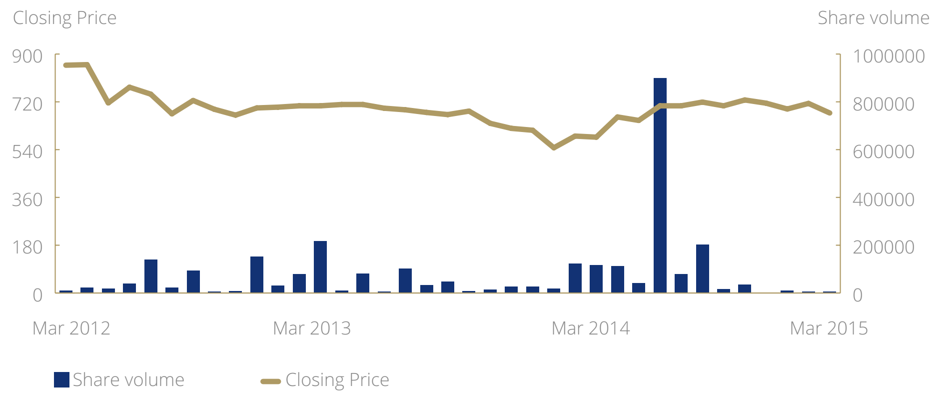
SHARE PRICE TREND OVER THE PAST FINANCIAL YEAR (Rs.)



15 INFORMATION ON SHAREHOLDERS FUNDS AND MARKET CAPITALIZATION

As at 31st March	2011	2012	2013	2014	2015
Shareholders' Funds (Rs.Mn.)	23,463	29,557	32,033	30,278	28,112
Market Capitalization (Rs.Mn.)	119,748	87,516	71,961	60,272	69,156
Market Capitalization as % of CSE Mkt. Captl. (%)	4.94%	4.35%	3.26%	2.41%	2.39%

16 PRICE & SHARE VOLUME CHART



INFORMATION TO SHAREHOLDERS & INVESTORS | CONTD;

17 FIVE YEAR SUMMARY - GROUP

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

For the year ended 31st March	2015	2014	2013	2012	2011
Operating Results					
Revenue	88,933,624	76,542,788	76,160,413	66,078,183	36,008,053
Profit from operations	10,965,461	13,207,726	11,027,656	14,294,103	12,425,762
Finance expenses	2,476,181	2,073,516	1,496,146	2,335,777	775,413
Profit before taxation	8,488,819	11,133,371	13,627,257	17,695,891	12,795,996
Income tax expenses	2,604,099	3,259,870	3,982,666	4,308,795	2,821,520
Profit for the year	5,884,720	7,873,501	9,644,591	13,387,096	9,974,476
Profit attributable to the Non controlling interest'	3,728,316	4,598,484	5,365,882	6,644,704	4,863,701
Profit attributable to the Owners of the company	2,156,404	3,275,017	4,278,709	6,742,392	5,110,775
CAPITAL EMPLOYED					
Stated capital	412,635	412,635	412,635	412,635	412,635
Reserves	27,699,054	29,865,750	31,619,702	29,178,718	19,857,231
	28,111,689	30,278,385	32,032,337	29,591,353	20,269,866
Non -controlling interest	35,065,642	36,190,123	34,841,670	31,523,467	25,947,276
Investment through subsidiaries	(10,688)	(10,688)	(10,688)	(10,688)	(12,333)
Short - term and long - term borrowings	75,980,241	64,587,871	52,234,376	37,664,912	23,505,260
	139,146,884	131,045,691	119,097,695	98,769,044	69,710,069
ASSETS EMPLOYED					
Non - current assets	133,886,870	122,264,097	112,681,124	94,029,100	57,006,961
Current assets	30,518,929	35,721,078	26,628,667	23,051,017	20,221,662
	164,405,799	157,985,175	139,309,791	117,080,117	77,228,623
Current liabilities - excluding borrowings	(13,590,878)	(16,526,064)	(10,818,192)	(11,266,986)	(4,767,453)
Non - current liabilities	(55,818)	(50,492)	(28,077)	(25,492)	(773,052)
Deferred liabilities	(11,612,219)	(10,362,928)	(9,365,827)	(7,018,595)	(1,978,049)
	139,146,884	131,045,691	119,097,695	98,769,044	69,710,069
CASH FLOW STATEMENTS					
Net cash inflows from operating activities	5,596,544	13,500,715	4,557,119	12,502,140	5,126,379
Net cash used in investing activities	(22,616,197)	(15,187,257)	(19,256,593)	(17,586,408)	(5,239,889)
Net cash generated from/(used in) financing activities	10,114,854	12,922,344	2,441,358	(3,877,384)	9,859,179
Net (decrease)/increase in cash & cash equivalents	(6,904,799)	11,235,802	(12,258,116)	(8,961,652)	9,745,669
OPERATIONAL RATIOS					
Return on ordinary shareholders' funds (%)	7.51	10.67	13.24	22.69	25.15
Equity to total assets (%)	38.43	42.07	48.00	52.20	59.84
Revenue growth (%)	16.19	0.50	15.26	83.51	50.88
Asset growth (%)	4.06	13.41	18.99	51.60	51.23
Revenue to capital employed (times)	0.64	0.58	0.64	0.67	0.52
No. of employees	15,954	15,580	15,097	14,453	11,672
Revenue per employee (Rs.'000)	5,574	4,913	5,045	4,572	3,085
DEBT & GEARING RATIOS					
Interest cover (times)	4.43	6.37	7.37	6.12	16.02
Total debts	75,980,241	64,587,871	52,234,376	37,664,912	23,505,260
Net debts	66,834,591	47,652,088	44,300,854	28,846,373	12,445,020
Debt equity ratio (%)	120.27	97.17	78.11	61.63	50.86
Gearing ratio (%)	54.60	49.29	43.89	38.18	33.71
Debt/total assets (%)	46.22	40.88	37.50	32.17	30.44
Current ratio (times)	0.79	0.84	0.79	1.00	2.16
INVESTOR RATIOS					
Dividend cover (times)	6.90	10.56	13.84	20.14	5.55
Dividends per share (Rs.)	3.00	3.00	3.00	2.50	9.00
Market value per share (Rs.)	678	591	706	858	1,174
Market capitalization (Rs.Mn)	69,156	60,272	71,961	87,516	119,748
Earnings per share (Rs.)	20.71	31.67	41.51	50.36	49.98
Price earnings ratio (times)	32.74	18.66	17.01	17.04	23.49
Net assets per ordinary share (Rs.)	275.21	296.45	313.64	289.71	198.32

18 GROUP QUARTERLY RESULTS - STATEMENT OF INCOME

Amounts expressed in Sri Lankan Rs.'000)

	1st Quarter	%	2nd Quarter	%	3rd Quarter	%	4th Quarter	%	FY 2015	%
Revenue	21,675,102	24	20,590,712	23	22,593,388	25	24,074,422	27	88,933,624	100
Segment results	4,071,173	31	2,605,149	20	3,487,840	26	3,100,913	23	13,265,075	100
Foreign exchange loss	(891,385)	36	(182,724)	7	(163,665)	7	(1,222,895)	50	(2,460,669)	100
Change in fair value of biological assets	1,203,861	(1,150)	(730,740)	698	(232,818)	222	(345,004)	330	(104,701)	100
Change in fair value of investment properties	-	-	-	-	-	-	265,756	100	265,756	100
Profit from operations	4,383,649	40	1,691,685	15	3,091,357	28	1,798,770	16	10,965,461	100
Net Finance expenses	(519,339)	21	(567,855)	23	(933,218)	38	(455,769)	18	(2,476,181)	100
Share of net result of joint ventures	(1,415)	307	(482)	105	(803)	174	2,239	(486)	(461)	100
Profit before Income tax expenses	3,862,895	46	1,123,348	13	2,157,336	25	1,345,240	16	8,488,819	100
Income tax expenses	(1,047,625)	40	(447,664)	17	(711,611)	27	(397,199)	15	(2,604,099)	100
Profit for the period	2,815,270	48	675,684	11	1,445,725	25	948,041	16	5,884,720	100
Profit attributable to										
Owners of the company	1,126,911	52	(3,160)	(0.1)	501,373	23	531,280	25	2,156,4054	100
Non controlling interest	1,688,359	45	678,844	18	944,352	25	416,761	11	3,728,316	100
	2,815,270	48	675,684	11	1,445,725	25	948,041	16	5,884,720	100
Earnings per share Rs.	11.05		(0.46)		4.92		5.20		20.71	
Net assets per share Rs.	293.70		289.09		286.03		275.20		275.21	
Market value per share Rs.	650.00		719.00		715.00		678.00		678.00	
Net profit on segmental basis										
Investment holdings	(34,109)	24	(24,034)	17	(37,088)	26	(46,666)	33	(141,897)	100
Portfolio & asset management	682,290	37	644,194	35	454,711	24	78,163	4	1,859,358	100
Oil palm plantations	1,623,140	29	730,579	13	964,229	17	2,245,343	40	5,563,291	100
Oils & fats	(268,008)	53	(304,917)	61	(102,037)	20	173,427	(35)	(501,535)	100
Beverages	463,582	37	498,016	40	528,512	42	(244,995)	(20)	1,245,115	100
Real estate	24,891	25	25,485	26	16,281	16	32,669	33	99,326	100
Leisure	17,702	21	27,494	33	26,445	32	11,840	14	83,481	100
Management services	(6,694)	29	(7,668)	34	(8,845)	39	402	(2)	(22,805)	100
Segment operating profit	2,502,794	31	1,589,148	19	1,842,208	23	2,250,183	27	8,184,334	100
Change in fair value of investment properties	-	-	-	-	-	-	265,756	100	265,756	100
Foreign exchange losses	(891,385)	36	(182,724)	7	(163,665)	7	(1,222,895)	50	(2,460,669)	100
Change in fair value of biological assets	1,203,861	(1,150)	(730,740)	698	(232,818)	222	(345,004)	330	(104,701)	100
	2,815,270	-	675,684	-	1,445,725	-	948,041	-	5,884,720	-

FINANCIAL CALENDAR

Financial Year end	31st March 2015
Announcement of results	
1st Quarter ended 30th June 2014	14th August 2014
2nd Quarter ended 30th September 2014	14th November 2014
3rd Quarter ended 31st December 2014	13th February 2015
4th Quarter ended 31st March 2015	29th May 2015
Notice of Annual General Meeting	13th July 2015
99th Annual General Meeting	14th August 2015

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of Bukit Darah PLC has pleasure in presenting to the shareholders their Report together with the Audited Financial Statements for the year ended 31st March 2015.

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

The Annual Report was approved by the Board of Directors on 13th July 2015.

GENERAL

Bukit Darah PLC is a public limited liability company incorporated in Sri Lanka in 1916.

THE PRINCIPAL ACTIVITIES OF THE COMPANY

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

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

REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The Chairman's Statement on pages 9 to 10 and Operational review on pages 14 to 19 provide an overall assessment of the business performance of the Group and its future developments. These reports together with audited financial statements reflect the state of affairs of the Company and the Group.

The segment-wise contribution to Group Results, Assets and Liabilities are provided in Note 7 to the financial statements on pages 128 to 135.

FINANCIAL STATEMENTS

The financial statements of the Group are prepared in conformity with Sri Lanka Accounting Standards (SLAS), provide information required by the Companies Act No. 07 of 2007 and the Colombo Stock Exchange Listing requirements. The Company and its subsidiaries are also guided by other recommended best accounting practices.

SIGNIFICANT ACCOUNTING POLICIES

Details of accounting policies have been discussed in note 4 of the financial statements. There have been some changes in the accounting policies adopted by the Group during the year under review. Those are mentioned in the note 4. For all periods up to and including the year ended 31 March 2015, the Group prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) which have materially converged with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Amendments to LKAS 16 Property, Plant and Equipment and LKAS 41 – Agriculture.

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of LKAS 41. Instead, LKAS 16 will apply. After initial recognition, bearer plants will be measured under LKAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of LKAS 41 and measured at fair value less costs to sell. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

The Group is currently assessing the impact of these amendments to the financial position and financial performance of group.

REVENUE

Revenue generated by the company amounted to Rs.493 Mn (2014 - Rs.404 Mn), whilst group revenue amounted to Rs.88,933 Mn (2014 - Rs.76,543 Mn). Contribution to group revenue from the different business segments is provided in Note 7 to the financial statements.

RESULTS AND APPROPRIATIONS

The profit after tax of the holding Company was LKR 462.43 Mn (2014 - LKR 374.02 Mn) whilst the Group profit attributable to equity holders of the parent for the year was LKR2,156 Mn (2014 - LKR 3,275 Mn).

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY | CONTD;

Results of the Company and of the Group are given in the income statement.

Detailed description of the results and appropriations are given below.

	Group		Company	
	2015 (LKR' 000)	2014 (LKR' 000)	2015 (LKR' 000)	2014 (LKR' 000)
Results from operating activities	13,068,507	12,885,254	465,795	376,673
Net Finance cost	(2,476,181)	(2,073,516)	-	-
Foreign Exchange losses	(2,460,669)	(2,945,895)		
Share of net results of joint venture	(461)	(839)	-	-
Change in fair value of biological assets	(104,702)	3,182,098	-	-
Change in fair value of investment properties	265,756	79,209	-	-
Changes in fair value of financial assets held for trading	196,569	7,060	132	-
Profit before tax accruing to the company and subsidiaries	8,488,819	11,133,371	465,927	376,673
Provision for taxation	(2,604,099)	(3,259,870)	(3,500)	(2,650)
Profit after tax	5,884,720	7,873,501	462,427	374,023
Profit attributable to non controlling interest	(3,728,316)	(4,598,484)	-	-
Profit attributable to owners of the company	2,156,404	3,275,017	462,427	374,023
Other adjustments	5,294	(977,173)	-	-
Balance brought forward from the previous year	29,379,911	27,432,269	6,733,457	6,709,636
Amount available for appropriation	31,541,609	29,730,113	7,195,884	7,083,659
Dividend				
Preference Share dividend				
Annual Dividend	(145)	(145)	(145)	(145)
8% Participating Cumulative Preference dividend paid - 2015 - Rs.23.95 (2014 - Rs.23.95)	(44,057)	(44,057)	(44,057)	(44,057)
Ordinary Share dividend				
Ordinary dividend paid	(306,000)	(306,000)	(306,000)	(306,000)
Balance to be carried forward next year	31,191,407	29,379,911	6,845,682	6,733,457

Capital Expenditure

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

For the year ended 31st March	2015 (LKR' 000)	2014 (LKR' 000)
Portfolio and Asset Management		
Property, plant & equipment	1,274	9,832
Oil Palm Plantation		
Property, plant & equipment	7,243,495	4,420,130
Biological Assets	5,904,029	6,335,944
Intangible assets	1,078,039	559,670
Oils & Fats		
Property, plant & equipment	503,396	1,613,067
Intangible assets	31,366	9,965
Beverage		
Property, plant & equipment	3,219,666	4,627,143
Trademark	4,000,000	
Intangible assets	2,702	1,821
Real Estate		
Property, plant & equipment	6,592	16,530
Investments Properties	24,082	88,180
Leisure		
Property, plant & equipment	26,206	61,485
Management Services		
Property, plant & equipment	59,835	43,737
Intangible assets	4,033	-
	22,104,715	17,787,504

Value of the Investment Portfolio

The market value/valuation of the Group's investment portfolio as at 31st March, 2015 was Rs.11,915 Mn (2014 - Rs.9,449 Mn).

Value of the Investments Properties

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

All properties classified as investment property were valued in accordance with the requirements of LKAS 40.

The Group revalued all its investment properties as at 31 March 2015. The carrying value of investment property of the Group is LKR 2,356 Mn (2014 - LKR 2,094 Mn). Valuations were carried out by Mr. S. Sivaskantha, F.I.V (Sri Lanka) Perera Sivaskantha & Company, Incorporated Valuers.

Details of the revaluation of property, plant and equipment and investment property are provided in notes 19 and 22 to the financial statements Details of Group properties as at 31 March 2015 are disclosed in the Group Real Estate Portfolio section of the Annual Report.

Market Value of Freehold Properties

Certain freehold properties (land and buildings) of the Group have been revalued based on the independent professional valuation and written-up in the books of account to conform to market value of such properties. Details of such revaluation are given in note 19(c) to the financial statements.

Reserves

A summary of the Group's reserves is given below

	Group		Company	
As at 31st March	2015 (Rs.000)	2014 (Rs.000)	2015 (Rs.000)	2014 (Rs.000)
Capital Reserve	2,202,190	2,188,938	40,000	40,000
Revenue Reserve	25,496,864	27,676,812	6,845,682	6,733,457
Total	27,699,054	29,865,750	6,885,682	6,773,457

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY | CONTD;

The movements are shown in the Statements of Changes in Equity given on page 100 to 101 the Annual Report.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Group and the Company which reflect a true and fair view of the state of its affairs. The Directors are of the view that the Statement of Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flow and Notes thereto appearing on pages 97 to 218 have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and amendments thereto and Listing Rules of the Colombo Stock Exchange. The "Statement of Directors' Responsibility" for Financial Reporting given on page 93 which forms an integral part of this Report.

INDEPENDENT AUDITOR'S REPORT

The Independent Auditor's Report on the Financial Statements is given on page 96 of this Annual Report.

INTERESTS REGISTER

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

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

The Interests Register is available for inspection as required under the said Companies Act.

REMUNERATION OF DIRECTORS

Directors' remuneration in respect of the Company for the financial year ended 31st March 2015 is given in Note 15 (d) to the Financial Statements on page 140

DIRECTORS' INTEREST IN CONTRACTS AND SHARES

The Related Party Transactions of the Company as required by the Sri Lanka Accounting standard LKAS 24 are disclosed in Note 49 to the Financial Statements and have been declared at meetings of the Directors The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in the issued shares of the company as shown in the table below.

	No of Ordinary Shares	
Directors	31.03.2015	31.03.2014
Mr. H. Selvanathan (Chairman)	153,111	153,111
Mr. M. Selvanathan	44,179	44,179
Mr. I. Paulraj	1,127	1,127
Mr. D.C.R. Gunawardena	-	-
Mr. P.C.P. Tissera	-	-
Mr. K.C.N. Fernando - *Resigned w.e.f 20/2/2015*	-	-
Mr. L. R. De Lanerolle	3,074	3,074
Mr. S.K. Shah - *Appointed w.e.f 20/2/2015*		
Alternate Directors	-	-
Mr. K. Selvanathan (for Mr. M. Selvanathan)	-	-
8% Participating Cumulative Preference Shares		
Mr. H. Selvanathan	345,130	345,130
Mr. M. Selvanathan	824,231	817,856

Directors' shareholdings in group quoted companies.

SUBSIDIARIES

	No of Ordinary Shares	
	31.03.2015	31.03.2014
Carson Cumberbatch PLC		
Mr.H.Selvanathan	42,318	42,318
Mr. M. Selvanathan	32,962	32,962
Mr. I. Paulraj	129	129
Mr. P.C.P. Tissera	12	12
Mr. L.R.De Lanerolle	4,051	4,051
Messrs. H. Selvanthan & M. Selvanthan	449,820	449,820

	No of Ordinary Shares	
	31.03.2015	31.03.2014
Ceylon Guardian Investment Trust PLC		
Mr. I. Paulraj	255	255
Mr. D.C.R. Gunawardena	255	255
Ceylon Investment PLC		
Mr. I. Paulraj	255	255
Mr. D.C.R. Gunawardena	255	255
Ceylon Beverage Holdings PLC		
Mr. H. Selvanathan	690	690
Mr. M. Selvanathan	690	690
Mr. I. Paulraj	33	33
Mr. D.C.R. Gunawardena	15	15
Mr. S.K. Shah	2,632	2,632
Lion Brewery (Ceylon) PLC		
Mr. H. Selvanathan	1,579	1,579
Mr. M. Selvanathan	1,579	1,579
Mr. I. Paulraj	1,675	1,675
Mr. D.C.R. Gunawardena	34	34
Mr. S.K. Shah	6,016	6,016
Shalimar (Malay) PLC		
Mr. M. Selvanathan	1	1
Selinsing PLC		
Mr. M. Selvanathan	1	1
Good Hope PLC		
Mr. M. Selvanathan	1	1
Indo-Malay PLC		
Mr. M. Selvanathan	1	1
Equity Two PLC		
Mr. I. Paulraj	41,000	41,000
Mr.S.K. Shah	9,300	9,300
Guardian Capital Partners PLC		
Mr. H. Selvanathan	25	25
Mr.I. Paulraj	200	200
Mr. D.C.R. Gunawardena	25	25

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the company have received or become entitled to receive any benefits (other than the benefits as disclosed in Note 15 (d) to the financial statements) by reason of a contract made by the company or a related corporation with the director, or with a firm of which the director is a member , or with a company in which the director has substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the significant related party transactions as disclosed in note 49 to the financial statement.

During and at the end of the financial year, no arrangement subsisted to which the company is a party, with the object or object of enabling directors of the company to acquire benefit by means of the acquisition of shares of the company.

DIRECTORS

The names of the Directors who served during the year are given under Corporate Information on page 13 of this Annual Report.

Appointment and Resignation of Directors

1. Mr. Suresh Shah was appointed as an Executive Director of the Company w.e.f. 20/2/2015.

2. Mr. K.C.N. Fernando resigned from the Board w.e.f. 20/2/2015.

Directors to Retire by Rotation

In terms of Articles 82 and 83 of the Articles of Association of the Company, Mr.M. Selvanathan retires by rotation and being eligible offers himself for re-election.

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

In terms of Article 89 of the Articles of Association of the Company, Mr. Suresh Shah retires from the Board and being eligible offers himself for re-election.

Appointment of Directors who are over 70 years of age

Mr.I. Paulraj and Mr. L. R. De Lanerolle who are over 70 years of age were re-appointed as Directors of the Company at the Annual General Meeting held on 31st July

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY | CONTD;

2014, for a further period of one year, i.e. until 31st July 2015. Therefore, an Extraordinary General Meeting has been convened for 28th July 2015 to re-appoint Messrs. I. Paulraj and L. R. De Lanerolle as Directors of the Company until the forthcoming Annual General Meeting of the Company, or for a further period of one year, commencing from 31st July 2015, whichever comes first.

Accordingly, subject to the approval of the shareholders being obtained at the Extraordinary General Meeting convened for 28th July 2015, the Nomination Committee and the Board recommend that Mr.I. Paulraj and Mr. L. R. De Lanerolle who are over 70 years of age be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to them.

AUDITORS

Company

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

A sum of Rs.313,500/- was paid to them by the Company as audit fees for the year ended 31st March 2015 (2014 - Rs.285,000/-)

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

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

Group

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

Auditors' relationship or any Interest with the company

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Acquisition of Millers Brewery Limited

Lion Brewery (Ceylon) PLC together with its subsidiary Pearl Springs (Private) Limited acquired the 100% shareholding of Millers Brewery Limited and its trademarks at a total consideration of Rs.5,150,000,000/- on 30th October 2014.

Incorporation of Companies

Pearl Springs (Private) Limited, a Private Limited Liability Company was incorporated on 20th May 2014 as a fully owned Subsidiary of Lion Brewery (Ceylon) PLC.

Vee Waruna (Private) Limited, a private limited liability Company was incorporated on 18th November 2014 as a fully owned Subsidiary of Ceylon Beverage Holdings PLC.

Issuance of Rated Unsecured Listed Redeemable Debentures

Lion Brewery (Ceylon) PLC issued 10,000,000 Debentures at the par value of Rs.100/- each aggregating to the value of Rs.1,000,000,000/- with an option of issuing up to a further 10,000,000 Debentures at the par value of Rs.100/- each aggregating to the value of Rs.1,000,000,000/-, to raise Rs.2,000,000,000/- on 28th November 2014.

The debenture issue was subscribed in full and accordingly, 20,000,000 debentures were alloted on the 8th December 2014.

Re-Classification of Subsidiary Company

Equity Two PLC was transferred from the Colombo Stock Exchange Main Board to the Diri Savi Board with effect from 26th November 2014 through an application made by the said Company.

CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

The following Directors held office during the period under review and their brief profiles are given on pages 31 to 32 of the Annual Report.

Directors	Executive	Non-Executive	Independent
Mr. H. Selvanathan (Chairman)	√	-	-
Mr. M. Selvanathan	√	-	-
Mr. I. Paulraj	-	√	-
Mr. D.C.R. Gunawardena	-	√	-
Mr. P.C.P. Tissera	√	-	-
Mr. K.C.N. Frenando - *Resigned w.e.f 20/2/2015*	√	-	-
Mr. L.R.De Lanerolle	-	√	√
Mr.S.K.Shah - *Appointed w.e.f 20/2/2015*	√	-	-

Alternate Director

Mr. K. Selvanathan (for Mr. M. Selvanathan)

Each of the Non Executive Directors of the Company have submitted a signed declaration on 'Independence/ Non Independence' as per Rule 7.10.2.b. of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at a Board Meeting of the Board of Directors of the Company held on 24th June 2015, in order to enable the Board of Directors to determine the Independence/ Non Independence of each of the Non - Executive Directors, in terms of Rule 7.10.3 (a) of the Listing Rules of the Colombo Stock Exchange.

The Board is working towards meeting the CSE criteria in respect of Independent Directors.

DIRECTORS' MEETING ATTENDANCE

Four Board Meetings were convened during the financial year and the attendance of the Directors were as follows:

Director	Meetings/Attended (out of 4)
Mr. H. Selvanathan (Chairman)	4
Mr. M. Selvanathan	4
Mr. I. Paulraj	4
Mr. D.C.R. Gunawardena	3
Mr. P.C.P. Tissera	4
Mr. K.C.N.Fernando - *Resigned w.e.f 20/2/2015*	3
Mr. L.R.De.Lanerolle	4
Mr. S.K. Shah - *Appointed w.e.f 20/2/2015*	1

REMUNERATION COMMITTEE

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

Remuneration Committee Members	Executive	Non-Executive	Independent
Mr. I. Paulraj (Chairman)	-	√	-
Mr. D.C.R. Gunawardena	-	√	-
Mr. L.R.De Lanerolle	-	√	√

Bukit Darah PLC is in the process of re-formulating the Remuneration Committee to fall in line with the requirements set out in Rule 7.10.5 of the Listing Rules of the Colombo Stock Exchange.

Scope and Objective

The primary objective of the Remuneration Committee is to lead to establish a formal and transparent procedure for the development of a remuneration policy and the establishment of a remuneration structure. A remuneration policy has been formulated based on market and industry factors and individual performance for all group Companies.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY | CONTD;

Functions and Proceedings

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

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

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

The Remuneration Committee meets at least twice a year.

During the period under review the Committee had two meetings with all members in attendance.

Reporting and Responsibilities

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

Aggregated remuneration paid to the Non-Executive Directors of the Company is disclosed under Note 15 on page 140 of the Annual Report. Executive Directors are not compensated for their role on the Board.

AUDIT COMMITTEE

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

Audit Committee Members	Executive	Non-Executive	Independent
Mr. L.R.De Lanerolle (Chairman)	-	√	√
Mr. I. Paulraj	-	√	-
Mr. D.C.R. Gunawardena	-	√	-

Bukit Darah PLC is in the process of re-formulating the Audit Committee to fall in line with the requirements set out in the Listing Rules of the CSE.

The Audit Committee Report is given on page 94 to 95 of this Annual Report.

NOMINATION COMMITTEE

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

Nomination Committee Members	Executive	Non-Executive	Independent
Mr. I. Paulraj (Chairman)	-	√	-
Mr. D.C.R. Gunawardena	-	√	-
Mr. L.R.De.Lanerolle	-	√	√

Scope and Objective

The primary objective of the Nomination Committee is to lead the process for Board appointments of new Directors to the Board and the nominations of members to represent the Company in Group companies/Investee companies.

Functions and Proceedings

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

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

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

The Nomination Committee meets at least twice a year.

During the period under review the Committee had two meetings with all members in attendance.

BOARD EVALUATION

As suggested in the Code of Best Practice on Corporate Governance, a 'Board Appraisal Form' was introduced for the year 2014/15 to evaluate the performance of the Board in order to ensure that the responsibilities of Directors towards the Board and the Company are met.

The 'Board Evaluation Form' comprises of the following broad themes;

- Core Board Responsibilities
- Board Meetings
- Committee Meetings (any/ all sub-committees)
- Relationship with Management
- Individual self-assessment
- Stakeholder and Shareholder communication/ relationship
- Suggestions/ comments

The Nomination Committee of the Company collates all the comments received from the Directors and reports the results and proposed actions to the Board of Directors.

INTERNAL CONTROL AND RISK MANAGEMENT

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

The delegation of the effective maintenance of internal controls and risk identification and mitigation is handed down to the respective CFO's within the guidelines of benchmark policies, procedures and authority limits clearly laid down. This team is supported by the risk officers appointed per sector. The risk officers would confer with the respective management teams and will update the risk registers and the relevant action plans to be followed by the management teams in their respective spheres of operation. Group Internal Audit, whose scope of scrutiny is entirely driven by the grading of the risk involved will be monitoring and providing the feedback to the management and the respective Audit Committees.

Regular submission of compliance and internal solvency certificates vouched by the heads of the respective divisions as a mandatory agenda item keeps the directors abreast of the health of the company, resource base and governance requirements. This allows the Board to have total control of the fulfilment of governance requirements More detailed description of the Risk management strategies of the Company is given on page 66 to 72.

OUTSTANDING LITIGATION

In the opinion of the Directors and in consultation with the company lawyers, litigations currently pending against the company will not have material impact on the reported financial results of future operations of the company.

Details of litigations pending against the company are given in Note 46(f) on page 214 to 216 of the Annual Report.

DIVIDEND

The Directors do not recommend a dividend at this point in time.

The details of the dividends paid during the year are set out in Note 18 to the financial statements.

SOLVENCY TEST

Solvency test was performed for the First Interim dividend for the financial year ended 31st March 2015 as required under the Section 56 (2) of the Companies Act No.7 of 2007.

The statement of solvency completed and duly signed by the Directors has been audited by the Company's auditors, Messrs KPMG.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY | CONTD;

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2015 was Rs.412,634,771/- consisting of 102,000,000 Ordinary shares, and 1,839,568 - 8% Participating Cumulative Preference Shares.

STATUTORY PAYMENTS

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

COMPLIANCE WITH LAWS AND REGULATIONS

The Company has at all times ensured that it complied with the applicable laws and regulations including the Listing Rules of the Colombo Stock Exchange as a listed company. The management officers responsible for compliance, table a report on the compliance at the quarterly meetings of the Audit Committee/ Respective Board.

RELATED PARTY TRANSACTIONS EXCEEDING 10% OF THE EQUITY OR 5% OF THE TOTAL ASSETS OF THE COMPANY

The Directors declare in terms of the requirements of the Listing Rules of the Colombo Stock Exchange that the transactions carried out by the Company with its Related Parties during the year ended 31st March 2015, did not exceed 10% of Equity or 5% of the Total Assets of the Company as at 31st March 2015.

The details of the Related Party Transactions are given in Note 49 on page 217 to 218 of the Financial Statements.

Related Party Transactions Review Committee

The Company is in the process of forming a "Related Party Transactions Review Committee" to comply with the Colombo Stock Exchange Listing Rules, Section 9, which would come into effect from 1st January 2016.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The commitments made on account of capital expenditure and contingent liabilities as at 31st March 2015 are given in note 46 (a) and note 46 (e) respectively to the financial statements.

RESEARCH AND DEVELOPMENT

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

GOING CONCERN

Having taken into account the financial position and future prospects, the Directors have a reasonable expectation that the Company and its subsidiaries have adequate resources to continue to be in operational existence for the foreseeable future. For this reason the Company and its subsidiaries continue to adopt the going concern basis in preparing the financial statements.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting date, no circumstances have arisen which required adjustments to or disclosure in the financial statements.

CORPORATE SOCIAL RESPONSIBILITY

Bukit Darah PLC and its subsidiaries have engaged in a variety of CSR initiatives on the fundamental premise of supporting sustainable and holistic socio-economic development of the country, and also in the region where its business interests lie. The detailed report consisting of completed and on-going initiatives are included in the Sustainability section of the Annual Report.

HUMAN RESOURCE

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

The number of persons employed by the Group as at 31st March 2015 was 15,954 (31st March 2014 – 15,580). The Company had no employees as at 31st March 2015 (2014 - Nil).

DONATIONS

The Group made donations amounting to Rs.49.86 Mn during the year under review (2014 - Rs.84.41 Mn.).
Company - Rs.0.5 Mn. (2014- Rs.0.5 mn.)

SHARE INFORMATION

Information relating to earnings, dividends, net assets and market price per share is given on page 73 and 79 of the Annual Report. Information on share trading is given on page 73 of the Annual Report.

MAJOR SHAREHOLDERS

Twenty Major Shareholders - Ordinary Shares as at 31st March.

	2015	%	2014	%
Name of the Shareholders	No. of Shares		No. of Shares	
Rubber Investment Trust Limited A/C No. 3	20,438,250	20.04	20,438,250	20.04
Portelet Limited	9,409,500	9.23	9,409,500	9.23
Skan Investments (Pvt) Limited	8,357,876	8.19	8,357,876	8.19
Good Hope Holdings (Pvt) Limited	8,148,997	7.99	8,046,752	7.89
Newgreens Limited	7,905,000	7.75	7,905,000	7.75
Interkrish Investment Company (Pvt) Limited	7,314,895	7.17	7,314,895	7.17
Krish Investment Company (Pvt) Limited	7,304,142	7.16	7,304,142	7.16
Carson Cumberbatch PLC A/C No. 2	6,270,781	6.15	6,270,781	6.15
Natwest Nominees (Pvt) Limited	4,392,433	4.31	4,392,433	4.31
Wardley Investments (Pvt) Limited	4,312,809	4.23	4,312,809	4.23
Gee Gees Properties (Pvt) Ltd	3,734,220	3.66	3,734,220	3.66
Employees Provident Fund	2,857,872	2.80	2,137,769	2.10
S Kanapathy Chetty (Pvt) Limited	2,139,922	2.10	2,139,922	2.10
Ceylon Finance & Securities (Pvt) Limited	1,006,085	0.99	1,006,085	0.99
Thurston Investments Limited	929,815	0.91	933,600	0.92
Pershing LLC S/A Averbach Grauson & Co.	842,996	0.83	842,996	0.83
Mr. E.A. Samaraweera	612,000	0.60	612,000	0.60
Mrs. H. Pope (Decd)	612,000	0.60	612,000	0.60
Mr. W. Tippetts	520,200	0.51	520,200	0.51
Mr. K.C. Vignarajah	489,919	0.48	485,863	0.48

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

EQUITABLE TREATMENT OF SHAREHOLDERS

All shareholders in each category have been treated equitably in accordance with the original Terms of Issue.

ANNUAL REPORT

The information provided herein is in pursuance of the rquirements of the Companies Act No. 7 of 2007 and Colombo Stock Exchange Listing Rules. The Board of Directors have approved the Company Financial Statements and the consolidated financial statements together with the reviews which forms a part of the Annual Report on 13th July 2015.

The appropriate number of copies of the Annual Report will be submitted to the Colombo Stock Exchange, the Sri Lanka Accounting and Auditing Standard Monitoring Board and the Registrar General of Companies within applicable time frames.

ANNUAL GENERAL MEETING

The 99th Annual General Meeting of the Company will be held on Friday, 14th August 2015 at 11.00 a.m at the Taj Samudra Hotel, 'Crystal Room', Upper Floor, No.25, Galle Face Center Road, Colombo 3, Sri Lanka. The Notice of the Annual General Meeting setting out the business which will be transacted thereat is on page 228 of the Annual Report.

Signed on behalf of the Board

(Sgd.)
H. Selvanathan
Chairman

(Sgd.)
M. Selvanathan
Director

(Sgd.)
K.D. De Silva (Mrs.)
Director
Carsons Management Services (Pvt) Ltd
Secretaries

Colombo
13th July 2015

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for preparing the Annual Report and the consolidated Financial Statements in accordance with the Companies Act No.7 of 2007 and Sri Lanka Accounting and Auditing Standards Act No.15 of 1995 and required to prepare Financial Statements for each financial year that present fairly the financial position of the group and the financial performance and cash flows of the group for that period.

In preparing those Financial Statements, the Directors are required to:

- Select suitable Accounting Policies and apply consistently.
- Present information, including accounting policies in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosure when compliance with specific requirements of Sri Lanka Accounting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance.
- State that the company has complied with Sri Lanka Accounting Standards, subject to any material departures disclosed and explained in the consolidated Financial Statements.
- Make reasonable and prudent judgements and estimates.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the consolidated Financial Statements comply with the Companies Act No.7 of 2007 and Sri Lanka Accounting Standards. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The group's business activities, performance, position and risks are set out in the report. The financial position of the group, its cash flows, liquidity position and borrowing facilities are detailed in the notes to the financial statements. The report also includes details of the group's risk mitigation and management. The group has considerable financial resources, and the Directors believe that the group is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company and the group have adequate resources to continue in operational existence for the foreseeable future from the date of signing these Financial Statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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

By Order of the Board,

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

Colombo
13th July 2015

AUDIT COMMITTEE REPORT

The Audit Committee of the Company comprises of three Members, as follows:

Audit Committee Members	Executive / Non-Executive/ Independent
Mr.Ralph De Lanerolle (Chairman)	Non-Executive, Independent
Mr.Chandima Gunawardena	Non-Executive
Mr.Israel Paulraj	Non-Executive

Mr.Ralph De Lanerolle is a Director of Overseas Realty (Ceylon) PLC.

Mr.Chandima Gunawardena is a Non-Executive Director of Carson Cumberbatch PLC and in most of its Group Companies. He is a Fellow of the Chartered Institute of Management Accountants, U.K.

Mr.Israel Paulraj is a Non-Executive Director of Carson Cumberbatch PLC and in some of its Group Companies.

The purpose of the Audit Committee of the Company is as follows :

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

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

Bukit Darah PLC-Audit Committee held 05 Meetings during the financial year to discuss matters relating to the Company and the attendance of the Members of the Audit Committee was as follows :

Audit Committee Members	Meetings attended (out of five)
Mr.Ralph De Lanerolle (Chairman)	05
Mr.Chandima Gunawardena	05
Mr.Israel Paulraj	04

The Chief Financial Officer, internal auditors and senior management staff members also attended the Audit Committee Meetings by invitation.

The Audit Committee met the External Auditors, Messrs.KPMG twice during the year to discuss the audit scope and to deliberate the draft Financial Report and Accounts. The Committee also discussed draft Financial Report and Accounts, with the External Auditors, without the management being present to foster an unbiased, independent dialogue.

The Audit Committee approved the audit plan for the financial year 2014/2015 and the Group Internal Audit (GIA) carried out 02 audits of the Company, based on the plan.

The findings and contents of the Group Internal audit reports have been discussed with the relevant management staff and subsequently the audit reports were circulated to the Audit Committee and to the senior management.

The objectives of the GIA work was to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-à-vis objectives served and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective/preventive action where necessary.

As approved by the Audit Committee, Messrs. KPMG, as part of their regular audit scope has commenced a comprehensive external IT security and process audit covering the entire Carsons Management Services (Private) Limited-IT environment, which extends to the Investment Sector, Real Estate Sector and Leisure Sector, as well.

The interim financial statements of the Company have been reviewed by the Audit Committee Members at Audit Committee Meetings, prior to release of same to the Regulatory Authorities and to the shareholders.

The draft financial statements of the Company for the year ended 31st March 2015 were reviewed at a Meeting of the Audit Committee, together with the External Auditors, Messrs.KPMG, prior to release of same to the Regulatory Authorities and to the shareholders. The Audit Committee was provided with confirmations and declarations as required, by Carsons Management Services (Private) Limited that the said financial statements were prepared in accordance with the Sri Lanka Accounting Standards and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

The Audit Committee has determined that Messrs.KPMG, Chartered Accountants, Auditors were independent on the basis that they did not carry out any management related functions of the Company.

The Audit Committee has concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG, Chartered Accountants, as Auditors for the financial year ending 31st March 2016, subject to the approval of the shareholders at the Annual General Meeting.

(Sgd.)
L.R. De Lanerolle
Chairman – Audit Committee
Bukit Darah PLC

Colombo
13th July 2015

INDEPENDENT AUDITORS' REPORT

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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Colombo 00300,
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Internet : www.lk.kpmg.com

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Bukit Darah PLC, ("the Company"), and the consolidated financial statements of the Company and its subsidiaries ("Group"), which comprise the statement of financial position as at March 31, 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information set out on pages 97 to 218 of the annual report.

BOARD'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at March 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

a) The basis of opinion and scope and limitations of the audit are as stated above

b) In our opinion:

- we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company,
- The financial statements of the Company give a true and fair view of its financial position as at March 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.
- The financial statements of the Company, and the Group comply with the requirements of sections 151 and 153 of the Companies Act No. 07 of 2007.

CHARTERED ACCOUNTANTS
Colombo
13th July 2015

STATEMENT OF INCOME

(Amounts expressed in Sri Lankan Rs.'000)

		Group			Company		
For the year ended 31st March	Note	2015	2014	Change %	2015	2014	Change %
Revenue	7	88,933,624	76,542,788	16	492,892	404,217	22
Direct operating expenses	8	(62,760,906)	(52,499,747)	20	-	-	-
		26,172,718	24,043,041	9	492,892	404,217	22
Other items of income							
Change in fair value of investment properties	22	265,756	79,209	236	-	-	-
Change in fair value of biological assets	20	(104,702)	3,182,098	(103)	-	-	-
Gain on fair value of financial assets held for trading		196,569	7,060	2,684	132	-	-
Other income	9	662,208	486,522	36	-	-	-
Other items of expenses							
Distribution expenses		(5,840,330)	(5,087,996)	15	-	-	-
Administrative expenses		(6,941,889)	(6,418,715)	8	(27,097)	(27,544)	(2)
Other operating expenses	10	(259,879)	(137,598)	89	-	-	-
Impairment of business assets	11	(384,511)	-	-	-	-	-
Expenses relating to new investments	12	(339,810)	-	-	-	-	-
Foreign exchange losses	13	(2,460,669)	(2,945,895)	(16)	-	-	-
Profit from operations		10,965,461	13,207,726	(17)	465,927	376,673	24
Net finance cost	14	(2,476,181)	(2,073,516)	19	-	-	-
Share of net result of joint venture	26	(461)	(839)	(45)	-	-	-
Profit before Income tax expenses	15	8,488,819	11,133,371	(24)	465,927	376,673	24
Income tax expenses							
Current taxation	16	(1,983,745)	(2,061,033)	(4)	(3,500)	(2,650)	32
Deferred taxation	16	(620,354)	(1,198,837)	(48)	-	-	-
		(2,604,099)	(3,259,870)	(20)	(3,500)	(2,650)	32
Profit for the year	7	5,884,720	7,873,501	(25)	462,427	374,023	24
Profit Attributable to:							
Owners of the Company	7	2,156,404	3,275,017	(34)	462,427	374,023	24
Non controlling interest	7	3,728,316	4,598,484	(19)	-	-	-
		5,884,720	7,873,501	(25)	462,427	374,023	24
Earnings per ordinary share (Rs.)	17	20.71	31.67	(35)	4.10	3.23	27
Dividend per ordinary share (Rs.)	18	3.00	3.00	-	3.00	3.00	-

The Notes from pages 104 to 218 form an integral part of these financial statements.
Figures in brackets indicate deductions.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amounts expressed in Sri Lankan Rs.'000)

	Group		Company	
For the year ended 31st March	2015	2014	2015	2014
Profit for the year	5,884,720	7,873,501	462,427	374,023
Other Comprehensive Income				
Items that may be reclassified subsequently to profit or loss:				
Net change in fair value of available-for-sale financial assets	961,804	124,689	-	-
Transfer of realised gain on available-for-sale financial assets	(1,009,320)	(1,118,900)	-	-
Exchange differences on translation of foreign operations	(7,024,312)	(6,318,378)	-	-
Items that will not be reclassified subsequently to profit or loss:				
Actuarial (losses) /gain on employee benefits	(38,443)	302,510	-	-
Deferred tax benefits / (expenses) on actuarial gain / (losses)	6,073	(75,022)	-	-
Other comprehensive income / (expenses) for the year, net of tax	(7,104,198)	(7,085,101)	-	-
Total Comprehensive Income for the year	(1,219,478)	788,400	462,427	374,023
Attributable to:				
Owners of the Company	(1,795,388)	(318,384)	462,427	374,023
Non controlling interest	575,910	1,106,784	-	-
	(1,219,478)	788,400	462,427	374,023

The Notes from pages 104 to 218 form an integral part of these financial statements.
Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

(Amounts expressed in Sri Lankan Rs.'000)

		Group		Company	
As at 31st March	Note	2015	2014	2015	2014
ASSETS					
Non - Current Assets					
Property, plant & equipments	19	58,198,456	54,759,104	-	-
Biological assets	20	47,034,490	46,817,103	-	-
Prepaid lease payment for land	21	4,466,870	4,095,006	-	-
Investment properties	22	2,355,945	2,093,650	-	-
Intangible assets	23	6,991,118	3,136,178	-	-
Investments in subsidiaries	24	-	-	7,139,062	7,139,062
Investments in Joint ventures	26	25,913	25,793	-	-
Available-for-sale financial assets	27	9,093,006	8,210,520	-	-
Deferred tax assets	16	2,756,688	1,737,789	-	-
Other financial receivables	29	122,545	109,906	-	-
Other non financial receivables	29	2,841,838	1,279,048	-	-
Total non - current assets		133,886,869	122,264,097	7,139,062	7,139,062
Current Assets					
Inventories	28	7,665,077	7,940,973	-	-
Trade receivables	29	4,491,999	4,197,522	-	-
Other financial receivables	29	699,608	414,262	-	-
Other non financial receivables	29	5,076,741	4,924,501	1,349	50
Assets held for sales	30	491,895	-	-	-
Current tax recoverable		83,209	56,926	-	1,082
Financial assets held for trading	31	2,822,368	1,238,509	110,132	-
Derivative financial instrument	32	42,383	12,602	-	-
Cash and cash equivalents	33	9,145,650	16,935,783	122,394	101,507
Total current assets		30,518,930	35,721,078	233,875	102,639
Total assets		164,405,799	157,985,175	7,372,937	7,241,701
EQUITY AND LIABILITIES					
EQUITY					
Stated capital	34	412,635	412,635	412,635	412,635
Capital reserves	35	2,202,190	2,188,938	40,000	40,000
Revenue reserves	36	25,496,864	27,676,812	6,845,682	6,733,457
Equity attributable to owners of the company		28,111,689	30,278,385	7,298,317	7,186,092
Non -controlling interest	25	35,065,642	36,190,123	-	-
Total equity		63,177,331	66,468,508	7,298,317	7,186,092
Investment through subsidiary	37	(10,688)	(10,688)	-	-
		63,166,643	66,457,820	7,298,317	7,186,092
LIABILITIES					
Non - Current Liabilities					
Loans and borrowings	38	46,533,446	35,933,910	-	-
Debenture	39	4,597,600	2,798,800	-	-
Other financial payables	40	55,818	50,492	-	-
Other non financial liabilities	40	1,254,959	1,038,037	-	-
Deferred tax liabilities	16	10,357,260	9,324,891	-	-
Total non - current liabilities		62,799,083	49,146,130	-	-
Current Liabilities					
Trade payables	40	4,763,259	4,818,257	-	-
Other financial payables	40	8,559,397	11,579,768	74,355	55,609
Current tax liabilities		268,222	127,452	265	-
Derivative financial instrument	32	-	587	-	-
Loans and borrowings	38	24,517,231	25,560,187	-	-
Debenture	39	331,964	294,974	-	-
Total current liabilities		38,440,073	42,381,225	74,620	55,609
Total liabilities		101,239,156	91,527,355	74,620	55,609
Total equity and liabilities		164,405,799	157,985,175	7,372,937	7,241,701
Net assets per ordinary share	42	275.21	296.45	71.15	70.05

The Notes from pages 104 to 218 form an integral part of these financial statements.
I certify that these financial statements are in compliance with the requirements of Companies Act No. 7 of 2007.

(Sgd.)
A.P. Weeratunge
Director Finance
Carsons Management Services (Private) Limited

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were approved by the Board on 13th July 2015.

(Sgd.)
M. Selvanathan
Director
Colombo.

(Sgd.)
H. Selvanathan
Director

STATEMENT OF CHANGES IN EQUITY

(Amounts expressed in Sri Lankan Rs. '000)

	Stated Capital		Capital Reserve	
	Ordinary Share	Preference Share	Capital Redemption Reserve	Other Capital Reserve
Group				
Balance as at 31st March, 2013	371,880	40,755	40,000	2,129,329
Total Comprehensive Income				
Profit for the year	-	-	-	-
Other comprehensive income / (expenses) for the year	-	-	-	-
Total Comprehensive income / (expenses) for the year	-	-	-	-
Transaction with owners of the Company, recognised directly in equity				
Acquisition of New Subsidiaries	-	-	-	-
Goodwill on change in shareholdings	-	-	-	-
Dividend paid	-	-	-	-
Dividend paid to Non controlling shareholders	-	-	-	-
Movements due to changes in equity	-	-	-	19,609
Total Transactions with owners of the Company	-	-	-	19,609
Balance as at 31st March 2014	371,880	40,755	40,000	2,148,938
Total Comprehensive Income				
Profit for the year	-	-	-	-
Other comprehensive income / (expenses) for the year	-	-	-	-
Total Comprehensive income / (expenses) for the year	-	-	-	-
Transaction with owners of the Company, recognised directly in equity				
Acquisition of new subsidiaries	-	-	-	-
Share Issue by subsidiary	-	-	-	-
Goodwill on change in shareholdings	-	-	-	-
Dividend paid	-	-	-	-
Dividend paid to Non controlling shareholders	-	-	-	-
Movements Due to changes in equity	-	-	-	13,252
Total Transactions with owners of the Company	-	-	-	13,252
Balance as at 31st March 2015	371,880	40,755	40,000	2,162,190
Company				
Balance As at 31st March' 2013	371,880	40,755	40,000	-
Total Comprehensive Income				
Profit for the year	-	-	-	-
Transaction with owners of the Company, recognised directly in equity				
Dividend paid	-	-	-	-
Balance As at 31st March' 2014	371,880	40,755	40,000	-
Total Comprehensive Income				
Profit for the year	-	-	-	-
Transaction with owners of the Company, recognised directly in equity				
Dividend paid	-	-	-	-
Balance As at 31st March' 2015	371,880	40,755	40,000	-

Figures in brackets indicate deductions.

	Revenue Reserve					
Currency Translation Reserve	Revenue reserve	Available for sale Financial Reserve	Retained Earnings	Attributable to Owners of the Company	Non-Controlling Interest	Total Equity
819,243	54,073	1,144,788	27,432,269	32,032,337	34,841,670	66,874,007
-	-	-	3,275,017	3,275,017	4,598,484	7,873,501
(3,470,790)	-	(250,414)	127,803	(3,593,401)	(3,491,700)	(7,085,101)
(3,470,790)	-	(250,414)	3,402,820	(318,384)	1,106,784	788,400
-	-	-	-	-	1,497	1,497
-	-	-	(103,949)	(103,949)	(123,607)	(227,556)
-	-	-	(350,202)	(350,202)	-	(350,202)
-	-	-	-	-	(726,328)	(726,328)
-	-	-	(1,001,027)	(981,418)	1,090,108	108,690
-	-	-	(1,455,178)	(1,435,569)	241,670	(1,193,899)
(2,651,546)	54,073	894,374	29,379,911	30,278,385	36,190,123	66,468,508
-	-	-	2,156,404	2,156,404	3,728,316	5,884,720
(3,944,357)	-	6,184	(13,619)	(3,951,792)	(3,152,406)	(7,104,198)
(3,944,357)	-	6,184	2,142,785	(1,795,388)	575,910	(1,219,478)
-	-	-	-	-	169,667	169,667
-	-	-	-	-	5,705	5,705
-	-	-	(346,336)	(346,336)	(461,182)	(807,518)
-	-	-	(350,202)	(350,202)	-	(350,202)
-	-	-	-	-	(829,708)	(829,708)
(57,233)	10,939	(6,976)	365,249	325,231	(584,873)	(259,642)
(57,233)	10,939	(6,976)	(331,289)	(371,307)	(1,700,391)	(2,071,698)
(6,653,137)	65,012	893,582	31,191,407	28,111,689	35,065,642	63,177,331
-	-	-	6,709,636	7,162,271	-	7,162,271
-	-	-	374,023	374,023	-	374,023
-	-	-	(350,202)	(350,202)	-	(350,202)
-	-	-	6,733,457	7,186,092	-	7,186,092
-	-	-	462,427	462,427	-	462,427
-	-	-	(350,202)	(350,202)	-	(350,202)
-	-	-	6,845,682	7,298,317	-	7,298,317

STATEMENTS OF CASH FLOW

(Amounts expressed in Sri Lankan Rs. '000)

	Group		Company	
For the year ended 31st March	2015	2014	2015	2014
Cash Flows from Operating Activities				
Profit before income expenses	8,488,819	11,133,371	465,927	376,673
Adjustments for:				
Foreign exchange loss	2,460,669	2,945,895	-	-
Change in fair value of Biological Assets	104,702	(3,182,098)	-	
Gain from changes in fair value of investment properties	(265,756)	(79,209)	-	-
Mark to market value adjustments - Unrealized	(196,569)	(7,060)	(132)	-
Unwinding of discount on compensation receivable	(12,639)	(11,465)	-	-
Amortised costs	594,395	-	-	-
Impairment of Business Assets / New Investments	724,321	-	-	-
Share of net result of joint venture	461	839	-	-
Depreciation on property, plant & equipment	2,995,610	2,662,914	-	-
Amortization of intangible assets/prepaid lease payment	237,024	185,199	-	-
Provision for retiring gratuity	345,830	286,937	-	-
Finance expenses	2,476,181	2,073,516	-	-
Profit on disposal of property, plant & equipment	(22,022)	(18,782)	-	-
Profit on disposal of investment property	-	(79,809)	-	-
Deposit liability write back	(231,875)	-	-	-
Negative goodwill on consolidation	(70,944)	-	-	-
Loss on Liquidation of investments	2,402	-	-	-
	9,141,789	4,776,876	(132)	-
Operating profit before working capital changes	17,630,608	15,910,247	465,795	376,673
(Increase)/decrease in inventories	246,552	(681,401)	-	-
(Increase)/decrease in trade and other receivables	(226,834)	(59,628)	(1,299)	2,297
Increase/(decrease) in trade and other payables	(2,861,483)	5,447,910	3,673	575
	14,788,843	20,617,128	468,169	379,545
Net cash movement in investments	(2,401,420)	(1,412,261)	(110,000)	-
Cash generated from operations	12,387,423	19,204,867	358,169	379,545
Interest paid	(4,867,877)	(3,767,302)	-	-
Income tax paid	(1,869,257)	(1,911,931)	(2,154)	(2,962)
Gratuity paid	(53,745)	(24,919)	-	-
Net cash generated from operating activities	5,596,544	13,500,715	356,015	376,583

	Group		Company	
For the year ended 31st March	2015	2014	2015	2014
Cash Flows from Investing Activities				
Payments for property, plant & equipment/investment property	(9,577,018)	(9,866,263)	-	-
Payments for biological assets	(4,521,442)	(5,090,792)	-	-
Payments for Intangible assets/prepaid lease payments	(5,116,139)	(571,456)	-	-
Payments for acquisition of additional interest in subsidiaries	(1,093,163)	(89,844)	-	-
Payments for Investment in Subsidiary Companies	(1,131,309)	(136,788)	-	-
Trade debtors movements	(669,154)	(163,877)	-	-
Movement in Plasma investment	(1,160,333)	76,375	-	
Proceeds from disposal of property, plant & equipment	649,411	75,307	-	-
Proceeds from disposal of Investment property	-	549,845	-	-
Deposits received	5,763	32,132	-	-
Deposits refunded	(2,813)	(1,896)	-	-
Net cash used in investing activities	(22,616,197)	(15,187,257)	-	-
Cash Flows from Financing Activities				
Proceeds from long - term loans	16,811,778	13,776,515	-	-
Proceeds from debenture issue	2,000,000	3,000,000	-	-
Payments for borrowings	(7,315,208)	(2,824,396)	-	-
Payments for debenture	(201,200)	-	-	-
Payment of finance lease creditors	(96,563)	(47,100)	-	-
Redemption of preference shares	-	(55,000)	-	-
Dividend paid to non -controlling shareholders by subsidiaries	(829,708)	(660,526)	-	-
Dividend paid by the Company	(254,245)	(267,149)	(335,128)	(344,189)
Net cash generated from/(used in) financing activities	10,114,854	12,922,344	(335,128)	(344,189)
Net increase/(decrease) in cash & cash equivalents	(6,904,799)	11,235,802	20,887	32,394
Cash & cash equivalents at the beginning of the year	(1,192,872)	(12,428,673)	101,507	69,113
Cash & cash equivalents at the end of the year (Note 33b)	(8,097,671)	(1,192,872)	122,394	101,507

Notes from pages 104 to 218 form an integral part of these financial statements.
Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Bukit Darah PLC is a limited liability company which is incorporated in Sri Lanka. The shares of the Company have a primary listing on the Colombo Stock Exchange.

The registered office and principal place of business of the company is located at No. 61, Janadhipathi Mawatha, Colombo 1.

The consolidated financial statements of the Company as at and for the year ended 31 March 2015 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in associate and jointly controlled entity.

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

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

The Group has 13 listed subsidiaries, listed on the Colombo Stock Exchange, out of the 53 subsidiaries, 1 jointly controlled entity set out in Note 24 and 26 on pages 164 and 171 to the financial statements.

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

The Group had 15,954 (2014 – 15,580) employees at the end of the financial year. The Company had no employees as at the reporting date (2014 - Nil).

2. BASIS OF PREPARATION

a) Statement of compliance

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

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

The consolidated financial statements were authorised for issue by the Board of Directors on 13th July 2015.

b) Basis of measurement

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

- Derivative financial assets are measured at fair value;
- Non-derivative financial instruments classified fair value through profit or loss are measured at fair value;
- Available-for-sale financial assets are measured at fair value;
- Biological assets are measured at fair value less costs to sell;
- Investment properties are measured at fair value;
- Land and buildings are measured at revalued amounts
- Defined benefit obligations are measured at its present value, based on an actuarial valuation as explained in Note 41.

These financial statements have been prepared on the basis that the Company and the Group would continue as a going concern for the foreseeable future.

c) Functional and Presentation Currency

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

d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with LKAS/SLFRs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes;

Judgments
i. Determination of owner-occupied properties and investment properties in determining whether a property qualifies as investment property the company makes a judgment whether the property generates independent cash flows rather than cash flows that are attributable not only to the property but also other assets. Judgment is also applied in determining if ancillary services provided are significant, so that a property does not qualify as investment property.

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

Assumptions and estimation uncertainties:
i. Assessment of Impairment - Key assumptions used in discounted cash flow projections.

The Group assesses at each reporting date whether there is objective evidence that an asset or portfolio of assets is impaired. The recoverable amount of an asset or Cash Generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using appropriate discount rates that reflects the current market assessments of the time value of money and risks specific to the asset. The carrying value of goodwill is reviewed at each reporting date and is written down to the extent that it is no longer supported by probable future benefits. Goodwill is allocated to CGU for the purpose of impairment testing.

ii. Deferred taxation - utilization of tax losses
Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the level of future taxable profits together with future tax planning strategies

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

iv. Current taxation
Current tax liabilities arise to the group in various jurisdictions. These liabilities are provided for in the financial statements applying the relevant tax statutes and regulations which the management believes reflect the actual liability. There can be instances where the stand taken by the group on transactions is contested by revenue authorities. Any additional costs on account of these issues are accounted for as a tax expense at the point the liability is confirmed on any group entity.

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

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

When measuring the fair value of an asset or a liability, the Group uses market observable data

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows;

- Level 1- Quoted prices (unadjusted) in active markets for identifiable assets and liabilities

- Level 2- Inputs other than quoted prices included in Level 1 that are observable from the asset or liability either directly (as prices) or indirectly (derived prices)

- Level 3 – Inputs from the asset or liability that are not based on observable market data (unobservable inputs)

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

4. SIGNIFICANT ACCOUNTING POLICIES

Except for the changes below, the Group has consistently applied the accounting policies as set out in Note 4 to all periods presented in financial statements of the Group and the company unless otherwise indicated.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 April 2014.

- SLFRS 10 "Consolidated financial statements"

As a result of SLFRS 10, the group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. SLFRS 10 introduces a new control model.

An investor is expected to control an investee if and only if the investor has all the following;

a) power over the investee;

b) exposure, or rights, to variable returns from its involvement with the investee; and

c) the ability to use its power over the investee to affect the amount of the investor's returns

This Standard requires the Company to review the group structure in the context of the requirement of the new Standard.

- SLFRS 11 "Joint Arrangement"

SLFRS 11 establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly. The application of this standard replaced accounting for joint ventures on proportionate consolidation method with equity method of accounting.

The investment continues to be recognised by applying the equity method and there has been no impact on the recognised assets, liabilities and comprehensive income of the group.

- SLFRS 12 "Disclosure of interest in other entities"

As a result of SLFRS 12, the Group has expanded its disclosure about its interest in subsidiaries (note 25) and equity accounted investees (note 26).

- SLFRS 13 "Fair Value Measurement"

SLFRs 13 establishes a single framework for measuring fair value and making disclosures about fair value measurement when such measurements are required or permitted by other SLFRS It unifies the definitions of fair value as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. The Group has included new disclosures in the financial statements, which are required under SLFRS 13.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee

- Exposure, or rights, to variable returns from its involvement with the investee

- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

• The contractual arrangement with the other vote holders of the investee

• Rights arising from other contractual arrangements

• The Group's voting rights and potential voting rights

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

I. Business combinations

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of LKAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of LKAS 39, it is measured in accordance with the appropriate LKAS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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

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assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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

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

II. Subsidiaries

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

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

The consolidated financial statements are prepared to a common financial year end of 31st March.

III. Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Subsequently that retained interest is accounted for as an equity-accounted investee (Note 26) or as an available-for-sale financial asset (Note 27) depending on the level of influence retained.

IV. Non-controlling interests (NCI)

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

V. Interest in equity accounted investees

The Group's interest in equity –accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has right to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

VI. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

VIII. Financial year end

All companies in the Group have a common financial year which ends on 31st March, except the following.

Company	Nature of relationship	Financial year end
Guardian Acuity Asset Management Limited	Jointly controlled entity	31st December

(b) Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates as at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate as at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in profit or loss. However, foreign currency differences arising from the retranslation of the following items are recognised in other comprehensive income:

• Available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);

• a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

• Qualifying cash flow hedges to the extent the hedge is effective.

ii. Foreign operations

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

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation not a fully owned subsidiary, then the relevant is proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is re-attributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

(c) Financial assets
Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial asset at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised when the Group's contractual right to receive cash flows from the asset has expired or the Group has transferred its right to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income statement.

When continuing involvement takes the form of a written and/ or purchased option on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial assets held for trading
A financial asset is classified as at financial assets held for trading (FVTPL) or is designated as such on initial recognition. Financial assets are designated as at financial assets held for trading if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets held for trading are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets classified as financial assets held for trading comprise short-term sovereign debt securities actively managed by the Group's treasury department to address short-term liquidity needs.

Financial assets designated as fair values through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

Held-to-maturity financial assets
If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Held-to-maturity financial assets comprise debt securities.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and

receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits 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 Group in the management of its short-term commitments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

(d) Impairment

i. Financial Assets

A financial asset not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20 percent to be significant and a period of 9 months to be prolonged.

Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity financial assets) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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Available-for-sale financial assets
Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 26.

An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

ii. Non-financial assets
The carrying amounts of the Group's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

iii. Financial liabilities
The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, debt securities issued (including certain preference shares), bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

iv.Stated capital
Ordinary shares
Ordinary shares are classified as equity. Costs attributable to the issue of ordinary shares are recognised as an expense

v. Derivative financial instruments, including hedge accounting
The Group uses derivative financial instruments such as forward freight agreements and commodities futures contracts to hedge its risk associated with commodity price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently re-measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designed as a hedging instrument, and if so, the risk management objective of the hedge.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions.

(e) Property, plant and equipment
i. Recognition and measurement
All items of property, plant equipment are initially recorded at cost. Where items of property, plant & equipment are subsequently revalued, the entire class of such assets is revalued. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the reporting date.

Subsequent to the initial recognition of the asset at cost, the revalued property, plant & equipment are carried at revalued amounts less accumulated depreciation thereon and accumulated impairment losses.

The Group applies revaluation model to freehold properties and cost model to the remaining assets under property, plant & equipment which are stated at historical cost less accumulated depreciation less accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

• the cost of materials and direct labour;

• any other costs directly attributable to bringing the assets to a working condition for their intended use;

• when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and

• capitalised borrowing costs.

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

ii. Revaluation of Freehold Properties
The freehold properties of the Group are carried at revalued amounts. Revaluation of these assets are carried out at least once in five (5) years in order to ensure the book value every year reflect the realizable value of such assets, and are depreciated over the remaining useful lives of such assets, wherever applicable.

When an asset is revalued, any increase in the carrying amount is recognised in other comprehensive income and accounted in equity under revaluation surplus unless it reverses a previous revaluation

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decrease relating to the same asset, which was previously recognised as an expense. In these circumstances, the increase is recognised as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous increment relating to that asset, in which case it is charged in other comprehensive income to the extent that the decrease does not exceed the amount held in the evaluation surplus in respect of that same asset. The decrease recognised in other comprehensive income to reduce the amount accumulated in equity under revaluation reserve. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to accumulated profits on retirement or disposal of the asset.

iii. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on this re-measurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

iv. Subsequent costs

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

v. Depreciation

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

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

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

	No of years
Land improvements	30
Leasehold Land	36 – 42
Buildings - Leased	20 – 40
Buildings - Freehold	20 – 40
Plant & machinery	5 – 27
Motor vehicles	4 – 5
Furniture, fittings & office	5 – 16
Computers	3 – 5
Returnable Containers	5
Cutlery, Crockery and glassware	5

Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

vi. Disposal

The gains or losses arising on disposal or retirement of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment are recognised net within Other Income in the Statement of Income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

vii. Returnable Containers

Returnable containers of subsidiary Lion Brewery (Ceylon) PLC are classified under Property, Plant and Equipment. All purchases of returnable containers will be recognised at cost and depreciated over a period of 5 years In the event a returnable container breaks within the premises of the company, the written down value, on a First in First out (FIFO) basis, will be charged to Statement of Income as breakages.

Deposits are collected from the agents for the returnable containers in their possession and are classified under current liabilities as explained in Note 40 (b). The said deposit will be refunded to the agent only upon them returning these returnable containers due to cessation of their operation or due to a contraction in sales.

viii. Capital Work-in-Progress
Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital in progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

(f) Biological assets
Biological assets, represent immature palm oil plantations, are stated at fair values less costs to sell. Oil palm trees have an average life up to 26 years, with the first 30 - 36 months as immature and the remaining years as mature. As market determined prices or values are not readily available for plantations in its present condition, the Group uses the present value of expected net future cash flows (excluding any future cash flows for financing the assets, taxation, or re-establishing plantations after harvest) from the assets, discounted at a current market determined pre-tax rate in determining fair values.

Gains or losses arising on initial recognition of plantations at fair values less costs to sell and from the change in fair values less costs to sell of plantations at each reporting date are included in the income statement for the period in which they arise.

(g) Plasma advances
Costs incurred during the development of Plasma oil palm plantation area up to the productive stage of the oil palm plantation are capitalised as Plasma development costs in the Advances to Plasma account. Once the Plasma oil palm plantation area reaches its productive stage, the area will be transferred to the Plasma farmers based on the agreed conversion amounts, which are generally determined at the inception date of the Plasma arrangement. The Plasma arrangement is based on an agreement between the relevant plantation company and a cooperative, which represents the Plasma farmers. The difference between the accumulated development costs of Plasma oil palm plantations and their conversion values is charged to the Statement of Comprehensive Income.

(h) Lease Land rights
Land rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses.

Land use rights are amortised over the period of the lease.

(i) Intangible assets and goodwill
i. Recognition and measurement of Goodwill
Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see (Note 23).

Subsequent measurement
Goodwill is measured at cost less accumulated impairment losses.
In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity accounted investee as a whole.

Research and development
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has

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

Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Software
All computer software costs incurred, licensed for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it's probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses. These costs are amortised to the Statement of Income using the straight line method over 3 to 10 years.

Excise Licenses
Licenses and others are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the Statement of Income using the straight line method over 10 years.

Other intangible assets
Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation and brand
Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows;

	No of years
Customer relationship	10
Land rights	30
Software licenses	3 – 10
Excise License	10

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. Impairment
Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

(j) Investment property
Investment property is property held either to earn rental income or capital appreciation or for both, but not for sale on the ordinary course of business, use in production or supply of goods and services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions as at the balance sheet date. Formal valuations are carried out every 3 years by qualified valuers Gains or losses arising from changes in the fair values of investment properties are included in the Statement of Income in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the Investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Statement of Income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by commencement/ end of owner occupation, commencement of development with a view to sale, commencement of an operating lease to another party or completion of construction or development.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant & equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Statement of Income. When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Statement of Income.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

(k) Inventories
Inventories are recognised at cost and net realizable value whichever is lower after making due allowance for obsolete and slow moving items, except for fresh fruit bunches which are valued at since realized values.

The cost of inventories at the group.

Raw Material and Containers	Cost of purchase together with any incidental expenses
Work - in – progress	Raw material cost and a proportion of manufacturing expenses
Finished Goods	Raw material cost and manufacturing expenses in full
Land held for Development and Sales	Cost and development costs including borrowings costs up to point of completion for revenue recognition. However limited to the realizable value on valuation.
Food items	Weighted Average basis
Linen Stock	In the year of purchase at cost of purchase and in the second year in use at 25% of the Cost of purchase

(l) Employee benefits
i. Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

ii. Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

iii. Defined benefit plans
A defined benefit plan is a post-employment benefit

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plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets (if applicable) are deducted. All actuarial gain/ (loss) are recognised in the Other Comprehensive Income.

The discount rate is the yield at the reporting date on high quality corporate bonds, that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

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

The defined benefit plans are regulated at each of the geographical locations the Group operates in and the salient features of each of such plans are tabulated below;

a) Sri Lankan Subsidiaries
All local companies are liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983.

The liability recognised in the Financial Statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated by a qualified actuary as at the reporting date using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'. Such actuarial valuations will be carried out once in every year. The liability is not externally funded. All Actuarial gains or losses are recognised immediately in other comprehensive income.

Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

b) Indonesian Subsidiaries
The subsidiaries recognise an unfunded retirement benefits liability, relating to the settlement of termination, gratuity, compensation and other benefits set forth in Labour Law No. 13 year 2003 (Law No. 13/2003) based on an actuarial calculation by an independent actuary using the "Projected Unit Credit Method". All Actuarial gain or losses are recognised immediately in other comprehensive income.

c) Malaysian Subsidiaries
The Group's subsidiary operations in Malaysia are liable to pay Retirement Gratuity where employees have served in the company's operations in Malaysia for more than five years and fulfilling the conditions in the Malaysian Agricultural Producers Association and National Union Plantation Worker's agreements. The resulting difference between brought forward provision at the beginning of the year, net of any payment made, and the carried forward provision at the end of a year, is dealt with in the Statement of Income. The gratuity liability is not funded.

The Group's subsidiary operations in Malaysia participate in the national pension scheme as defined by the law of the country. They make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

d) Indian subsidiary
The Group's subsidiary in India has both defined contribution and defined benefits schemes for its employees.

Retirement benefit in the form of provident fund is a defined contribution scheme for the Indian Subsidiary. The contributions to the provident fund are charged to the income statement for the year when the contributions are due. The Subsidiary has no obligation, other than the contribution payable to the provident fund.

The subsidiary operates one defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the "projected unit credit method". Actuarial gains and losses for both defined benefit plans are recognised in full in the period in which they occur in other comprehensive income.

iv. Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

i. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain. In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

ii. Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

iii. Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

iv. Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(n) Leases

i. Finance Lease

Leases of property, plant & equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Assets held under finance lease are capitalized at the cash price as part of property, plant & equipment and depreciated over the shorter of the estimated useful lives of the assets or the lease term.

Upon initial recognitions assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the estimated present value of the minimum lease payments at the date of inception less accumulated depreciation

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and impairment losses. In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not ,the group's incremental borrowing rate is used.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations and net of finance charges are included in borrowings. The interest element of the finance charge is charged to the Statement of Income over the lease period. Property, plant and equipment acquired under finance lease contracts are depreciated over the useful life of the asset. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

ii. Operating Lease

Lease of assets under which all the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Income on a straight-line basis over the period of the lease.

iii. Leased assets

Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

iv. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

v. Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met

• the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and

• the arrangement contains a right to use the asset(s).

At inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

(o) Revenue

The Group revenue represents sales to customers outside the Group and sales within the Group which are intended for internal consumption.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes, and after eliminating sales within the Group.

The following specific criteria are used for the purpose of recognition of revenue;

i. Sale of goods
Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. For sales of timber and paper products, usually transfer occurs when the product is delivered to the customer's warehouse; however, for some international shipments transfer occurs on loading the goods onto the relevant carrier at the port. Generally, for such products the customer has no right of return.

ii. Rendering of services
Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows;

• Servicing fees included in the price of the products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and

• Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

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

iv. Rental income
Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognised as other income.

v. Government grants
An unconditional government grant related to a biological asset is recognised in profit or loss as other income when the grant becomes receivable. Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

vi. Royalties
Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

vii. Dividend Income
Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

viii. Sale of Fresh Fruit Bunches
Upon delivery and acceptance by customers.

ix. Gain on disposal of financial assets (categorized as available for sale / fair value through profit or loss)
Profits or losses on disposal of investments are accounted for in the Statement of Income on the basis of realized net profit.

x.Other Income - on accrual basis.
Net gains and losses of a revenue nature resulting from the disposal of property, plant & equipment have been accounted for in the Statement of Income.

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(p) Expenditure Recognition

i. Operating Expenses

All expenses incurred in day-to-day operations of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit or loss for the year. Provision has also been made for bad and doubtful debts, all known liabilities and depreciation on property, plant & equipment.

ii. Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the re-measurement to fair value of any pre-existing interest in an acquiree in a business combination, gains on hedging instruments that are recognised in profit or loss and reclassifications of net gains previously recognised in other comprehensive income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration, dividends on preference shares classified as liabilities, contingent consideration, losses on hedging instruments that are recognised in profit or loss and reclassifications of net losses previously recognised in other comprehensive income.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(q) Income tax expense

Income Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i. Current taxation

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

ii. Deferred taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

• temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

• temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

• taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the resumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

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

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

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

iii. Tax exposures
In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

iv. Economic Service Charge (ESC)
As per the provisions of Economic Service Charge Act No. 13 of 2006 and amendments thereto, is payable on "Liable Turnover" and is deductible from the income tax payments. Any unclaimed ESC can be carried forward and settled against the income tax payable in the four subsequent years.

v. Sales tax
Revenues, expenses and assets are recognised net of the amount of sales tax except:

• where the sales taxes incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

• Receivables and payables that are stated with the amounts of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Assets held for sale
Recognition
Non-Current Assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable.

Measurement
Non-Current Assets held for sale are carried at the lower of carrying amount or fair value less costs to sell.

Comparatives in the Statement of Financial Position are not re-presented when a non-current asset is classified as held for sale.

Depreciation
Depreciation is not charged against property, plant and equipment classified as held for sale.

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

• represents a separate major line of business or geographical area of operations;

• is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or

• is a subsidiary acquired exclusively with a view to re-sale.

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

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

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

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(s) Related party transactions
Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is charged.

(t) Events after the Reporting Period
All material and important events which occur after the Balance Sheet date have been considered and disclosed in Note 48.

(u) Dividends on ordinary Shares
Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Company.

(v) Presentation
Assets and liabilities are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

Where appropriate, the significant accounting policies are disclosed in the succeeding Notes.

i. Offsetting Income and Expenses
Income and expenses are not offset unless required or permitted by accounting standards.

ii. Offsetting Assets and Liabilities
Assets and liabilities are offset and the net amount reported in the statement of financial position only where there is;

• a current enforceable legal right to offset the asset and the liability; and

• an intention to settle the liability simultaneously

iii. Directors' responsibility
The Board of Directors is responsible for the preparation and presentation of the Financial Statements. This is more fully described under the relevant clause in the Directors' Report.

5 OPERATING SEGMENTS

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers' report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in including the factors used to identify the reportable segments and the measurement basis of segment information.

6 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standards which have become applicable for financial periods beginning on or after 1st January 2014.

Accordingly, these Standards have not been applied in preparing these financial statements.

(i) Amendments to LKAS 16 Property, Plant and Equipment and LKAS 41 – Agriculture.
The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of LKAS 41.Instead, LKAS 16 will apply. After initial recognition, bearer plants will be measured under LKAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of LKAS 41 and measured at fair value less costs to sell. . The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

The Group is currently assessing the impact of these amendments to the financial position and financial performance of group

(ii) SLFRS 9 -Financial Instruments:
Classification and Measurement SLFRs 9, as issued reflects the first phase of work on replacement of LKAS 39 and applies to classification and measurement of financial assets and liabilities. This standard was originally

effective for annual periods commencing on or after 01 January 2018. However the effective date has been deferred subsequently.

(iii) SLFRS 15 -Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. This standard is effective for the annual periods beginning on or after 01 January 2018.

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(Amounts expressed in Sri Lankan Rs. '000)

7. REVENUE

(i) Revenue Analysis

	Group		Company	
For the year ended 31st March	2015	2014	2015	2014
Gross Revenue	91,644,829	79,772,630	492,892	404,217
Taxes to the Government of Sri Lanka	(2,711,205)	(3,229,842)	-	-
Net Revenue	88,933,624	76,542,788	492,892	404,217
		-		
Goods and Services analysis				
Sale of Goods	88,763,698	75,328,561	-	-
Services				
Investment income	4,742,301	5,423,980	492,892	404,217
Property rental income	210,753	174,144	-	-
Commission, support services fees & royalty fees	3,860,370	3,463,260	-	-
Hospitality services	510,495	459,464	-	-
	9,323,919	9,520,848	492,892	404,217
Net revenue before intra - group transactions	98,087,617	84,849,409	492,892	404,217
Less: Intra - group transactions	(9,153,993)	(8,306,621)	-	-
Net Revenue	88,933,624	76,542,788	492,892	404,217

"A detailed analysis of Group Revenue highlighting the contribution from different segments is given under 'Segmental Information' in Note 7 (iii) & (iv) (page 128 to 135) to the financial statements."

(ii) Segmental Information

For management purposes the Group's primary format segment reporting is Industry segments and the secondary format is geographical segments. The risks and returns of the Group's operations are primarily determined by the nature of the different activities that the Group engages in, rather than the geographical location of these operations.

This is reflected by the Group's organizational structure. Industry segment activities of the Group have been broadly classified into eight segments: Investment Holdings, Portfolio and Asset Management, Oil Palm Plantations, Beverage, Real-Estate, Leisure, Oils & fats and Management Services according to the nature of product or service rendered. The principal product and services of each segments are follows

Investment Holdings	Holding of Strategic Investment.
Portfolio Management	Investment and management of listed, private equity, fixed income and unit trust investments.
Oil Palm Plantations	Production and sale of palm oil, palm kernel and fresh fruit bunches to the domestic and international market.
Beverage	Production and sale of Beer, Import & distribution of alcoholic beverages.
Real Estate	Letting office and warehouse premises on rent for commercial purposes .

Leisure	Hoteliering
Oils & Fats	Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate and confectionery, ice creams and creamer industries and cooking oil products to end consumers.
Management Services	Providing support services to the Group Companies.

Sales between segments are made at prices that approximate the market prices. Segment revenue, segment expenses and segment results include transactions between industry segments. These transactions and any unrealized profits and losses are eliminated on consolidation. Segmental expenses are expenses that are directly attributed to a relevant segment or a portion of expenses that can be allocated on a reasonable basis as determined by the Management.

The Group's geographical segments are based on the location of the Group's assets and spread of operations. The activities of the Group have been broadly classified into five geographical segments, namely, operations within Sri Lanka, Malaysia, Indonesia, Singapore and India. Sales to external customers are segmented based on the location of the seller. The principal product and services of each geographical segments are follows:

Sri Lanka	Investment holding and Portfolio and assets management, production & sale of Beer, Import and distribution of alcholic beverages. letting of Office and warehouse premises for commercial purposes, Hoteliering and Management Service.
Malaysia	Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate & confectionery, ice creams and creamer industries and cooking oil products to end consumers and management services. Production and sale of FFB.
Indonesia	Management Service, production and sale of palm oil and palm kernel to the domestic and international markets.
Singapore	Investments holdings
India	Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate & confectionery, ice creams and creamer industries and cooking oil products to end consumers.

Principal categories of customers

The principal categories of customers for these goods and services are corporate customers, government customers, wholesale customers and retail customers. The group's reportable segments are therefore as follows:

Portfolio and Asset Management	-	corporate customers, retail customers
Oil Palm Plantations	-	corporate customers
Beverage	-	wholesale & retail customers
Real Estate	-	corporate customers
Leisure	-	corporate customers, retail customers
Oils & Fats	-	corporate customers, retail customers
Management Services	-	Internal customers

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(Amounts expressed in Sri Lankan Rs. '000)

7 REVENUE (Contd.)

(iii) Segmental Information - The Primary Segments (Business Segments)

(a) Segment results are as follows:

	Investment Holdings		Portfolio & Asset Management		Oil Palm Plantations		Oils & Fats	
For the year ended 31st March	2015	2014	2015	2014	2015	2014	2015	2014
Total revenue	1,277,905	1,043,511	2,468,025	2,581,148	30,770,099	27,814,852	29,818,500	26,342,303
Intra segment revenue	(269,119)	(179,412)	(401,102)	(706,638)	(5,418,966)	(5,467,514)	(270,275)	(150,914)
Segment revenue	1,008,786	864,099	2,066,923	1,874,510	25,351,133	22,347,338	29,548,225	26,191,389
Inter segment revenue	(995,752)	(845,596)	(62,078)	(59,121)	(722,204)	-	(363,219)	(298,628)
Revenue	13,034	18,503	2,004,845	1,815,389	24,628,929	22,347,338	29,185,006	25,892,761
Segment results	(70,016)	(69,173)	1,923,186	1,672,822	8,407,603	8,282,697	(150,718)	367,128
Foreign exchange Gain/(losses)	10,080	(11,757)	10	(109)	(2,324,530)	(2,795,880)	(117,562)	(95,241)
Change in fair value of Biological Assets	-	-	-	-	(104,701)	3,182,098	-	-
Change in fair value of investment properties	-	-	-	-	-	-	-	-
Profit from operations	(59,936)	(80,930)	1,923,196	1,672,713	5,978,372	8,668,915	(268,280)	271,887
Net Finance cost	(62,465)	(182,496)	1,199	(2,303)	(1,308,960)	(1,138,887)	(501,148)	(464,767)
Share of net result of Joint venture	-	-	(461)	(839)	-	-	-	-
Profit before Income tax expenses	(122,401)	(263,426)	1,923,934	1,669,571	4,669,412	7,530,028	(769,428)	(192,880)
Income tax expenses								
Current taxation	(9,415)	(11,995)	(62,550)	(101,463)	(1,570,539)	(1,451,987)	(5,854)	9,008
Deferred taxation	-	-	(2,016)	(8,557)	35,187	(793,707)	156,185	55,643
	(9,415)	(11,995)	(64,566)	(110,020)	(1,535,352)	(2,245,694)	150,331	64,651
Profit/ (loss) for the year	(131,816)	(275,421)	1,859,368	1,559,551	3,134,060	5,284,334	(619,097)	(128,229)
Attributable to:								
Owners of the Company	(69,239)	(144,019)	464,824	353,821	1,675,092	2,801,843	(387,437)	(92,705)
Non controlling interest	(62,577)	(131,402)	1,394,544	1,205,730	1,458,968	2,482,491	(231,660)	(35,524)
	(131,816)	(275,421)	1,859,368	1,559,551	3,134,060	5,284,334	(619,097)	(128,229)
Earnings/(loss) per ordinary share (Rs.)	(1.11)	(1.85)	4.56	3.47	16.42	27.47	(3.80)	(0.91)
(b) OTHER INFORMATION								
Total cost incurred during the period to acquire Property, Plant & Equipments / Biological assets	-	-	1,274	9,832	13,147,522	10,756,074	503,396	1,613,067
Intangible assets (including land rights)	-	-	-	-	1,078,038	559,670	31,366	9,965
Depreciation	-	-	2,844	2,948	1,799,678	1,763,352	510,943	414,123
Amortization of Intangible assets (including land rights)		-	1,827	2,817	218,988	216,172	56,588	54,309
Salaries, fees, wages and related expenses	15,100	13,566	72,208	63,680	5,217,824	5,294,176	916,563	1,002,237
Defined benefit plan expenses/ Gratuity	-	-	2,495	2,142	308,746	254,955	1,421	2,276

Beverage		Real Estate		Leisure		Management Services		Group	
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
32,701,979	26,140,636	210,753	174,143	510,495	459,464	329,861	293,354	98,087,617	84,849,411
(306,384)	(294,649)	-	-	-	-	-	-	(6,665,846)	(6,799,127)
32,395,595	25,845,987	210,753	174,143	510,495	459,464	329,861	293,354	91,421,771	78,050,284
-	-	(16,991)	(12,620)	-	-	(327,903)	(291,529)	(2,488,147)	(1,507,496)
32,395,595	25,845,987	193,762	161,523	510,495	459,464	1,958	1,825	88,933,624	76,542,788
2,958,664	2,400,613	130,902	172,363	79,565	58,314	(14111)	7,550	13,265,076	12,892,314
(28,933)	(43,281)	-	-	266	373	-	-	(2,460,669)	(2,945,895)
-	-	-	-	-	-	-	-	(104,702)	3,182,098
-	-	265,756	79,209	-	-	-	-	265,756	79,209
2,929,731	2,357,332	396,658	251,572	79,831	58,687	(14,111)	7,550	10,965,461	13,207,726
(619,982)	(296,192)	(3,330)	(1,620)	18,389	12,652	116	97	(2,476,181)	(2,073,516)
-	-	-	-	-	-	-	-	(461)	(839)
2,309,749	2,061,140	393,328	249,952	98,220	71,339	(13,995)	7,647	8,488,819	11,133,371
(297,495)	(477,568)	(20,426)	(18,354)	(8,655)	(4,353)	(8,810)	(4,321)	(1,983,745)	(2,061,033)
(796,072)	(414,518)	(7,820)	(33,276)	(5,818)	(4,422)	-	-	(620,354)	(1,198,837)
(1,093,567)	(892,086)	(28,246)	(51,630)	(14,473)	(8,775)	(8,810)	(4,321)	(2,604,099)	(3,259,870)
1,216,182	1,169,054	365,082	198,322	83,747	62,564	(22,805)	3,326	5,884,720	7,873,501
290,444	242,899	155,010	83,421	38,128	27,904	(10,417)	1,853	2,156,404	3,275,017
925,738	926,155	210,072	114,901	45,619	34,660	(12,388)	1,473	3,728,316	4,598,484
1,216,182	1,169,054	365,082	198,322	83,747	62,564	(22,805)	3,326	5,884,720	7,873,501
2.85	2.38	1.52	0.82	0.37	0.27	(0.10)	0.02	20.71	31.67
3,219,666	4,627,143	30,675	104,710	26,206	61,485	59,836	43,737	16,988,575	17,216,048
4,002,702	1,821	-	-	-	-	4,033	-	5,116,139	571,456
754,614	613,093	3,938	8,125	43,103	39,973	36,487	19,848	3,151,607	2,861,462
58,841	9,073	-	-	-	-	361	150	336,605	282,521
481,093	398,862	37,012	31,119	120,935	113,909	186,414	168,462	7,047,149	7,086,011
20,315	18,361	790	818	3,191	2,668	8,872	5,717	345,830	286,937

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

7 REVENUE (Contd.)

(c) Segments Assets/ liabilities are as follows:

	Investment Holdings		Portfolio & Asset Management		Oil Palm Plantations		Oils & Fats	
As at 31st March	2015	2014	2015	2014	2015	2014	2015	2014
SEGMENT ASSETS								
Non - Current Assets								
Property, plant & equipment/ Investment properties/prepaid lease assets/Biological assets	-	-	8,517	10,087	83,878,547	81,784,760	9,288,800	10,249,716
Intangible assets	-	-	84,791	86,543	647,294	704,050	1,885,909	1,920,311
Available-for-sale financial assets	-	-	9,118,919	8,236,313	-	-	-	-
Deferred tax assets	-	-	-	1,847	2,756,688	1,735,942	-	-
Other financial receivables	-	-	-	-	-	-	-	-
Other non financial receivables	-		-	-	2,841,838	1,279,048	-	-
Total non - current assets	-	-	9,212,227	8,334,790	90,124,367	85,503,800	11,174,709	12,170,027
Current Assets								
Inventories	-	-	-	-	1,831,520	2,088,345	2,991,599	3,118,252
Trade debtors and other financial assets	-	92	215,395	42,103	670,207	526,358	2,842,361	2,788,777
Other non financial receivables	9,183	10,654	45,593	52,279	3,433,115	2,834,002	836,310	521,227
Financial assets held for trading	132,361	20,683	2,684,696	1,212,371	-	-	5,311	5,455
Cash and cash equivalents	128,472	104,452	1,786,046	2,802,632	4,092,321	6,256,346	614,514	784,545
Total current assets	270,016	135,881	4,731,730	4,109,385	10,027,163	11,705,051	7,290,095	7,218,256
Total segmental assets	270,016	135,881	13,943,957	12,444,175	100,151,530	97,208,851	18,464,804	19,388,283
SEGMENT LIABILITIES								
Non - Current Liabilities								
Loans and borrowings	-	-	-	-	38,871,451	29,974,994	4,494,633	3,251,648
Other financial payables	-	-	-	-	-	-	-	-
Other non financial liabilities	-	-	10,034	7,609	1,076,527	877,745	8,203	7,376
Deferred tax liabilities	-	-	-	-	7,648,507	7,306,927	447,475	640,605
Total non - current liabilities	-	-	10,034	7,609	47,596,485	38,159,666	4,950,311	3,899,629
Current Liabilities								
Trade and other financial liabilities	205,069	204,648	397,565	247,818	6,804,913	9,413,493	2,835,804	3,475,423
Loans and borrowings	1,061,717	1,022,525	2,556	4,288	10,496,733	7,253,485	7,004,767	9,396,489
Total current liabilities	1,266,786	1,227,173	400,121	252,106	17,301,646	16,666,978	9,840,571	12,871,912
Total segmental liabilities	1,266,786	1,227,173	410,155	259,715	64,898,131	54,826,644	14,790,882	16,771,541

Beverage		Real Estate		Leisure		Management Services		Group	
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
14,930,708	12,065,405	2,678,174	2,386,711	1,188,693	1,206,292	82,323	61,892	112,055,761	107,764,863
4,358,564	412,132	12,799	12,799	-	-	1,761	343	6,991,118	3,136,178
-	-	-	-	-	-	-	-	9,118,919	8,236,313
-	-	-	-	-	-	-	-	2,756,688	1,737,789
-	-	-	-	122,545	109,906	-	-	122,545	109,906
-	-	-	-		-	-	-	2,841,838	1,279,048
19,289,272	12,477,537	2,690,973	2,399,510	1,311,238	1,316,198	84,084	62,235	133,886,869	122,264,097
2,828,805	2,721,414	-	-	13,060	12,836	93	126	7,665,077	7,940,973
1,934,509	1,208,966	17,328	11,677	45,929	45,016	155	1,398	5,725,885	4,624,386
730,654	1,444,156	52,663	46,698	4,482	3,780	47,949	68,631	5,159,950	4,981,427
-	-	-	-	-	-	-	-	2,822,368	1,238,509
2,326,081	6,868,714	28,937	22,049	136,765	74,427	32,514	22,618	9,145,650	16,935,783
7,820,049	12,243,250	98,928	80,424	200,236	136,059	80,711	92,773	30,518,930	35,721,078
27,109,321	24,720,787	2,789,901	2,479,934	1,511,474	1,452,257	164,795	155,008	164,405,799	157,985,175
7,764,962	5,498,190	-	-	-	7,878	-	-	51,131,046	38,732,710
-	-	55,818	50,492	-	-	-	-	55,818	50,492
102,642	93,899	5,238	5,052	12,495	14,063	39,820	32,293	1,254,959	1,038,037
2,074,378	1,204,097	152,341	144,521	34,559	28,741	-	-	10,357,260	9,324,891
9,941,982	6,796,186	213,397	200,065	47,054	50,682	39,820	32,293	62,799,083	49,146,130
3,032,265	2,879,455	161,754	162,617	93,665	89,200	59,843	53,410	13,590,878	16,526,064
6,283,422	8,169,806	-	-	-	8,568	-	-	24,849,195	25,855,161
9,315,687	11,049,261	161,754	162,617	93,665	97,768	59,843	53,410	38,440,073	42,381,225
19,257,669	17,845,447	375,151	362,682	140,719	148,450	99,663	85,703	101,239,156	91,527,355

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

7 REVENUE (Contd.)

(iv) Segmental information - The Secondary Segments (Geographical Segments)

(a) Segment results are as follows:

	Sri Lanka		Malaysia	
For the year ended 31st March	2015	2014	2015	2014
Revenue	35,172,106	28,306,418	23,059,650	20,179,195
Segment results	5,074,917	4,227,262	791,882	849,166
Foreign exchange (losses)/gain	(15,866)	(58,990)	59,270	18,239
Change in fair value of biological assets	-	-	10,253	63,768
Change in fair value of investment properties	265,756	79,209	-	-
Profit from operations	5,324,807	4,247,481	861,405	931,173
Net Finance cost	(662,907)	(463,496)	(451,193)	(402,475)
Share of net result of Joint ventures	(461)	(839)	-	-
Profit before Income tax expenses	4,661,439	3,783,146	410,212	528,698
Income tax expenses				
Current taxation	(409,321)	(620,562)	(103,945)	(101,825)
Deferred taxation	(811,727)	(461,000)	146,353	35,538
Profit/(loss) for the year	3,440,391	2,701,584	452,620	462,411
(b) Other Information				
Total cost incurred during the period to acquire:				
Property, plant & equipment/Investment properties/ prepaid lease assets/Biological Assets	3,432,633	4,872,171	532,934	1,625,535
Intangible assets	4,025,840	33,891	16,103	9,964
Depreciation	922,723	761,279	411,985	306,261
Amortization of Intangible assets (including land rights)	67,685	27,163	52,255	52,781
Salaries, fees, wages and related expenses	1,171,358	1,111,620	824,592	987,405
Defined benefit plan expenses / Gratuity	40,670	37,014	900	1,171

Indonesia		Singapore		India		Group	
2015	2014	2015	2014	2015	2014	2015	2014
23,448,472	21,541,940	428,854	463	6,824,542	6,514,772	88,933,624	76,542,788
8,187,066	8,052,066	(196,319)	(188,501)	(592,470)	(47,679)	13,265,076	12,892,314
(2,397,060)	(2,757,613)	(7,491)	(54,387)	(99,522)	(93,144)	(2,460,669)	(2,945,895)
(114,955)	3,118,330	-	-	-	-	(104,702)	3,182,098
-	-	-	-	-	-	265,756	79,209
5,675,050	8,412,783	(203,810)	(242,888)	(691,992)	(140,823)	10,965,461	13,207,726
(923,631)	(767,618)	(388,495)	(376,375)	(49,955)	(63,552)	(2,476,181)	(2,073,516)
-	-	-	-	-	-	(461)	(839)
4,751,419	7,645,165	(592,305)	(619,263)	(741,947)	(204,375)	8,488,819	11,133,371
(1,316,048)	(1,253,057)	(154,430)	(85,589)	-	-	(1,983,745)	(2,061,033)
30,403	(779,431)	8,561	-	6,056	6,056	(620,354)	(1,198,837)
3,465,774	5,612,677	(738,174)	(704,852)	(735,891)	(198,319)	5,884,720	7,873,501
13,011,532	10,704,495	757	260	10,719	13,587	16,988,575	17,216,048
1,074,196	527,601	-	-	-	-	5,116,139	571,456
1,796,751	1,776,054	10,124	9,758	10,024	8,110	3,151,607	2,861,462
197,066	185,263	-	-	19,599	17,314	336,605	282,521
4,903,862	4,847,638	13,907	-	133,430	139,348	7,047,149	7,086,011
302,839	246,410	-	-	1,421	2,342	345,830	286,937

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

(iv) Segmental information - The Secondary Segments (Geographical Segments)

(c) Segment assets and liabilities are as follows:

	Sri Lanka		Malaysia	
As at 31st March	2015	2014	2015	2014
Segment Assets				
Non - Current Assets				
Property, plant & equipment/Investment properties	19,050,212	15,880,915	13,322,470	14,758,791
Biological Assets	-	-	925,460	1,019,675
Intangible assets	4,608,088	650,929	1,639,346	1,684,838
Available-for-sale financial assets	9,118,919	8,236,313	-	-
Deferred tax assets	-	1,847	2,329	2,329
Other financial receivables	122,545	109,906	-	-
Other non financial receivables	-	-	-	-
Total non - current asset	32,899,764	24,879,910	15,889,605	17,465,633
Current Assets				
Inventories	2,841,958	2,734,378	2,064,744	2,580,446
Trade debtors and other financial assets	2,272,527	1,307,656	2,574,514	2,499,996
Other non financial receivables	1,013,950	1,763,898	805,512	459,984
Financial assets held for trading	2,817,058	1,233,053	-	-
Cash and cash equivalents	4,590,252	10,113,474	466,718	507,522
Total current assets	13,535,745	17,152,459	5,911,488	6,047,948
Total segmental assets	46,435,509	42,032,369	21,801,093	23,513,581
Segment Liabilities				
Non - Current Liabilities				
Loans and borrowings	7,764,962	5,506,068	4,494,633	3,251,648
Other financial payables	55,818	50,492	-	-
Other non financial liabilities	185,480	164,646	7,220	8,329
Deferred tax liabilities	2,261,278	1,377,359	638,732	858,235
Total non - current liabilities	10,267,538	7,098,565	5,140,585	4,118,212
Current Liabilities				
Trade and other payables	4,202,693	3,868,912	2,464,177	2,515,333
Loans and borrowings	7,347,664	9,201,792	4,388,938	8,163,934
Total current liabilities	11,550,357	13,070,704	6,853,115	10,679,267
Total segmental liabilities	21,817,895	20,169,269	11,993,700	14,797,479

Indonesia		Singapore		India		Group	
2015	2014	2015	2014	2015	2014	2015	2014
31,198,046	28,683,690	26,738	35,535	1,423,805	1,588,829	65,021,271	60,947,760
46,109,030	45,797,428	-	-	-	-	47,034,490	46,817,103
483,111	533,742	-	-	260,573	266,669	6,991,118	3,136,178
-	-	-	-	-	-	9,118,919	8,236,313
2,707,902	1,696,621	46,457	36,992	-	-	2,756,688	1,737,789
		-	-	-	-	122,545	109,906
2,841,838	1,279,048	-	-	-	-	2,841,838	1,279,048
83,339,927	77,990,529	73,195	72,527	1,684,378	1,855,498	133,886,869	122,264,097
1,829,830	2,085,021	-	-	928,545	541,128	7,665,077	7,940,973
520,176	482,078	47,676	-	310,991	334,656	5,725,885	4,624,386
3,192,278	2,595,400	81,271	69,177	66,938	92,968	5,159,950	4,981,427
-	-	-	-	5,310	5,456	2,822,368	1,238,509
2,201,738	4,360,243	1,605,064	1,501,697	281,878	452,847	9,145,650	16,935,783
7,744,022	9,522,742	1,734,011	1,570,874	1,593,662	1,427,055	30,518,930	35,721,078
91,083,949	87,513,271	1,807,206	1,643,401	3,278,040	3,282,553	164,405,799	157,985,175
22,039,814	13,877,237	16,831,637	16,097,756	-	-	51,131,046	38,732,710
-	-	-	-	-	-	55,818	50,492
1,054,056	857,685	-	-	8,203	7,377	1,254,959	1,038,037
7,419,400	7,045,392	-	-	37,850	43,905	10,357,260	9,324,891
30,513,270	21,780,314	16,831,637	16,097,756	46,053	51,282	62,799,083	49,146,130
6,128,267	8,927,504	386,284	176,134	409,457	1,038,182	13,590,878	16,526,064
7,351,562	4,309,333	3,145,174	2,947,548	2,615,857	1,232,554	24,849,195	25,855,161
13,479,829	13,236,837	3,531,458	3,123,682	3,025,314	2,270,736	38,440,073	42,381,225
43,993,099	35,017,151	20,363,095	19,221,438	3,071,367	2,322,018	101,239,156	91,527,355

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

8 DIRECT OPERATING EXPENSES

	Group	
For the year ended 31st March	2015	2014
Cost of inventories recognised as expense – physical deliveries	22,913,474	18,285,804
Depreciation and overheads	3,992,905	3,710,691
Harvesting and plantation maintenance	6,202,874	4,970,722
Processing (milling) costs	1,078,070	748,913
Purchase of FFB	1,971,674	602,800
Production costs	2,465,378	2,369,694
Feedstock costs	23,691,834	20,984,791
Others	444,697	826,332
	62,760,906	52,499,747

9 OTHER INCOME

	Group	
For the year ended 31st March	2015	2014
Profit/(loss) on disposal of fixed assets:		
Beverage	-	3,566
Oil Palm Plantation	22,277	702
Oil & Fats	(14)	(2,960)
Real Estate	25	-
Leisure	(344)	-
Portfolio & Asset Management	-	2,566
Management Services	78	14,908
	22,022	18,782
Profit on disposal of investment properties	-	79,809
Derivative Loss	(56)	(727)
Deposit liability write back	231,875	-
Bargain purchase on acquisition of subsidiary	70,944	-
Sales of sludge Oil	258,627	80,660
Sundry income	78,796	307,998
	662,208	486,522

10 OTHER OPERATING EXPENSES

Other operating expenses mainly consists of power and energy costs, and maintenance expenditure of the Beverage sector.

11 IMPAIRMENT OF BUSINESS ASSETS

	Group	
For the year ended 31st March	2015	2014
Property, plant & equipment (Note a)	117,913	-
Loss on disposal of old canning plant (Note a)	155,527	-
Inventories (Note a)	29,344	-
Available-for-sale financial assets (Note b)	81,727	-
	384,511	-

(a) During the year the Lion Brewery (Ceylon) PLC (LBCPLC) disposed its old canning line to Wallart Sarl of France and also entered into a sale agreement with them for the sale of the old bottling line. Whilst Wallart Sarl took possession of the canning line, the bottling line yet remains in the books of the LBCPLC and thus classified under Assets held for sale . Accordingly an amount of Rs.155.5 Mn was recorded as a loss on disposal of the canning line whilst an impairment provision for Rs.89.6 Mn was recognised for the bottling line. As at 31st March 2015, the LBCPLC had in its possession spare parts for the old canning & bottling lines to the value of Rs.29.3 Mn which has been provided for in the Consolidated Statement of Income as these items are now obsolete.

In the Assets of newly acquired Millers Brewery Ltd, an impairment provision for plant and machinery & returnable containers has been recorded for a value of Rs.28.3 Mn.

(b) The impairment loss of (Group) Rs.81.7Mn recognised in the profit or loss in the current year is due to the adjustment on significant/ prolonged decline in fair value of investment in equity securities below its cost as required by LKAS – 39 “Financial Instruments; recognition and measurement”.

12 EXPENSES RELATING TO NEW INVESTMENTS

The Lion Brewery (Ceylon) PLC (LBCPLC) incurred Rs.480 Mn as VAT, on account of the acquisition of trademarks and brands from Millers Brewery limited. The acquisition was made on the 20th August 2014.

“The input VAT of Rs.480 Mn was to be recovered from the output VAT due on (LBCPLC) turnover. However, on the 24th October 2014, the Government of Sri Lanka, through its budget exempted beer sales from VAT. As at 24th October 2014, Rs.339.8 Mn remained outstanding on account of recoverable input VAT on the transaction pertaining to the acquisition of trademarks and brands of Millers Brewery Ltd. Since the recovery of this amount is in doubt, a provision of Rs.339.8 Mn has been made in the accounts for the year ended 31st March 2015”

13 FOREIGN EXCHANGE LOSSES

	Group	
For the year ended 31st March	2015	2014
Net foreign exchange loss on operating activities	2,460,669	2,945,895
	2,460,669	2,945,895

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

(i) Foreign exchange gain /(losses)

(a) Investment Holding sector

As at 31st March 2015, the Carson Cumberbatch PLC recorded a foreign exchange gain amounting to Rs.10.08 Mn [2014 - Rs.11.75Mn], arising mainly from translation of Sterling Pound denominated contingent liability and revaluation of US Dollar denominated long - term borrowings.

(b) Oil Palm plantations and Oils and Fats segments

The foreign exchange loss relates to the assets, liabilities, income and expenses of the Subsidiary Goodhope Asia Holdings Limited and its subsidiaries whose transactions and balances are recorded in different currencies other than reporting currency of each such subsidiary.

For the year ended 31 March 2015, the Goodhope Asia Holding Limited group recorded a foreign exchange loss of Rs.2,441 mn or equivalent US$ 18.51 Mn. This includes realized exchange loss of Rs.43 mn or equivalent US$ 0.33 Mn and unrealized exchange loss of Rs.2,385 or equivalent US$ 18.18 Mn. The unrealized exchange loss mainly arose from the translation of foreign currency denominated long term borrowings as at the balance sheet date consequent to a significant depreciation of the Indonesian rupiah (IDR) against the US dollar (USD) during the current year.

The closing exchange rate of IDR against USD as at 31 March, 2015 was IDR 13,084 which is a 15% depreciation compared to the closing exchange rate that prevailed as at 31 March, 2014.

(c) Beverage Sector

As at 31st March 2015, the Company's subsidiary, Lion Brewery (Ceylon) PLC recorded a foreign exchange loss of Rs.28.93Mn [2014 loss of Rs.43.28Mn], arising mainly from revaluation of US Dollar denominated long - term borrowings.

14 NET FINANCE COST

	Group	
For the year ended 31st March	2015	2014
Interest expenses		
Bank borrowings	4,731,654	4,126,974
Dividend on redeemable preference shares	-	1,919
Debenture interest	397,770	320,937
Finance lease liabilities	23,445	12,381
	5,152,869	4,462,211
Less: Amount capitalized under		
Property, Plant and Equipment	(1,264,688)	(744,504)
Biological assets	(1,127,008)	(949,282)
Total finance costs	2,761,173	2,768,425
Finance income		
Interest income on short term bank deposits	(284,992)	(694,909)
Total Finance income	(284,992)	(694,909)
Net Finance costs	2,476,181	2,073,516

15. PROFIT BEFORE INCOME TAX EXPENSES

	Group		Company	
For the year ended 31st March	2015	2014	2015	2014
Profit before tax has been arrived at after charging				
Depreciation on property, plant and equipment	3,151,607	2,861,462	-	-
Less - Amount capitalised as part of cost of biological assets	(155,997)	(198,548)	-	-
Depreciation on property, plant and equipment -net (Note a)	2,995,610	2,662,914	-	-
Amortization of intangible assets and prepaid lease payment for land	336,605	282,521	-	-
Less - Amount capitalised as part of cost of biological assets	(99,581)	(97,322)	-	-
Net amortization of intangible assets and prepaid lease payment for lands (Note a)	237,024	185,199	-	-
Auditors' remuneration and other professional services (Note b)	92,906	113,689	837	402
Professional services (Note c)	183,866	256,189	15	9
Personnel costs (Note d)	7,392,979	7,372,948	420	180
Audit committee fees	2,100	2,100	600	600
Remuneration committee Fees	200	200	50	50
Nomination committee Fees	400	400	100	100
Donations	49,863	84,412	500	500
Royalty paid to the Carlsberg A/S	123,530	101,210	-	-
Research and development costs	72,488	50,815	-	-
(a) Depreciation and amortization are included in the income statement under the following heading:				
Direct operating expenses	1,967,499	1,786,960	-	-
Administrative expenses	1,198,486	992,064	-	-
Distribution expenses	66,650	69,089	-	-
	3,232,635	2,848,113	-	-

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

15. PROFIT BEFORE INCOME TAX EXPENSES (Contd.)

		Group		Company	
	For the year ended 31st March	2015	2014	2015	2014
(b)	Auditors' Remuneration and other professional services				
	Fees payable to KPMG for the audit of annual accounts of Bukit Darah PLC	314	285	314	285
	Fees payable to KPMG for the audit of subsidiaries of Bukit Darah PLC	7,612	6,864	-	-
	Fees payable to other Auditors for the audit of subsidiaries of Bukit Darah PLC	72,554	95,891	-	-
	Total statutory audit fees	80,480	103,040	314	285
	Audit related services				
	KPMG Sri Lanka	6,260	4,275	523	117
	Other Auditors	6,166	6,375	-	-
		12,426	10,650	523	117
		92,906	113,690	837	402
(c)	Professional Services				
	Legal services	41,958	58,010	15	9
	Valuation services	29,391	37,639	-	-
	Consultation fees	1,615	2,786	-	-
	Plantation consultant services	47,757	134,534	-	-
	Other services	63,145	23,220	-	-
		183,866	256,189	15	9
(d)	Personnel Costs				
	Salaries, fees, wages and other related expenses	6,722,919	6,799,811	420	180
	Defined contribution plan expenses - EPF & ETF	324,230	286,200	-	-
	Defined benefit plan expenses - Gratuity	345,830	286,937	-	-
		7,392,979	7,372,948	420	180
	The above include:				
	Directors fees	27,002	19,992	420	180
	Directors' emoluments	1,184,224	924,205	-	-
		1,211,226	944,197	420	180

		Group			
	For the year ended 31st March	2015	2015	2014	2014
		Year end	Average	Year end	Average
(e)	The number of employees during the year were:				
	Employee by Industry				
	Portfolio and assets management	19	19	18	17
	Oil Palm plantations/Oils and fats	15,382	15,212	15,041	14,778
	Beverage	238	231	224	229
	Real Estate	18	18	17	18
	Leisure	255	248	240	258
	Management services	42	41	40	40
		15,954	15,767	15,580	15,339
	Employees by geographical location				
	Sri Lanka	825	801	777	796
	Malaysia	470	454	438	435
	Indonesia	14,528	14,382	14,235	13,974
	Singapore	-	-	-	-
	India	131	131	130	134
		15,954	15,767	15,580	15,339

16. INCOME TAX EXPENSES

		Group		Company	
	For the year ended 31st March	2015	2014	2015	2014
(a)	Statement of Income Profit and Loss				
	(i) Current tax				
	Charge for the year	1,711,772	1,914,866	3,500	2,650
	Economic service charge/ write - off	1,257	-	-	-
	Under / (over) provision for previous years	78,481	12,797	-	-
	Dividend tax	192,235	133,370	-	-
		1,983,745	2,061,033	3,500	2,650
	(ii) Deferred Tax				
	Origination/(Reversal) of temporary differences in the current year (Note 16c and d)	620,354	1,198,837	-	-
		620,354	1,198,837	-	-
	Total Income tax expense recognised in profits for the year	2,604,099	3,259,870	3,500	2,650

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

16 INCOME TAX EXPENSES (Contd.)

	Group		Company	
For the year ended 31st March	2015	2014	2015	2014
Income tax expenses may be analysed as follows:				
Current Taxation				
Sri Lanka	409,322	620,562	3,500	2,650
Overseas	1,574,423	1,440,471	-	-
	1,983,745	2,061,033	3,500	2,650
Deferred Taxation				
Sri Lanka	811,727	461,000	-	-
Overseas	(191,373)	737,837	-	-
	620,354	1,198,837	-	-
Total				
Sri Lanka	1,454,168	1,287,579	3,500	2,650
Overseas	1,149,931	1,972,291	-	-
	2,604,099	3,259,870	3,500	2,650

Group tax expenses is based on the taxable profit of individual companies within the group. At present the tax laws of Sri Lanka does not provide for group taxation.

(b) Deferred income tax related to other comprehensive income				
Re-measurement of gain/(loss) on defined benefit obligation	(6,073)	75,022	-	-

	Group			
	Statement of Income		Statement of Financial Position	
For the year ended as at 31st March	2015	2014	2015	2014
(c) Deferred Tax Assets				
Property plant & equipment	637	-	-	-
Biological assets	(476,853)	(123,791)	584,709	153,966
Intangible assets	(13,127)	-	12,626	-
Provision for ex-gratia	-	(137)	227	227
Provision for retirement benefit obligation	(100,845)	(60,343)	265,616	192,715
Unabsorbed tax losses carried forward	(669,838)	(463,467)	1,904,652	1,405,397
	(1,260,026)	(647,738)	2,767,830	1,752,305
Valuation allowance	-	-	(11,142)	(14,516)
	(1,260,026)	(647,738)	2,756,688	1,737,789

		Group			
		Statement of Income		Statement of Financial Position	
	For the year ended as at 31st March	2015	2014	2015	2014
(d)	Deferred Tax Liabilities				
	Property plant & equipment	741,571	475,704	3,146,011	2,432,393
	Investment property	3,250	4,382	52,836	49,783
	Biological assets	1,105,819	1,343,605	6,912,029	6,602,564
	Provisions	4,907	-	-	-
	Intangible assets	11,672	17,063	226,094	231,297
	Finance leases	13,161	5,821	20,290	8,854
		1,880,380	1,846,575	10,357,260	9,324,891
	Net deferred tax liability	620,354	1,198,837		

		Group	
		2015	2014
(e)	The Net Movement of the Deferred Tax Liability is as follows - Group		
	Balance at the beginning of the year	7,587,102	6,743,772
	On consolidation /Adjustments	74,467	150,091
	Provision for the year	620,354	1,198,837
	Deferred tax Assets recognise in OCI for Actuarial gain/(loss) on employee benefits	(6,073)	75,022
	Impact of exchange rate changes on conversion	(675,278)	(580,620)
	Balance at the end of the year	7,600,572	7,587,102

Deferred taxation has been computed on tax rates that have been enacted or substantively enacted at the end of each reporting period.

(f) Recognised deferred tax assets

The recognition of deferred tax assets by the Group are dependent upon future taxable income in excess of income arising from the reversal of existing taxable temporary differences. Deferred tax assets relating to tax losses carried forward have been re-assessed and the management believes that sufficient taxable profit will be available to allow the benefit to be utilized. Accordingly, the Group has recognised the deferred tax assets amounting to Rs.2,756Mn (2014: Rs.1,737Mn).

(g) Unrecognised deferred tax assets

Group

Deferred tax assets have not been recognised for unused tax losses of Rs.2,929.84Mn or equivalent to US$ 21,976,000 (2014 Rs.2,883Mn) due to the uncertainty of sufficient future taxable earnings of relevant entities.

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

16 INCOME TAX EXPENSES (Contd.)

(h) Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2014: nil) has been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries, as the Group has determined that the undistributed earnings of those subsidiaries will not be distributed in the foreseeable future.

Subsidiaries falling within the Sri Lankan tax exemption do not require to account for deferred tax as temporary differences do not exist during the tax exemption period. Accordingly deferred tax has not been provided for Agro Harapan Lestari (Private) Limited and AHL Business Solutions (Private) Limited.

(i) Corporate tax rate in Sri Lanka

As provided for in LKAS 12 - "Income Taxes" deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Accordingly following income tax rates have been used;

Leisure Sector	12% (Previously 12%)
Beverage Sector	40% (Previously 40%)
Real Estate Sector	28% (Previously 10%)
Other Sectors	28% (Previously 28%)

		Group		Company	
	For the year ended 31st March	2015	2014	2015	2014
(j)	Reconciliation of the Accounting				
	Profit with the Taxable Profit				
	Profit before taxation	8,488,819	11,133,371	465,927	376,673
	Aggregate tax disallowed expenses	5,561,670	3,605,583	27,097	27,544
	Aggregate of deductions claims	(8,877,620)	(4,588,322)	-	-
	Dividend Income	(2,939,988)	(3,786,532)	(478,187)	(389,814)
	Exempt profits	(1,724,586)	(1,372,414)	-	-
	Adjustments of change in fair value	(370,971)	(3,257,919)	(132)	
	Impairment of Business assets	384,511	-	-	-
	Operating losses incurred during the year	3,842,126	1,626,253	-	-
	Tax adjusted profits	4,363,961	3,360,020	14,705	14,403
	Adjustments				
	Adjustments due to the consolidation/joint ventures	2,606,057	3,662,272	-	-
	Share of net results of associate companies	461	839	-	-
	Tax losses utilized during the year	(277,627)	(215,697)	(2,226)	(5,041)
	Taxable income of the Group/Company	6,692,852	6,807,434	12,479	9,362

	Group		Company	
For the year ended 31st March	2015	2014	2015	2014
Taxation on Profits				
Taxation at 12% (Note 16 m (iii) & (iv))	58,240	64,150	-	-
Taxation at 28% (Note 16 m (i))	201,392	304,958	3,500	2,650
Taxation at 40% (Note 16 m (v)	62,245	257,953	-	-
10% WHT on Intercompany Dividend	192,235	133,370	-	-
Off - Shore profits at varying rates (Note 16 m (ii))	1,341,304	1,234,454	-	-
Effect of different tax rates in other countries (Note 16 m (iii))	48,591	53,352	-	-
Economic Service Charge - write off / credit (Note 16 n)	1,257	-	-	-
Under provision for previous years	78,481	12,797	-	-
	1,983,745	2,061,033	3,500	2,650

Group tax expenses is based on the taxable profit of individual companies within the group. At present the tax laws of Sri Lanka does not provide for group taxation.

		Group		Company	
	For the year ended 31st March	2015	2014	2015	2014
(k)	Analysis of Tax Losses				
	Tax losses brought forward	10,800,148	9,748,547	2,226	7,322
	Adjustment on losses brought forward	(3,644,418)	(358,955)	-	(55)
	Tax losses incurred during the year	3,791,724	1,626,253	-	-
	Utilization of tax losses during the year	(277,627)	(215,697)	(2,226)	(5,041)
	Tax losses carried forward	10,669,827	10,800,148	-	2,226

Utilization of tax losses in the current year has resulted in tax saving of Rs.66Mn (2014 - Rs.53Mn) for the Group.

In Sri Lanka the utilization of brought forward tax losses is restricted to 35% of Statutory Income. Unabsorbed tax losses can be carried forward indefinitely. Adjustment for taxation on the losses from overseas operations are made in accordance with the provisions of the relevant statutes in those countries.

(l) Taxation of Profits

(i) Current Tax in Sri Lanka

In accordance with provisions of the Inland Revenue Act No. 10 of 2006 and amendment thereto, the Company and all other companies of the Group other than those entities disclosed in Note (m) operating in Sri Lanka, are chargeable to income tax at the standard rate of 28% (2014 - 28%).

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

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16 INCOME TAX EXPENSES (Contd.)

(ii) Current Tax on Overseas Operations

Provision for taxation on the overseas companies are made on the basis of the accounting profit for the year as adjusted for taxation purposes in accordance with the provisions of the relevant statutes in those countries. The corporate income tax rates applicable to group companies operating in the following countries are;

For the year ended	2015	2014
Singapore	17%	17%
Indonesia	25%	25%
India	30.9%	30.9%
Malaysia	25%	25%

(m) Tax Exemptions and Concessions

(i) The Company's subsidiaries Agro Harapan Lestari (Pvt) Limited and AHL Business Solutions (Pvt) Limited are exempt from income tax, in terms of section 13 of the Inland Revenue Act No 10 of 2006 and amendments thereto respectively.

(ii) In terms of Section 13 (t) of the Inland Revenue Act, profits derived on the sale of shares on which share transaction levy has been paid is exempt from income tax.

(iii) The profits from plantation activities of the Sri Lankan incorporated companies having its plantation operations in Malaysia are liable to corporate income tax in Malaysia at 25% during the year ended 31 March 2015.

Further as provided for under Section 46 of the Inland Revenue Act, these profits are liable to tax in Sri Lanka at 12% however in terms of the double tax treaty agreement entered into between Sri Lanka and Malaysia, these Subsidiaries are entitled to claim credit in Sri Lanka for tax paid in Malaysia, when calculating the Subsidiary's tax liability on profits from Malaysian plantation activities in Sri Lanka.

(iv) In terms of Section 46 of the Inland Revenue Act, operational profits of hotels are subject to income tax at 12%.

(v) Profits or income from the manufacture and sale or import and sale of any liquor or tobacco products are chargeable to income tax at the rate of 40%. Accordingly Lion Brewery (Ceylon) PLC operational profits are chargeable to income tax at 40%.

(vi) Interest income earned from foreign currency denominated accounts, Income / profits from offshore dividends and interest is exempt from income tax.

(vii) Premium Oils and Fats Sdn. Bhd. ("POF") incorporated in Malaysia has received "Operational Headquarters" ("OHQ") status from the Malaysian Industrial Development Authority. Accordingly, POF's income from qualifying services is exempt from corporate income tax until 2020.

(n) Economic Service Charge

Economic Service Charge paid by companies are available as income tax credit. In instances where recoverability is not possible due to the tax status, sums paid are written-off to the Statement of Comprehensive Income.

(o) Tax consequences of proposed dividends - company

There are no income tax consequences attached to the dividends proposed by the Company as dividends are declared using dividend income received by the Company. Dividend proposed has not been recognised as a liability as at the reporting date as disclosed in Note 18 to the Financial Statements.

17 EARNINGS PER ORDINARY SHARE

The Group's earnings per ordinary share of Rs.20.71 (2014 - Rs.31.67) and Company's earnings per ordinary share of Rs.4.10 (2014 - Rs.3.23), are calculated by dividing the profit attributable to the ordinary shareholders of Bukit Darah PLC by the Company's weighted average number of ordinary shares in issue during the year.

The amounts used in calculating the earnings per share are as follows:

	Group		Company	
For the year ended 31st March	2015	2014	2015	2014
Amount used as the Numerator				
Profit for the year	5,884,720	7,873,501	462,427	374,023
Dividend on Preference shares	(44,202)	(44,202)	(44,202)	(44,202)
Non controlling interest	(3,728,316)	(4,598,484)	-	-
Net Profit attributable to Ordinary Shareholders	2,112,202	3,230,815	418,225	329,821
Number of Ordinary Shares used as the Denominator				
Ordinary shares in issue (No's)	102,000,000	102,000,000	102,000,000	102,000,000
Earnings per Ordinary Share (Rs.)	20.71	31.67	4.10	3.23

18 DIVIDEND PER SHARE

	Total dividend		Dividend per ordinary share	
For the year ended 31st March	2015	2014	2015	2014
On ordinary shares				
Dividend paid	306,000	306,000	3.00	3.00
	306,000	306,000	3.00	3.00
(a) On Preference shares				
Annual Dividend	145	145	0.08	0.08
Dividend paid	44,057	44,057	23.95	23.95
	44,202	44,202	24.03	24.03
Total	350,202	350,202		

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs.'000)

19 PROPERTY, PLANT & EQUIPMENT - GROUP

	Freehold Land & Buildings	Leasehold Land & Buildings	Plant & Machinery	Motor Vehicles	Office Equipment, Furniture & Fittings	Computers	Returnable Containers	Capital Work - In Progress	Total as at 31st March 2015
(a) Year ended 31st March 2015									
Cost/Valuation	At valuation				At cost				
As at 1st April 2014	11,316,975	19,436,495	19,686,174	1,684,802	1,492,191	846,526	2,417,671	9,630,886	66,511,720
On Consolidation	691,087	-	523,559	8,000	9,195	9,881	110,361		1,352,083
Additions	21,739	3,661,325	214,326	488,109	204,406	141,067	133,080	6,196,413	11,060,465
Transfers from investment property	27,543	-	-	-	-	-	-	-	27,543
Transfers/Adjustments	1,765,968	1,874,655	7,994,541	252,836	23,357	13,122	276,660	(12,366,102)	(164,963)
Transfers to assets held for sales	-	-	(783,134)	-	-	-	(69,001)	-	(852,135)
Disposals/written - off	(3,654)	(8,818)	(426,386)	(155,014)	(71,379)	(59,095)	(116,334)	(50,190)	(890,870)
Exchange translation difference	(797,204)	(2,480,663)	(1,698,870)	(186,449)	(118,081)	(50,979)	-	(272,060)	(5,604,301)
As at 31st March 2015	13,022,454	22,482,995	25,510,210	2,092,286	1,539,691	900,523	2,752,437	3,138,946	71,439,542
Depreciation/Amortization									
As at 1st April 2014	278,783	2,148,297	5,477,075	1,050,173	775,531	635,168	1,387,589	-	11,752,616
Charge for the year	124,474	685,220	1,365,943	291,980	180,153	137,364	366,473	-	3,151,607
Transfers/Adjustments	-	-	16,581	87	(522)	629	-	-	16,775
Transfers to assets held for sales	-	-	(242,325)	-	-	-	-	-	(242,325)
On disposals/written - off	(1,689)	(3,690)	(178,539)	(125,538)	(51,237)	(52,396)	(32,130)	-	(445,219)
Exchange translation difference	(19,274)	(278,417)	(477,679)	(111,695)	(66,658)	(38,645)	-	-	(992,368)
As at 31st March 2015	382,294	2,551,410	5,961,056	1,105,007	837,267	682,120	1,721,932	-	13,241,086
Net Book Value									
As at 31st March 2015	12,640,160	19,931,585	19,549,154	987,279	702,424	218,403	1,030,505	3,138,946	58,198,456

	Freehold Land & Buildings	Leasehold Land & Buildings	Plant & Machinery	Motor Vehicles	Office Equipment, Furniture & Fittings	Computers	Returnable Containers	Capital Work - In Progress	Total as at 31st March 2014
(b) Year ended 31st March 2014									
Cost/Valuation	At valuation				At cost				
As at 1st April 2013	11,054,162	19,212,192	18,572,681	1,854,273	1,372,505	783,355	2,121,930	6,134,135	61,105,233
On Consolidation	-	116,100	522	-	4,341	-	-	-	120,963
Additions	32,266	1,702,697	200,017	200,859	88,468	69,166	247,588	8,250,863	10,791,924
Transfers from investment property and intangible assets	(315,293)	-	-	-	-	-	-	(360,881)	(676,174)
Transfers/Adjustments	747,761	905,410	2,131,761	31,513	174,006	52,394	59,763	(4,102,608)	-
Disposals/written - off		(101,140)	(10,446)	(219,064)	(42,208)	(12,887)	(11,610)	26,105	(371,250)
Exchange translation difference	(201,921)	(2,398,764)	(1,208,361)	(182,779)	(104,921)	(45,502)		(316,728)	(4,458,976)
As at 31st March 2014	11,316,975	19,436,495	19,686,174	1,684,802	1,492,191	846,526	2,417,671	9,630,886	66,511,720
Depreciation/Amortization									
As at 1st April 2013	188,356	1,811,019	4,683,038	1,096,074	670,142	537,978	1,076,349	-	10,062,956
On Consolidation	-	4,942	104	-	1,736	-	-	-	6,782
Charge for the year	98,821	642,547	1,222,941	241,046	190,013	143,869	322,225	-	2,861,462
Transfers /Adjustments	-	(360)	56,942	(55,804)	(778)	-	-	-	-
On disposals/written - off	-	(69,114)	(75,083)	(117,597)	(29,877)	(12,069)	(10,985)	-	(314,725)
Exchange translation difference	(8,394)	(240,737)	(410,867)	(113,546)	(55,705)	(34,610)	-	-	(863,859)
As at 31st March 2014	278,783	2,148,297	5,477,075	1,050,173	775,531	635,168	1,387,589	-	11,752,616
Net Book Value									
As at 31st March 2014	11,038,192	17,288,198	14,209,099	634,629	716,660	211,358	1,030,082	9,630,886	54,759,104

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(Amounts expressed in Sri Lankan Rs. '000)

19 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

(c) Details of Group Freehold Lands Stated at Valuation are Indicated below:

Property	Method of Valuation	Effective Date of Valuation	Valuer	Land Extent (in Acres)	Carrying Value of Revalued Assets as at 31st March 2015 If carried at Historical Cost	Carrying Value of Revalued Assets as at 31st March 2015
Pegasus Hotels of Ceylon PLC Wattala, Sri Lanka	Market Approach	31.03.2012	Mr. K. Arthur Perera, A.M.I.V.(Sri Lanka) Valuer & Consultant	5.46	5,250	504,332
Ceylon Beverage Holdings PLC Nuwara Eliya, Sri Lanka	Market/ income Approach	31.03.2011	Mr. K. Arthur Perera A.M.I.V.(Sri Lanka) Valuer & Consultant	3.75	141	112,464
Lion Brewery (Ceylon) PLC Biyagama, Sri Lanka	Market/ income Approach	31.03.2011	Mr. K. Arthur Perera A.M.I.V.(Sri Lanka) Valuer & Consultant	31.30	1,024,831	1,664,043
Equity Two PLC Colombo 1, Sri Lanka	Market Approach	31.03.2015	Mr. S. Sivaskantha, F.I.V. (Sri Lanka) professional valuers	0.18	422,000	430,300
Selinsing PLC District of krian Malaysia	Existing use basis	31.03.2013	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	1,204.79	52,070	1,521,619
Indo-Malay PLC District of Kuala Selangor Malaysia	Existing use basis	31.03.2013	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	701.49	600	1,288,901
Good Hope PLC District of Kuala Langat Malaysia	Existing use basis	31.03.2013	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	767.76	58,000	1,242,357
Shalimar (Malay) PLC District of Kuala Selangor Malaysia	Existing use basis	31.03.2013	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	752.42	22,000	1,324,704
				3,491.12	1,584,892	8,088,720

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring fair values, as well as the significant unobservable inputs used.

Description	Effective date of valuation	Valuation technique	Significant Unobservable Inputs	Interrelationship between Key Unobservable Inputs and Fair Value Measurements
Land & buildings of LBCPLC	31.03.2011	Market/income Approach	(i) Cost of construction appreciation rate (ii) Building depreciation rate	Positive correlated sensitivity Negative correlated sensitivity
Land & buildings of Ceylon Beverage Holdings PLC	31.03.2011	Market/income Approach	(i) Cost of construction appreciation rate (ii) Building depreciation rate	Positive correlated sensitivity Negative correlated sensitivity
Land & buildings of Pegasus Hotels Ceylon PLC	31.03.2012	Market/income Approach	(i) Cost of construction appreciation rate (ii) Building depreciation rate	Positive correlated sensitivity Negative correlated sensitivity
Land & buildings of Equity Two PLC	31.03.2015	Market/income Approach	(I) Cost of construction appreciation rate (ii) Building depreciation rate	Positive correlated sensitivity Negative correlated sensitivity
Freehold Land Four Malaysian companies	31.03.2013	Existing use basis	Indicative market value of comparable Land	Significant increases (decreases) in indicative market value per hectare of comparable land would result in a significantly higher (lower) fair value measurement.

	As at 31 st March	2015	2014
(d)	Carrying Value of Property, Plant & Equipment		
	At cost	45,080,078	43,572,863
	At valuation	12,640,160	11,038,192
	On finance lease	478,218	148,049
		58,198,456	54,759,104

(e) Capital work-in-progress consists of

As at 31 st March	2015	2014
Land Improvements	54,973	668,677
Buildings	284,920	170,394
Plant & Machinery	2,547,018	8,586,404
Others	252,035	205,412
	3,138,946	9,630,886

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

19 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

(f) Fully depreciated assets in use

Property,plant & equipment includes fully depreciated assets having a gross carrying cost amount of Rs.1,124 Mn (2014- Rs.897 Mn)

(g) Revaluation of Freehold Land in Malaysia

Revaluation of the freehold land in Malaysian plantations is carried out annually in order to ensure that the book value reflects the market value and any significant variance from the carrying value will be recorded. For the financial year ended 31 March 2015, the value of the freehold land approximates its fair value based on valuation performed by Encik W. M. Malik, member of the Institution of Surveyors, Malaysia, a partner with W. M. Malik and Kamaruzuman and accordingly no revaluation has been recorded.

If the freehold land of the Malaysian companies had been measured using the cost model, the carrying amount would be Rs.110.92Mn or equivalent to US$832,000 (2014 - Rs.110.80Mn or equivalent to US$848,000).

(h) Property, plant and equipment of Indonesian plantations

Based on the reports issued by KJPP Rengganis, Hamid & Partners, an independent valuer (formerly PT Heburinas Nusantara, associated with CB Richard Ellis), the consolidated appraised value of property, plant and equipment of the Indonesian plantations as of 31 March 2015 was Rs.37.02Bn or equivalent to US$277,709,000 (2014 Rs.31.47 Bn or equivalent to US$ 240,842,000). The above appraisal values have not been incorporated into the financial statements. Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

(i) Assets held under finance leases

During the financial year ended 31 March 2015, the Group acquired property, plant and equipment with an aggregate cost of Rs.271.71Mn or equivalent to US$2,038,000 (2014 Rs.62.07Mn or equivalent US$475,000) by means of finance leases.

The net book value of property, plant and equipment held under finance leases at the reporting date is Rs.478.21 Mn or equivalent to US$ 3,587,000. (2014 Rs.148.04 Mn or equivalent to US$ 1,133,000).

Leased assets are pledged as security for the related finance lease liabilities.

(j) Capitalisation of borrowing cost

The Group's property, plant and equipment include borrowing costs arising from bank loans borrowed specifically for their development. During the financial year ended 31 March 2015, the borrowing cost capitalised to property, plant and equipment was Rs.1,265 Mn. (2014 Rs.745Mn). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation for the financial year ended 31 March 2015 was for dollar borrowing 3.92% (2014: 3.48%) and Rs.borrowing 8.64 which was the effective interest rate of the borrowing.

(k) Assets pledged as security

The carrying value of certain property, plant and equipment of the Group amounting to approximately Rs.34,664 Mn or equivalent to US$260,007,000 (2014 - Rs.30,815 Mn or equivalent to US$ 235,828,000) are pledged as security for bank borrowings.

(l) Land acquisition - Company's subsidiary Pegasus Hotels of Ceylon (PRH)

During the financial year 2008/09, the government of Sri Lanka acquired approximately 1,605 perches of the land owned by the Pegasus Hotels of Ceylon (PRH) , out of which 353.89 perches of land was subject to Supreme Court order as explained below. The market value of the said net land extent (1,251 perches) as at the date of acquisition amounting to Rs.187,800,000/- has been removed from the value of the freehold land classified under the property, plant, and equipment in the consolidated Statement of financial position . The removal of the said land has been accounted for as a disposal of an asset in the financial statements of 2008/09.

The PRH filed a fundamental rights application in the Supreme Court regarding the acquisition of approximately 353.89 perches of land (described as mangrove) included in the above said acquisition. As per the Supreme Court ruling dated 20 th November 2008, the said land is to be returned to the PRH on the completion of the construction work of the fisheries harbour project.

On 15 March 2011, the Sri Lanka Navy has approached the Fisheries Harbour Corporation through which they have requested for a portion of 80 perches from and out of the said 353.89 perches in order to establish a coast guard unit. The PRH is expected to regain title to the balance 273.89 perches and make an additional claim for compensation for the said 80 perches, after referring the said request to the Supreme Court. Until determination of the aforesaid legal steps, the entire land extent in question will continue to be accounted in the Statement of financial position under property, plant and equipment at the market value.

Accordingly the market value of the said land, (353.89 perches) amounting to Rs.52,950,000/- (2014 - Rs.52,950,000/-) as at the reporting date has not been removed from the property, plant and equipment.

(m) Land compensation received

During the financial year 2002/03, a portion of freehold land of a subsidiary, Good Hope PLC was compulsorily acquired by the Government of Malaysia pursuant to the Land Acquisition Act, of 1960.

During the previous financial years, the Good Hope PLC received the accrued compensation of Rs.94.43 Mn (RM 2.98 Mn) ("Land Administrator's Award") in respect of a compulsory acquisition of a portion of the Malaysian operations' freehold land . The Good Hope PLC , however, objected to this offer and claimed additional compensation. This claim was decided in favour of the Good Hope PLC and this company was awarded additional compensation in a sum of Rs.10 Mn (RM 0.24 Mn) with interest at 8% per annum from the date of possession. In respect of this, subsidiary received a sum of Rs.18.05 Mn (RM 0.43 Mn) during the year 2012/13.

Further, in July 2010, Good Hope PLC filed an application against the State Governor of Selangor ("Defendant") seeking late payment charges in the sum of RM1,309,080.46 (Rs.46.86 mn), being the late payment of the sum awarded under the Land Administrator's Award. After hearing of this Application, the High Court on 31 May 2013 allowed the claim of Good Hope PlC for late payment charges of RM 1,309,080.46 (Rs.46.86 mn) with interest at the rate of 4 % per annum and costs of RM 8,000 (Rs.0.29 mn).

The Defendant filed an appeal against the decision of the High Court and on hearing of the appeal proper, the Court of Appeal on 15th April 2014, dismissed the appeal filed by the Defendant with costs of RM 10,000 and affirmed the Order of the High Court.

The Defendant aggrieved by the decision of the Court of Appeal, thereafter on 15th May 2014 filed an application for leave to appeal in the Federal Court of Malaysia, against the decision of the Court of Appeal. Considering the preliminary objections raised by the Good Hope PLC, the Federal Court ordered the Defendant to regularize its application and awarded RM 2,000 to the Good Hope PLC as costs. On 24th November 2014, the Defendant filed its application for regularization and Good Hope PLC filed its affidavit in replay on 11th December 2014.

The Federal Court has now fixed the application for leave to appeal and the application to regularize the leave to appeal application for hearing on 27th May 2015.

In line with the Company's policy, compensation will be accounted for only upon receipt of the confirmation by the Government of Malaysia .

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(Amounts expressed in Sri Lankan Rs. '000)

20 BIOLOGICAL ASSETS

	Group	
For the year ended 31st March	2015	2014
Carrying value at beginning of year	46,817,103	42,787,232
On Consolidation	-	63,352
Increase due to plantation development costs	5,904,028	6,335,944
(Loss)/ gain arising from changes in fair value	(104,702)	3,182,098
Exchange translation difference	(5,581,939)	(5,551,523)
Carrying value at the end of the year	47,034,490	46,817,103

(a) Analysis of oil palm production

During the financial year, the Group harvested 1,002,111 MT (2014: 958,815 MT) of FFB, which had a fair value less estimated point-of-sale costs of approximately Rs.21,780.9Mn or equivalent to US$166,013,000 (2014 Rs.20,119Mn or equivalent to US$ 154,634,000).

The fair value of FFB was determined with reference to their average market prices during the year.

(b) Analysis of biological assets

At the end of the financial year, the Group's total planted area and related value of mature and immature plantation are as follows:

	Indonesian Plantation		Malaysia Plantation		Total	
As at 31st March	2015	2014	2015	2014	2015	2014
Area	Hectares	Hectares	Hectares	Hectares	Hectares	Hectares
Planted Area:						
- Mature	52,558	49,232	1,345	1,345	53,903	50,577
- Immature	15,541	16,021	42	42	15,583	16,063
	68,099	65,253	1,387	1,387	69,486	66,640

	Indonesian Plantation		Malaysia Plantation		Total	
As at 31st March	2015	2014	2015	2014	2015	2014
Value						
Planted Area:						
- Mature	38,037,923	36,447,393	911,242	1,004,960	38,949,165	37,452,353
- Immature	8,071,059	9,350,484	14,266	14,266	8,085,325	9,364,750
	46,108,982	45,797,877	925,508	1,019,226	47,034,490	46,817,103

(c) The carrying value of biological assets of the Group pledged / undertaken as security for the bank borrowings amounted to approximately Rs.42,993 Mn or equivalent to US$ 322,482,000 (2014 Rs.39,106 Mn or equivalent to US$ 299,278,000).

(d) Borrowing cost capitalised to biological assets for the year ended 31st March 2015 amounted to Rs 1,127 Mn or equivalent to US $ 8,590,000. (2014 - Rs 949 Mn or equivalent to US $ 7,296,000 /-)

(e) The fair value of biological assets was determined by KJPP Rengganis, Hamid & Partners, an Indonesian independent valuer. The valuations of the biological assets were performed in accordance with International Valuation Standards and Indonesian valuation standards (' Standard Penilaian Indonesia /SPI) using discounted cash flows of the underlying biological assets. The expected cash flows from the whole life cycle of the oil palm plantations are determined using the market price and the estimated yield of Fresh Fruit Bunches (FFB), net of maintenance and harvesting costs and any costs required to bring the oil palm plantations to maturity. The estimated yield of the oil palm plantations is dependent on the age of the oil palm trees, the location of the plantations, soil type and infrastructure. The market price of the FFB is largely dependent on the prevailing market prices of crude palm oil and palm kernel. Point-of-sale costs include all costs that would be necessary to sell the products.

The following table shows the key unobservable inputs used in valuation models.

Key unobservable inputs	inter relationship between key unobservable inputs and fair value measurement
Oil palm trees have an average life of 22 years (31st March 2014: 22) with the first three years as immature and remaining years as mature	The estimated fair value increases as the estimated average life increases.
No new planting or replanting activities are assumed	The estimated fair value decreases with replanting activities.
Discount rate per annum of Indonesian plantations 13.44% (31st March 2014 - 13.07%) and Malaysian Plantations 8.58% (31st March 2014 8.27%)	The estimated fair value increases as the estimated discount rate per annum decreases.
FFB selling price of Indonesian Plantations of US$ 116 to US$ 121 (31st March 2014: US$127 - US$ 133) per metric tonne. FFB selling price of Malaysian Plantation of US$ 137 per ton (2014 -US$ 165 per ton)	The estimated fair value increases as the estimated selling price of FFB increases.
Yield per hectare of Indonesian Plantation of 4.4 MT to 28.83 MT (31st March 2014: 4.48 MT to 27.93 MT) and Malaysian Plantations 12 MT to 29 MT (31st March 2014 - 10 MT to 37 MT)	The estimated fair value increases as the average yield per hectare increases.

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(Amounts expressed in Sri Lankan Rs. '000)

20 BIOLOGICAL ASSETS (Contd.)

Biological valuation of Indonesian plantations

	Discount Rate		FFB Selling Price		Yield	
	1% increase	1% decrease	5% increase	5% decrease	5% increase	5% decrease
2015						
Statement of Financial position						
Biological assets	(3,214,345)	3,504,183	6,520,148	(6,509,216)	5,575,976	(5,575,976)
Statement of Income						
Loss/(gain) arising from changes in fair value of biological asset	3,163,232	(3,448,461)	(6,416,467)	6,405,709	(5,487,309)	5,487,309
2014						
Statement of Financial position						
Biological assets	(4,544,833)	3,309,479	2,505,075	(2,433,729)	3,377,950	(6,626,145)
Statement of Income						
Loss/(gain) arising from changes in fair value of biological asset	4,525,356	(3,295,296)	(2,494,339)	2,423,299	(3,363,474)	6,597,748

Biological valuation of Malaysian plantations

	Discount Rate		FFB Selling Price		Yield	
	1% increase	1% decrease	5% increase	5% decrease	5% increase	5% decrease
2015						
Statement of Financial position						
Biological assets	(21,065)	21,065	29,997	(29,997)	25,864	(25,864)
Statement of Income						
Loss/(gain) arising from changes in fair value of biological asset	20,730	(20,730)	(29,520)	29,520	(25,453)	25,453
2014						
Statement of Financial position						
Biological assets	(150,401)	160,071	38,156	(38,156)	237,819	(237,819)
Statement of Income						
Loss/(gain) arising from changes in fair value of biological asset	149,757	(159,385)	(37,992)	37,992	(236,800)	236,800

(f) The Group is exposed to the following risks relating to its Palm Oil plantations.

(i) Regulatory and environmental risks
The Group is subject to laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environment and other laws.

(ii) Supply and demand risk
The Group is exposed to risks arising from fluctuations in the price and sales volume due to market supply and demand. Management performs regular industry trend analyses for projected harvested volumes and pricing.

(iii) Climate and Other risks
The Group Palm Oil plantations are exposed to the risk of damage from climatic changes, disease, and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular plants inspections and industry pest and disease surveys. The Group is also insured against natural disasters such as floods and hurricanes.

21 PREPAID LEASE PAYMENT FOR LANDS

	Group	
	2015	2014
Cost/Valuation		
Balance as at the beginning of the year	4,566,001	4,497,277
On Consolidation	-	210,903
Additions	1,040,407	478,852
Transfer	-	(56,631)
Exchange translation difference	(568,980)	(564,400)
Balance as at end of the year	5,037,428	4,566,001
Accumulated amortization		
Balance as at the beginning of the year	470,995	371,835
On Consolidation	-	3,440
Amortization	162,878	148,830
Exchange translation difference	(63,315)	(53,110)
Balance as at end of the year	570,558	470,995
Net Balance as at the end of the year	4,466,870	4,095,006

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

21 PREPAID LEASE PAYMENT FOR LANDS (Contd.)

(a) Details of leasehold property - Indonesia

Land rights represent amounts paid on obtaining land rights certificate under Hak Guna Usaha (HGU or right to cultivate) and expenses incurred for obtaining operating licences. The land rights have an average remaining amortisation period of 30 years (2014: 27 -29years)

Management believes that the existing land rights will be renewed by the Government of Indonesia upon expiration since under the laws of Indonesia the land rights can be renewed upon the request of the HGU holder (subject to the approval of Government of Indonesia).

Land rights acquisition costs representing the cost associated with the legal transfer or renewal for titles of land rights such as, among others, legal fees, land survey and re-measurement fees, taxes and other related expenses. Such costs are also deferred and amortised on a straight-line basis over the terms of the related land rights of 30 years.

(b) Assets pledged as security

The carrying value of land rights of the Group pledged as security for the bank borrowings (Note 38) amounted to approximately Rs.544 Mn or equivalent to US$ 4,082,000. (31 March 2014: Rs.633 Mn or equivalent to US$ 4,848,000).

(c) Analysis of prepaid lease rights

	Group	
As at 31st March	2015	2014
Prepaid lease rights are to be amortised;		
Not later than one year	145,453	150,009
Later than one year but not later than 5 years	592,207	600,298
Later than five years	3,729,210	3,344,699
	4,466,870	4,095,006

22 INVESTMENT PROPERTIES

As at 31st March	Freehold Land	Freehold Building	Other Equipments	Capital Work- In Progress	Group 2015	Group 2014
(a) Investment Properties of the Group comprise of:						
Equity One PLC.	1,208,650	197,061	20,634	13,770	1,440,115	1,226,347
Equity Two PLC.	364,940	183,662	82,836	-	631,438	589,569
Equity Three (Private) Limited	225,857	53,467	5,068	-	284,392	277,734
	1,799,447	434,190	108,538	13,770	2,355,945	2,093,650

	Freehold Land		Freehold Building		Other equipment's		Capital work in progress		Total	Total
As at 31st March	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
(b) Movements of Investment Properties										
Balance as at the beginning of the year	1,526,543	1,681,250	447,780	252,250	119,327	36,454	-	-	2,093,650	1,969,954
Additions during the year	-	-	8,123	329	2,189	87,851	13,770	-	24,082	88,180
Transfer to Property plant equipment's	(27,543)	315,293	-	111,013	-	-	-	-	(27,543)	426,306
Transfer	(1,941)	-	(9,601)	-	11,542	-	-	-	-	-
Disposal during the year	-	(470,000)	-	-	-	-	-	-	-	(470,000)
Gain /(loss)on fair value adjustment (note c)	302,388	-	(12,112)	84,188	(24,520)	(4,978)	-	-	265,756	79,209
Balance at end of the year	1,799,447	1,526,543	434,190	447,780	108,538	119,327	13,770	-	2,355,945	2,093,650
(c) Change in fair value of investment properties										
Equity One PLC.	202,400	-	4,201	-	(11,463)	-	-	-	195,138	-
Equity Two PLC.	79,131	-	(3,259)	84,188	(9,723)	(4,978)	-	-	66,149	79,209
Equity Three (Private) Limited	20,857	-	(13,054)	-	(3,334)	-	-	-	4,469	-
	302,388	-	(12,112)	84,188	(24,520)	(4,978)	-	-	265,756	79,209

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22 INVESTMENT PROPERTY (Contd.)

(d) Valuation of investment property

The investment properties were revalued on 31st March 2015 based on market approach basis, by Mr. S. Sivaskantha F.I.V (Sri Lanka) of Perera Sivaskantha & Company an independent professional valuer.

(e) Properties pledged as security

There were no restrictions on title of investment properties as at the reporting date.

(f) Details of Investment Properties - Group

There were no restrictions on title of investment properties as at the reporting date.

Company	Location	Description	Method of valuation	Net rentable area (In Sq.ft.)	Extent (Hectares)	Historical Cost	Fair Value 31 st March 2015	Fair Value 31 st March 2014
Equity One PLC	Darmapala Mw., Colombo 7	Office Space	Market approach	44,647	0.238	113,854	787,828	733,347
Equity One PLC	Vauxhall Lane, Colombo 2	Warehouse Space	Market approach	30,723	0.524	226,917	652,287	493,000
Equity Two PLC	No 55 Janadhpathi Mawatha Colombo 1	Office Space	Market approach	44,046	0.1456	427,629	631,437	589,569
Equity Three (Private) Limited	George R. De Silva Mw., Colombo 13	Office Space	Market approach	31,237	0.208	69,256	284,393	277,734
							2,355,945	2,093,650

(g) No items of investment properties of the Group were pledged as security for liabilities as at the reporting date.

(h) The Group recognised land and building located at 61, Janadhipathi Mawatha owned by the subsidiary company Equity Two PLC though held to earn rental income and capital appreciation (and classified as investment property by the said subsidiary) as Property Plant and Equipment as opposed to investment property since Company's subsidiary Carsons Management Services (Private) Limited occupies a substantial portion at the said property.

(i) The direct operating expenses incurred on investment properties are as follows:

For the year ended 31st March	2015	2014
Repair, maintenance, utility and insurance cost	23,847	21,733
Staff costs and other expenses	42,685	42,987
	66,532	64,720

23 INTANGIBLE ASSETS - GROUP

	Goodwill		Computer Software		Excise License		Patents /Trademark		Customer relationship		Total	
As at 31 st March	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Cost/Valuation												
Balance as at the beginning of the year	1,736,101	1,734,958	1,189,397	926,697	60,795	55,954	42,795	43,766	565,882	565,882	3,594,970	3,327,257
On Consolidation	-	1,143	-		-	-	-		-	-	-	1,143
Additions	-	-	74,532	92,604	1,200		4,000,000	-	-		4,075,732	92,604
Written-off-Software Development Cost	-	-	-	(14,200)	-	-	-	-	-	-	-	(14,200)
Transfer / Adjustment	-	-	6,137	260,860	1,850	4,841	-	-	-	-	7,987	265,701
Exchange translation difference	-	-	(73,561)	(76,564)	-	-	(4,411)	(971)	-	-	(77,972)	(77,535)
Balance as at end of the year	1,736,101	1,736,101	1,196,505	1,189,397	63,845	60,795	4,038,384	42,795	565,882	565,882	7,600,717	3,594,970
Accumulated Amortization												
Balance as at the beginning of the year	-	-	282,833	221,306	20,341	15,263	-	-	155,618	101,314	458,792	337,883
Amortization	-	-	111,752	74,309	5,387	5,078	-	-	56,588	54,304	173,727	133,691
Transfer / Adjustment	-	-	(74)	-	(718)	-	-	-	-	-	(792)	-
Exchange translation difference	-	-	(22,128)	(12,782)	-	-	-	-	-	-	(22,128)	(12,782)
	-	-	372,383	282,833	25,010	20,341	-	-	212,206	155,618	609,599	458,792
Net Book value end of the year	1,736,101	1,736,101	824,122	906,564	38,835	40,454	4,038,384	42,795	353,676	410,264	6,991,118	3,136,178

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(Amounts expressed in Sri Lankan Rs. '000)

23 INTANGIBLE ASSETS - GROUP (Contd.)

(a) Goodwill

Goodwill is tested for impairment annually and when circumstances indicate, the carrying value may be impaired. Goodwill arising from business combinations has been allocated to an individual cash generating unit ("CGU") for impairment testing. The carrying amounts of goodwill allocated to each CGU are as follows:

As at 31st March	2015	2014
Portfolio and asset management sector	84,791	84,791
Beverage sector	113,600	113,600
Real estate sector	12,799	12,799
Oil palm plantation sector	79,854	79,854
Oil & Fats sector	1,445,057	1,445,057
	1,736,101	1,736,101

Oil palm plantation sector

The recoverable amounts of the CGUs have been determined based on Value In Use ("VIU") calculations using cash flow projections from financial budgets approved by management. For the oil palm plantation segment, management has used cash flow projections based on the age of the plantations. These assumptions were used for the analysis of each CGU's within business segment.

The pre-tax discount rates applied to the cash flow projections and forecasted terminal growth rates used to extrapolate cash flow projections beyond the forecasted period are as follows:

	Oil palm Plantation sector	
As at 31st March	2015	2014
Pre-tax discount rates	11.5% - 13.5%	11.5% - 13.5%
Terminal Growth Rate	3%	3%

The calculations for value in use for the CGUs are most sensitive to the following assumptions:

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and derived from its Weighted Average Cost of Capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected rate of return on investment by the Group's investors The cost of debt is based on the interest bearing borrowing the Group is obliged to service. Segment specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Terminal growth rate – The forecasted terminal growth rate used does not exceed the long-term average growth rate of the industry and country in which the entities operate.

Project CPO selling price – The projected selling price of CPO is based on the consensus of reputed independent forecasting service firms for the short-term period and the World Bank forecast for the remaining projection period.

Oils and fats sector

The recoverable amounts of the CGUs have been determined based on Value In Use ("VIU") calculations using cash flow projections from financial budgets approved by management covering a five-year period. These assumptions were used for the analysis of each CGU within the business segment.

The pre-tax discount rates applied to the cash flow projections and forecasted terminal growth rates used to extrapolate cash flow projections beyond the five-year period as follows:

	Oil & Fats sector	
As at 31st March	2015	2014
Pre-tax discount rates	8% - 10%	8% - 10%
Terminal Growth Rate	3%	3%

The calculations for value in use for the CGUs are most sensitive to the following assumptions:

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and derived from its Weighted Average Cost of Capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected rate of return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowing the Group is obliged to service. Segment specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Terminal growth rate – The forecasted terminal growth rate used does not exceed the long-term average growth rate of the industry and country in which the entities operate

(b) Computer Software

Software with a finite life is amortized over a period of expected economic benefit.

Software development costs and licenses represent the costs incurred in the development of the group Enterprise Resource Planning ("ERP") systems and its related licenses that are used to generate financial and management information and have an average remaining amortization period of 6 years (2014: 7 years).

All research costs and development costs not eligible for capitalization amounting to Rs 59.17 Mn or equivalent to US$ 451,000 (2014: Rs 48.40 Mn or equivalent to US$ 372,000) have been expensed and are recognised in the statement of income.

During the financial year, no software and development costs (2014 Rs 16 Mn or equivalent to US$ 123,000) was written off in the oil palm plantation segment and recognised in statement of income.

(c) Trademark

Intangible assets consists of the acquired brands of Millers Brewery Ltd As explained in note 24 to these financial statements, where the LBCPLC had acquired brands amounting to Rs.4bn during the year. Brands are not amortized as the useful life is considered to be infinite given the nature of the asset. However the assessment of indefinite life is reviewed annually. Brands are also tested for impairment annually. The LBCPLC had assessed the possible impairment for acquired brands by forecasting the annual sales quantity and price growth and discounting such estimated cash flows by its cost of equity. Based on such computation the management had concluded that no impairment is required.

(d) Customer relationships

Customer relationships acquired as part of business combination were initially recognised at their fair value at the date of acquisition and are subsequently carried at cost less accumulated amortization. Customer relationships are amortized over 10 years and tested for impairment annually. The average remaining amortization period as at 31 st March 2015 is 6 years (2014:7 years).

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24 INVESTMENT IN SUBSIDIARIES

		Principal activities	Country of incorporation	Effective equity interest held by the Group %		Group		Company	
						Cost	Cost	Cost	Cost
	As at 31 st March			2015	2014	2015	2014	2015	2014
(i)	Quoted Investments								
	Investments in Ordinary Shares								
	Carson Cumberbatch PLC	Investment holdings	Sri Lanka	45.68%	45.68%	579,363	579,363	579,363	579,363
	Equity One PLC	Real Estate	Sri Lanka	43.98%	43.98%	1,019,862	1,019,862	-	-
	Equity Two PLC	Real Estate	Sri Lanka	39.06%	39.06%	389,166	389,166	-	-
	Pegasus Hotels of Ceylon PLC	Leisure	Sri Lanka	42.52%	42.52%	422,983	422,983	-	-
	Selinsing PLC	Oil palm plantation	Sri Lanka	57.62%	57.53%	720,194	705,360	-	-
	Good Hope PLC	Oil palm plantation	Sri Lanka	56.62%	56.60%	494,141	492,096	-	-
	Indo Malay PLC	Oil palm plantation	Sri Lanka	54.38%	54.18%	1,367,665	1,330,098	-	-
	Shalimar (Malay) PLC	Oil palm plantation	Sri Lanka	59.00%	57.45%	616,029	346,668	-	-
	Ceylon Guardian Investment Trust PLC	Portfolio and Asset Management	Sri Lanka	31.66%	31.66%	594,989	594,989	-	-
	Ceylon Investment PLC	Portfolio and Asset Management	Sri Lanka	20.37%	20.37%	402,892	402,892	-	-
	Guardian Capital Partners PLC	Portfolio and Asset Management	Sri Lanka	27.61%	27.61%	446,267	446,267	-	-
	Ceylon Beverage Holding PLC	Beverage	Sri Lanka	34.29%	34.29%	662,771	662,771	-	-
	Lion Brewery (Ceylon) PLC	Beverage	Sri Lanka	22.68%	22.52%	2,167,984	1,985,563	112,292	112,292
	Total investment in Subsidiaries - quoted					9,884,306	9,378,078	691,655	691,655
(ii)	Unquoted Investment								
	Leechman and Company (Private) Limited	Portfolio and Asset Management	Sri Lanka	45.68%	45.68%	849	849	-	-
	Rubber Investment Trust Limited	Portfolio and Asset Management	Sri Lanka	26.02%	26.02%	612	612	-	-
	Pearl Springs(Pvt) Ltd	Investment holding	Sri Lanka	22.68%	-	1,150,000	-	-	-
	Millers Brewery Limited	Beverage	Sri Lanka	22.68%	-	1,150,000	-	-	-
	Goodhope Investments Ltd	Business outsourcing	Sri Lanka	59.91%	-	15,000	-	-	-
	Guardian Fund Management Limited	Portfolio and Asset Management	Sri Lanka	31.66%	31.66%	55,682	55,682	-	-
	The Sri Lanka Fund	Portfolio and Asset Management	Sri Lanka	22.51%	-	224,560	-	-	-
	Riverside Resorts (Pvt) Ltd	Leisure	Sri Lanka	23.30%	23.30%	26,000	13,000	-	-
	Goodhope Asia Holdings Ltd	Investment holding	Singapore	59.91%	59.91%	12,034,421	12,034,421	6,447,407	6,447,407
	Shalimar Developments Sdn. Bhd.	Investment holding	Malaysia	58.30%	58.06%	2,665,105	2,665,105	-	-
	PT Agro Indomas	Oil palm plantation	Indonesia	55.15%	53.14%	2,300,042	1,713,107	-	-
	PT Agro Bukit	Oil palm plantation	Indonesia	56.92%	56.92%	4,785,841	4,785,841	-	-
	PT Karya Makmur Sejahtera	Oil palm plantation	Indonesia	56.92%	56.92%	1,127,370	1,127,371	-	-
	PT Agro Wana Lestari	Oil palm plantation	Indonesia	56.92%	56.92%	226,523	226,523	-	-
	PT Rim Capital	Oil palm plantation	Indonesia	56.92%	56.92%	1,293,076	1,293,076	-	-
	PT Nabire baru	Oil palm plantation	Indonesia	56.92%	56.92%	148,983	148,983	-	-
	PT Agrajaya Baktitama	Oil palm plantation	Indonesia	56.92%	56.92%	292,136	292,136	-	-

24 INVESTMENT IN SUBSIDIARIES (Contd.)

	Principal activities	Country of incorporation	Effective equity interest held by the Group %		Group		Company	
					Cost	Cost	Cost	Cost
As at 31 st March			2015	2014	2015	2014	2015	2014
PT Batu Mas Sejahtera	Oil palm plantation	Indonesia	56.92%	56.92%	284,638	284,638	-	-
PT Sawit Makmur Sejahtera	Oil palm plantation	Indonesia	56.92%	56.92%	293,587	293,587	-	-
PT Sumber Hasil Prima	Oil palm plantation	Indonesia	56.92%	56.92%	331,125	331,125	-	-
PT Sinar Sawit Andalan	Oil palm plantation	Indonesia	56.92%	56.92%	325,595	325,596	-	-
PT Siriwana Adi Pereksa	Oil palm plantation	Indonesia	56.92%	56.92%	136,839	136,839		
PT Agro Asia Pacific	Trading of palm oil products	Indonesia	59.91%	59.91%	15,478	15,478	-	-
Agro Asia Pacific -Singapore	Trading of palm oil products	Singapore	59.91%	59.91%	20,296	20,296	-	-
PT Agro Harapan Lestari	Plantation management services	Indonesia	59.82%	59.82%	119,152	119,152	-	-
Agro Harapan Lestari Sdn. Bhd.	Plantation management services	Malaysia	59.91%	59.91%	75,860	75,860	-	-
Agro Harapan Lestari (Private) Limited	Management services	Sri Lanka	59.91%	59.91%	26,865	26,865	-	-
AHL Business Solution (Private) Limited	Business outsourcing	Sri Lanka	59.91%	59.91%	207,500	207,500	-	-
Premium Nutrients Pvt Ltd	Investment holding	Singapore	59.91%	59.91%	7,917,699	7,917,699	-	-
Premium Oils & Fats Sdn. Bhd.	Operating headquarters	Malaysia	59.91%	59.91%	36,504	36,504	-	-
Premium Vegetable Oils Sdn. Bhd.	Oils and Fats	Malaysia	59.91%	59.91%	3,568,789	3,568,789	-	-
Premium Fats Sdn Bhd	Oils and Fats	Malaysia	59.91%	59.91%	91,648	91,648	-	-
Arani Agro Oil Industries Ltd	Oils and Fats	India	59.91%	59.91%	3,191,600	3,191,600	-	-
Carsons Management Services (Private) Limited	Management Services	Sri Lanka	45.68%	45.68%	323,341	323,341	-	-
Carsons Airline Services (Private) Limited	Leisure	Sri Lanka	45.68%	45.68%	19,000	19,000	-	-
Equity Hotels Limited	Leisure	Sri Lanka	42.52%	42.52%	7,296	7,296	-	-
Equity Three (Private) Limited	Real Estate	Sri Lanka	43.98%	43.98%	54,000	54,000	-	-
Pubs 'N Places (Private) Ltd	Beverage	Sri Lanka	34.29%	34.29%	250,000	250,000	-	-
Retail Spaces (Private) Limited	Beverage	Sri Lanka	34.29%	34.29%	-	-	-	-
Luxury Brands (Private) Limited	Beverage	Sri Lanka	34.29%	34.29%	-	-	-	-
					44,793,012	41,653,519	6,447,407	6,447,407
(iii) Investments in Unquoted Deferred Shares								
Ceylon Guardian Investment Trust PLC					115,384	115,384	-	-
Total Investment in Subsidiaries - Unquoted					44,908,396	41,768,903	6,447,407	6,447,407
Total Investment in Subsidiaries					54,792,702	51,146,981	7,139,062	7,139,062

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24 INVESTMENT IN SUBSIDIARIES (Contd.)

(a) Acquisition and formation of subsidiaries - For the year ended 31st March 2015

Formation of Pearl Springs (Private) Limited. (PSPL)

On 20th May 2014 Lion Brewery (Ceylon) PLC (LBCPLC) formed Pearl Springs (Private) Limited, a company incorporated in Sri Lanka for the acquisition of Millers Brewery Limited. The LBCPLC holds 100% equity interest in PSPL.

Acquisition of Millers Brewery Limited

On the 30th October 2014 , the LBCPLC together with its subsidiary Pearl Springs (Private) Limited (PSPL) acquired the 100% shareholding of Millers Brewery Limited (MBL) and its trademarks at a total consideration of Rs.5,150,000,000/-. Whilst Rs.4,000,000,000/- was paid for the acquisition of trademarks, Rs.1,150,000,000/- was paid towards the purchase of the entirety of shareholding of MBL. Consequent to this transaction, the accounts of MBL and PSPL have been consolidated with that of LBCPLC.

With the acquisition of the MBL trade marks, LBCPLC has in its Portfolio, the brands of Sando Power, Irish Dark, Sando Stout , Three Coins Lager and Grand Blonde which will be produced at its production facility in Biyagama. The acquisition of MBL also affords Lion Brewery the opportunity of taking advantage of supply chain synergies to ensure that loyal consumers of the MBL portfolio of products continues to have access to the brands of their choice.

The following represents the fair values of the identifiable assets and liabilities of the subsidiary acquired as at the date of acquisition.

	2015
ASSETS	
Property, Plant & Equipment	1,352,083
Trade and other receivables	32,500
Cash and cash equivalents	18,691
Total assets	1,403,274
LIABILITIES	
Deferred taxation	74,467
Trade and other payables	24,915
Total Liabilities	99,382
Net identifiable assets	1,303,892
Less: Non-controlling interest	(1,007,909)
Identifiable net assets acquired attributable to group shareholder	295,983
Less: Bargain purchase on acquisition at subsidiary	(34,933)
Consideration for acquisition of non -controlling interest	888,950
Total consideration on acquisition	1,150,000

No revenue has been recorded since the date of acquisition whilst a loss of Rs.45.2 mn was recorded for the period ending 31st March 2015 since the date of the acquisition.

(b) The effects of acquisition on cash flow is as follows:

	2015
Consideration settled in cash	1,150,000
Less: Cash and cash equivalents of subsidiary acquired	(18,691)
Acquisition of subsidiaries net of cash	1,131,309

(c) Acquisition of non-controlling interests

During the year, 2014/15 the Group acquired additional interest in the following subsidiaries from the non controlling shareholders:

Acquirer	Acquiree	Additional interest %	Proportion of ownership interest after additional acquisition % (Group gross interest)	Consideration Paid
Goodhope Asia Holdings Ltd	Selinsing PLC	0.13	96.17	14,834
Goodhope Asia Holdings Ltd	Good Hope PLC	0.01	94.49	2,045
Goodhope Asia Holdings Ltd	Indo Malay PLC	0.32	90.76	37,567
Goodhope Asia Holdings Ltd	Shalimar (Malay) PLC	2.56	99.27	269,361
Goodhope Asia Holdings Ltd	P T Agro Indomas	3.00	94.30	586,935
Carson Cumberbatch PLC	Lion Brewery (Ceylon) PLC	0.37	60.75	182,421

(a) Acquisition of subsidiaries - For the year ended 31st March 2014

Acquisition of PT Sariwana Adi Perkasa

On 11th September 2013, the Group acquired 95% equity interest in PT Sariwana Adi Perkasa ("PTSAP") in Indonesia, for a cash consideration of US$1,037,000. The Group has acquired PTSAP as part of its plantation business expansion plan.

Goodwill of US$15,000 comprises the value of expanding the Group's operation in Kalimantan-based plantations located in West Kalimantan and to increase the Group total planted areas and land banks. The goodwill recognised is not expected to be deductible for income tax purposes.

From the date of acquisition to 31st March 2014, PTSAP's contribution to the Group's revenue and profit was not significant as it is an immature palm oil plantation under development.

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

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24 INVESTMENT IN SUBSIDIARIES (Contd.)

The following represents the fair values of the identifiable assets and liabilities of subsidiary acquired as at the date of acquisition:

	2014
ASSETS	
Property, Plant & Equipment	76,562
Biological Assets	63,352
Prepaid Lease Assets	207,463
Trade and other receivables	20,284
Cash and cash equivalents	51
Total assets	367,712
LIABILITIES	
Trade and other payables	225,696
Total Liabilities	225,696
Net identifiable assets	142,016
Less: Non-controlling interest	(61,185)
Identifiable net assets acquired	80,831
Less: Positive goodwill arising from the acquisition	1,143
Consideration for acquisition of non -controlling interest	54,865
Total consideration on acquisition	136,839

(b) The effects of acquisition on cash flow is as follows:

Consideration settled in cash	136,839
Less: Cash and cash equivalents of subsidiary acquired	(51)
Acquisition of subsidiaries net of cash	136,788

(c) Acquisition of non-controlling interests

During the year, 2013/14 the Group acquired additional interest in the following subsidiaries from the non controlling shareholders:

Acquirer	Acquiree	Additional interest %	Proportion of ownership interest after additional acquisition % (Group gross interest)	Consideration Paid
Goodhope Asia Holdings Ltd	Selinsing PLC	0.01	96.04	59
Goodhope Asia Holdings Ltd	Good Hope PLC	0.25	94.48	18,230
Goodhope Asia Holdings Ltd	Indo - Malay PLC	0.03	90.44	3,958
Goodhope Asia Holdings Ltd	Shalimar (Malay) PLC	0.15	96.71	11,939
Carson Cumberbatch PLC	Ceylon Beverage Holdings PLC	0.13	75.06	13,332
Carson Cumberbatch PLC	Lion Brewery (Ceylon) PLC	1.77	60.38	42,326

25 NON CONTROLLING INTEREST

Following table summarizes the information relating to its non-controlling interest in Carson Cumberbatch PLC. Although Bukit Darah PLC owns 45.68% of Carson Cumberbatch PLC, the management has determined to continue to consolidate this entity as it controlled the entity during the year based on the composition of the board, who has the ability to use its voting rights to govern the entity.

The Non-Controlling Interest for the purpose of this disclosure is computed based on the Carson Cumberbatch PLC consolidated financial statements and it has not considered the direct investment made by the Bukit Darah PLC in Carson Cumberbatch PLC's Subsidiaries.

	Carson Cumberbatch PLC Group	
As at 31st March	2015	2014
Summarised statement of Income		
Revenue	88,931,879	76,540,927
Profit before Income tax expenses	8,501,079	11,146,771
Income tax expenses	(2,600,078)	(3,257,220)
Net profit for the period	5,901,001	7,889,551
Other comprehensive income	(7,104,198)	(7,085,101)
Total comprehensive income	(1,203,197)	804,450
Net profit attributable to NCI	4,523,242	6,229,713
Other comprehensive income attributable to NCI	(5,491,664)	(5,474,825)
Total comprehensive income attributable to NCI	(968,422)	754,888
Summarised statement of Financial Position		
Non-current assets	134,843,440	123,212,749
Current assets	30,285,055	35,618,440
Non-current liabilities	62,799,083	49,146,130
Current liabilities	38,365,453	42,325,617
Net assets attributable to NCI	49,107,517	52,003,565
Summarised Cashflow Informations		
Cash flows from operating activities	5,793,419	13,584,976
Cash flows from investing activities	(22,616,196)	(15,187,257)
Cash flows from financing activities	9,897,091	12,805,689
Net increase in cash and cash equivalents	(6,925,686)	11,203,408
Dividends paid to NCI during the year	(719,266)	(723,520)
Effective ownership interests held by NCI %	0.5432	0.5432

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(Amounts expressed in Sri Lankan Rs. '000)

26 INVESTMENTS IN JOINT VENTURE

(a) The following is the Joint Venture of the Group

Name of Joint venture	Principal activities	Proportion of ownership interest %
Guardian Acquity Asset Management Limited	Unit trust Management	15.83

(b) Movements of Investments in Joint venture Company

	Group	
As at 31st March	2015	2014
Shares at cost	35,000	35,000
Share of post -acquisition reserve	(9,087)	(9,207)
Balance as at the end of the year	25,913	25,793

(c) Measurement of joint venture company - Group

	Group				
	No. of shares	Carrying Value	Cost	Carrying Value	Cost
As at 31st March	2015	2015	2015	2014	2014
(i) Joint venture Company					
On Unquoted Shares					
Guardian Acquity Asset Management Limited	2,000,000	35,000	35,000	35,000	35,000
		35,000	35,000	35,000	35,000
Group Share of Joint venture Company's Net Assets					
Guardian Acquity Asset Management Limited		(9,087)	-	(9,207)	-
Investments in Joint Venture Company (Equity Basis)	-	25,913	35,000	25,793	35,000

(d) The summarized financial information of the equity accounted investee, adjusted for the proportion of ownership interest held by the Group is as follows:

(i) Share of net results of joint venture

	Joint venture Company				Group's Share of	
	Revenue		Profit/(Loss) After Tax		Profit/(Loss) After Tax	
For the year ended	2015	2014	2015	2014	2015	2014
Joint Venture Company						
Guardian Acuity Assets Management Ltd	15,925	13,007	(922)	(1,678)	(461)	(839)
	15,925	13,007	(922)	(1,678)	(461)	(839)

As at 31st March	2015	2014
Non - Current assets	23,235	22,424
Current assets	4,182	4,557
Total assets	27,417	26,981
Non-Current Liabilities	187	162
Current liabilities	1,317	1,026
Total liabilities	1,504	1,188
Net assets	25,913	25,793

27 AVAILABLE FOR SALE FINANCIAL ASSETS

(a) Summary of Available-for-Sale Financial Assets - Group

		Group	
As at 31st March		2015	2014
Investment in equity securities			
Quoted equity instruments	27. b (I)	8,790,222	7,701,852
Unquoted equity instruments	27.b (II)	18,624	55,452
Private Equity (unlisted) instruments	27. b (III)	115,005	40,005
Total investment in equity securities		8,923,851	7,797,309
Investment in debentures			
Unquoted	27. b (IV)	5	5
Total Investment in debentures		5	5
Investment in units trusts			
Unquoted	27. b (V)	169,150	413,206
Total investment in units trusts		169,150	413,206
Total investments in available for sale financial assets		9,093,006	8,210,520

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27 AVAILABLE-FOR-SALE FINANCIAL ASSETS (Contd.)

Fair value of quoted investments are based on the closing traded prices published by the Colombo Stock Exchange as at reporting date.

The fair value of investments in unit trust are based on unit prices published by the custodian bank and the management company as at reporting date.

The fair values of investment in private equity are arrived at based on valuation techniques; including forecasted cash flow projections,net asset valuation,earning based valuation or expected realizable values in an arm's length transaction as appropriate.

(b) Measurement of Available for sale financial Assets - Group

As at 31st March	No of Shares 2015	Cost 2015	Market Value/ Valuation 2015	No. of Shares 2014	Cost 2014	Market Value/ Valuation 2014
(i) Quoted Investments						
Banks, Finance and Insurance						
HNB Assurance PLC	2,000,000	106,360	170,000	2,000,000	106,360	130,600
Hatton National Bank PLC	2,994,843	601,532	664,855	-	-	-
Commercial Bank of Ceylon PLC	5,096,451	365,216	842,953	10,000,000	703,934	1,230,000
Central finance PLC	2,488,874	501,454	622,467	1,700,548	301,041	307,799
People's Leasing and Finance Company PLC	5,893,731	102,767	130,252	13,745,240	235,691	196,557
Sampath Bank PLC	2,993,345	692,193	754,622	2,993,345	692,193	545,088
Development Finance Corporation of Ceylon (DFCC)	50,000	10,618	10,140	-	-	-
Hatton National Bank Non Voting	1,057,721	186,911	174,524	-	-	-
Nations Trust Bank PLC	6,666,280	427,518	667,295	5,005,718	306,527	324,871
		2,994,570	4,037,108		2,345,746	2,734,915
Beverage, Food & Tobacco						
Distilleries Company of Sri Lanka PLC	2,669,722	627,700	642,068	-	-	-
Cargills (Ceylon) PLC	4,367,300	129,616	598,320	4,617,300	137,035	630,261
		757,316	1,240,388		137,035	630,261
Construction & Engineering						
Access Engineering PLC	6,475,619	210,199	124,332	8,000,000	200,280	180,000
		210,199	124,332		200,280	180,000

As at 31st March	No of Shares 2015	Cost 2015	Market Value/ Valuation 2015	No. of Shares 2014	Cost 2014	Market Value/ Valuation 2014
Diversified Holdings						
Aitken Spence PLC	3,348,000	336,851	333,126	3,348,000	336,851	327,769
Expolanka Holdings PLC	6,845,150	41,483	58,183	37,942,150	252,806	330,097
John Keells Holdings PLC	7,684,878	383,870	1,532,365	10,489,710	536,232	2,381,164
JKH Warrants 2015	-	-	-	586,306	-	40,221
JKH Warrants 2016	-	-	-	586,306	-	42,155
Hemas Holdings PLC	-	-	-	1,834,420	60,686	69,158
		762,204	1,923,674		1,186,575	3,190,564
Footwear and Textiles						
Hayleys MGT Knitting Mills PLC	28,793,905	338,497	509,652	-	-	-
		338,497	509,652		-	-
Health care						
Ceylon Hospitals PLC (Durdans)	831,749	65,167	94,736	1,331,749	93,285	153,151
		65,167	94,736		93,285	153,151
Hotels & Travels						
Serendib Hotels PLC	1,110,814	39,314	31,103	-	-	-
Aitken Spence Hotels Holdings PLC	3,315,388	218,424	222,131	3,296,388	216,926	230,747
		257,738	253,234		216,926	230,747
Motors						
Diesel and Motor Engineering PLC	140,429	70,187	88,470	140,429	70,187	70,917
		70,187	88,470		70,187	70,917

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(Amounts expressed in Sri Lankan Rs. '000)

27 AVAILABLE-FOR-SALE FINANCIAL ASSETS (Contd.)

As at 31st March	No of Shares 2015	Cost 2015	Market Value/ Valuation 2015	No. of Shares 2014	Cost 2014	Market Value/ Valuation 2014
Telecommunication						
Dialog Axiata PLC	49,868,072	467,608	518,628	56,810,817	525,551	511,297
		467,608	518,628		525,551	511,297
Total Investment in equity securities -Quoted		5,923,486	8,790,222		4,775,585	7,701,852
(ii) Unquoted Investments						
Lanka Communication Services Limited	1,428,496	15,714	15,714	1,428,496	15,714	15,714
Asia Pacific Golf Course Limited	10	-	-	10	-	-
Produce Transport Limited	1	-	-	1	-	-
Serendib Agro Products Limited	2,500	2	-	2,500	2	3
ACW Insurance (Private) Limited	449,999	1,869	-	449,999	24,400	24,400
Riverside Resorts (Private) Limited	-	-	-	1,300,000	-	-
Amethyst Leisure Limited	-	-	-	7,100,000	12,425	12,425
DFCC Vardhana Bank	165,759	2,890	2,890	165,759	2,890	2,890
Equity Investment Lanka (Private) Limited	11,250	2	2	11,250	2	2
Kandy Private Hospitals Limited	1,200	18	18	1,200	18	18
Total Investment in equity securities -Unquoted		20,495	18,624		55,451	55,452
(iii) Private Equity						
LVL Energy Fund Limited	9,375,000	75,000	75,000	-	-	-
Hsenid Business Solutions (Pvt) Ltd.	163,419	40,005	40,005	163,419	40,005	40,005
Total investment in private Equity		115,005	115,005		40,005	40,005
(IV) Debentures						
Tangerine Beach Hotels Limited - Zero Coupon	56	1	1	56	1	1
Ocean View Limited - 6%	360	4	4	360	4	4
Total investments in debentures		5	5		5	5

As at 31st March	No of Shares 2015	Cost 2015	Market Value/ Valuation 2015	No. of Shares 2014	Cost 2014	Market Value/ Valuation 2014
(v) Unit Trusts						
The Sri Lanka Fund	-	-	-	2,531,646	224,560	251,373
Guardian Acquity Equity Fund	2,500,000	25,000	40,850	2,500,000	25,000	30,875
Ceybank Asset Management Ltd	360,001	3,600	51,882	360,001	3,600	41,333
Guardian Acquity Fixed Income Fund	6,279,202	63,263	76,418	7,500,000	75,000	89,625
Total investment in unit trust		91,863	169,150		328,160	413,206
Total Unquoted Investments		227,368	302,784	-	423,621	508,668
Total available for sale financial assets		6,150,854	9,093,006		5,199,206	8,210,520

C Valuation techniques and significant unobservable inputs

The following table show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used:

Investment in Equity securities	Valuation method/ techniques	Unobservable inputs	Ranges	Weighted average	Inter-relationship between key unobservable Inputs and fair value measurement The estimated fair value would increase if.
Private equity (unlisted)	Discounted cash flows : The valuation model considers the present value of the net cash flows expected to be generated by the entities operations. The expected net cash flows are discounted using a risk-adjusted discount rate.	Revenue CAGR Exit multiple : * P/E – Price to earnings ratio * EV/EBIT – Enterprise value to earnings before interest and tax Discount rate	13% - 25% 5-8 15.5% - 20%	16% 7 17.10%	Increase Increase Decrease

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

28 INVENTORIES

	Group	
As at 31st March	2015	2014
Raw materials	4,052,660	4,828,762
Work-in-progress	155,875	145,249
Goods in Transit	605,848	564,939
Finished goods	2,935,572	2,444,975
	7,749,955	7,983,925
Provision for inventory (Note a)	(84,878)	(42,952)
	7,665,077	7,940,973
a. Provision for inventory		
Balance as at the beginning of the year	42,952	111,816
Provisions during the year	72,546	74,719
Reversals during the year	(30,620)	(143,583)
Balance as at the end of the year	84,878	42,952

(i) Assets pledged as security

The Group has pledged inventories amounting to approximately Rs 4,210 Mn or equivalent to US$ 31,584,000 (2014: Rs 4,098 Mn or equivalent to US$ 31,365,000) as security for bank borrowings.

29 TRADE AND OTHER FINANCIAL RECEIVABLES OTHER NON - FINANCIAL RECEIVABLES

	Group		Company	
As at 31st March	2015	2014	2015	2014
Financial Assets				
Non Current				
Other financial receivables				
Land compensation receivable (Note d)	122,545	109,906	-	-
	122,545	109,906	-	-
Current				
Trade receivables				
Trade receivables (net of provisions)	4,491,999	4,197,522	-	-
	4,491,999	4,197,522	-	-
Other financial receivables				
Other receivables	679,847	393,109	-	-
Loans given to employees	19,761	21,153	-	-
	699,608	414,262	-	-
Current trade and other financial receivables	5,191,607	4,611,784	-	-
Trade and Other financial receivables	5,314,152	4,721,690	-	-
Non Financial Assets				
Non Current				
Other non financial receivables				
Plasma receivables (Note e)	1,713,536	819,900	-	-
Income tax receivable	956,437	312,170	-	-
VAT receivable	34,396	38,678	-	-
Other receivables	137,469	108,300	-	-
Non current trade and other non financial receivables	2,841,838	1,279,048	-	-
Current				
Other non financial receivables				
Plasma receivables (Note e)	564,494	91,762	-	-
Advances made on projects	363,210	227,312	-	-
Taxes receivable	2,227,925	2,210,794	-	-
Prepayments	1,921,112	2,394,633	1,349	50
Current trade and other non financial receivables	5,076,741	4,924,501	1,349	50
Other non financial receivables	7,918,579	6,203,549	1,349	50
Total financial & non financial receivable - Non Current	2,964,383	1,388,954	-	-
Total financial & non financial receivable -Current	10,268,348	9,536,285	1,349	50

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

29 TRADE AND OTHER FINANCIAL RECEIVABLES AND OTHER NON - FINANCIAL RECEIVABLES (Contd.)

Loans and receivables

	Group		Company	
As at 31st March	2015	2014	2015	2014
Trade receivables	4,491,999	4,197,522	-	-
Other financial receivables -current	699,608	414,262	-	-
Other financial receivables -Non current	122,545	109,906	-	-
Cash and Bank balances	9,145,650	16,935,783	122,394	101,507
	14,459,802	21,657,473	122,394	101,507

(a) Assets pledged as security

The Group has pledged receivables amounting to approximately Rs.3,354 Mn or equivalent to US$ 25,161,000. (2014: Rs.3,619Mn or equivalent to US$ 27,696,000) as security for bank borrowings.

(b) Trade Receivable that are past due but not impaired

The Group has trade receivables amounting to approximately Rs.58.92 Mn (2014: Rs.73.60 Mn) that are past due at the reporting date but not impaired. These receivables are unsecured and the analysis of their aging for major segment as at the reporting date is as follows:

As at 31st March	2015	2014
Oil palm plantation business segment		
Trade receivables past due but not impaired		
30 – 60 days	34,530	30,969
61 – 90 days	667	523
More than 90 days	267	7,579
	35,464	39,070
Oil and fats business segment		
Trade receivables past due but not impaired		
180– 365 days	-	1,699
Above 365 days	8,399	17,771
	8,399	19,470
Beverage business segment		
Trade receivables past due but not impaired		
More than 365 days	15,065	15,065
	15,065	15,065

At the reporting date, management believes that all receivables are collectible and an allowance for doubtful accounts is considered not necessary.

(c) Trade receivables denominated in foreign currency are as follows:

	Group	
As at 31st March	2015	2014
Malaysian Ringgit	2,526,947	311,125
Indian Rupee	167,183	212,078
Indonesian Rupiah	381,162	327,237
US Dollar	52,528	2,227,662
	3,127,820	3,078,102

(d) Land compensation receivable

Pegasus Hotels of Ceylon PLC (PRH)

The government of Sri Lanka acquired approximately 1,251 perches of land owned by the PRH under Section 38 proviso (a) of the Land Acquisition Act, No.28 of 1964 by gazette notification dated 14th May 2008 for the public purpose of a fisheries harbour project. The Divisional Secretary called for claim of compensation in response to which PRH submitted a claim of compensation for the compulsory acquisition of the said land on 16th July 2008. The final claim stands at Rs.563Mn taking into account the market value of the property, potential economic value lost for hotel expansion and the nuisance value that will be created for hotel operation by the said project. However, as a matter of prudence the Group has accounted for the compensation receivable of Rs.189.5Mn in the financial statements based only on the market value and related costs supported by a professional valuation dated 4th April 2009 conducted Mr. K Arthur Perera, A.M.I.V.(Sri Lanka), Valuer & Consultant.

A valuation was carried out by Mr. K. Arthur Perera as at 31st March 2012 and according to the said valuation, the said acquired property is valued at Rs.250.4Mn

No adjustment has been made to the compensation receivable on a prudent basis, however, this will further justify the PRH compensation claim on the property. As at the reporting date, PRH has not received any confirmation from the Divisional secretary on the value determination of the said claim.

Accordingly, the Group has recognised the said compensation receivable at its amortised cost; the underlying assumptions used in such assessment is detailed below:

Expected timing of cash flows   Year 2018

Discount rates used - The weighted average deposit rate(WADR) at the date of acquisition (11.5%)

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(Amounts expressed in Sri Lankan Rs. '000)

29 TRADE AND OTHER FINANCIAL RECEIVABLES AND OTHER NON - FINANCIAL RECEIVABLES (Contd.)

(e) Plasma receivables

In accordance with the Indonesian government's policy, oil palm plantation companies are required to develop new plantations for the local communities within and around the company. A cooperative establishment is formed to take care of the landholder's rights and obligations and this form of assistance to local communities is generally known as the "Plasma Programme.

Plasma receivables represent costs incurred for plasma plantation development and advances to Plasma farmers for working capital purposes during the early maturity stage. These include biological assets and their infrastructures, covering costs incurred for land clearing, planting, upkeep, fertilisation, mature plantation management, harvesting and other indirect expenses. The advances will be subsequently recovered through revenue generated from the Plasma plantations.

Land rights of the Plasma plantation are mortgaged and kept as security for obtaining bank loans from commercial banks in Indonesia. These land rights will be handed over to the Group upon the completion of the loan period. As per management agreement signed with the Plasma Corporative, which represents the Plasma members and the Group's subsidiary companies, these land titles can be retained by the group as security until advances provided are paid in full through Plasma revenue.

30 ASSETS HELD FOR SALE

(a) As at 31st March 2015, Lion Brewery (Ceylon) PLC has entered into a sale and purchase agreement with Wallart Sarl of France, to sell its old bottling line. A purchase price of Euro 400,000/= has been agreed with Wallart Sarl, who has made arrangements to dismantle and take possession of the old bottling line shortly. Its classification as non current assets held for sale did result in an impairment loss which has been recognised under "Impairment of business assets" in the Consolidated Statement of Income.

(b) In addition to the above, the plant & machinery and returnable containers owned by Millers Brewery Limited have been classified as assets held for sale , as the management has no immediate plans to manufacture beer at the Millers Brewery location. Management has taken steps to dispose these assets. Accordingly these assets are classified as Assets held for Sale. Further an impairment loss has been recognised under " impairment of business assets " in the profit or loss.

	Plant & machinery	Returnable Containers	Total
Cost	783,134	69,001	852,135
Accumulative depreciation	(242,325)	-	(242,325)
	540,809	69,001	609,810
Less: Impairment	(96,449)	(21,466)	(117,915)
Fair value as at 31st March 2015	444,360	47,535	491,895

31 FINANCIAL ASSETS HELD FOR TRADING

Summary

	Group		Company	
As at 31st March	2015	2014	2015	2014
Investment in Equity securities				
Quoted	1,676,177	1,233,053	-	-
Unit Trusts	1,146,191	5,456	110,132	-
Total financial assets held for trading	2,822,368	1,238,509	110,132	-

Fair value of quoted investments are based on the closing traded prices published by the Colombo Exchange as at 31st March. The fair value of investments in unit trust are based on net asset valuation published by the custodian bank and the management company as at 31st March.

(a) Group

As at 31st March	No of Shares 2015	Market Value 2015	No of Shares 2014	Market Value 2014
i. Quoted Investments				
Banks, Finance and Insurance				
National Development Bank PLC	-	-	811,603	144,952
Housing Development Finance Corporation Bank of Sri Lanka	-	-	213,324	30,697
Commercial Bank of Ceylon PLC	373,630	62,192	680,537	83,706
Central Finance Company PLC	85,000	21,383	-	-
Hatton National Bank PLC	746,650	162,349	712,189	106,828
Hatton National Bank PLC - Non Voting	525,821	86,760	100,000	12,000
Nations Trust Banka PLC	74,920	7,313	100,000	6,490
People's Leasing & Finance PLC	1,431,000	35,279	-	-
Development Finance corporation of Ceylon (DFCC)	197,315	40,015	-	-
Seylan Bank PLC	1,119,671	107,753	-	-
Vallibel Finance PLC	70,000	25,354	-	-
Sinhaputhra Finance PLC	20,000	3,598	-	-
Sampath Bank PLC	106,627	3,240	-	-
Softlogic Capital PLC	600,000	3,600	-	-
Union Bank of Colombo PLC	2,857,946	68,876	-	-
Tade finance and Investment PLC	-	-	136,600	2,554
		627,712		387,227

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

31 FINANCIAL ASSETS HELD FOR TRADING - GROUP (Contd.)

As at 31st March	No of Shares 2015	Market Value 2015	No of Shares 2014	Market Value 2014
Beverage, Food & Tobacco				
Distilleries Company of Sri Lanka PLC	675,674	159,873	399,174	81,032
Cargills (Ceylon) PLC	103,800	15,981	-	-
Ceylon Cold Stores PLC	880	262	880	124
Ceylon Tobacco Company PLC	-	-	54,167	57,200
		176,116		138,356
Construction and Engineering				
Access Engineering PLC	4,401,904	93,057	350,000	7,875
	4,401,904	93,057	350,000	7,875
Chemicals & Pharmaceuticals				
Union Chemicals Lanka PLC	200	95	200	96
		95		96
Diversified Holdings				
Hemas Holdings PLC	1,861,649	137,325	1,650,059	62,207
John Keells Holdings PLC	218,695	46,239	733,723	166,558
Expolanka Holdings PLC	-	-	1,972,669	17,162
Aitken Spence PLC	1,030,218	103,204	880,218	86,173
Softlogic Holdings PLC	6,496,410	85,753	-	-
JKH Warrents 2015	260,947	8,342	336,347	23,073
JKH Warrents 2016	3,047	98	858,047	61,694
		380,961		416,867
Footware and Textile				
Hayleys MGT Knitting Mills PLC	1,036,132	18,142	-	-
		18,142		-

As at 31st March	No of Shares 2015	Market Value 2015	No of Shares 2014	Market Value 2014
Health Care				
Ceylon Hospitals PLC	90,000	10,632	-	-
The Lanka Hospitals Corporation Ltd	648,000	25,855	783,000	32,573
		36,487		32,573
Land & Property				
Overseas Reality (Ceylon) PLC	1,047,050	24,606	989,643	20,288
	-	24,606		20,288
Hotels and Travels				
Asian Hotels and Properties Ltd	-	-	97,000	5,704
Aitken Spence Hotel Holdings PLC	413,793	29,938	200,577	14,040
Serendib Hotels PLC Non Voting	765,592	16,528	-	-
Serendib Hotels PLC	270,067	7,562	167,336	3,129
		54,028		22,873
Motor				
Diesel and Motor Engineering PLC	9,766	6,250	-	-
		6,250		
Lanka Tiles PLC	391,032	42,065	-	-
Ceylon Glass Company PLC	2,000,000	11,400	-	-
Kelani Tyres PLC	691,001	54,007	479,849	25,048
		107,472		60,733
Power & Energy				
Lanka IOC PLC	644,862	25,988	2,053,905	79,075
Panasian Power PLC	1,400,000	4,508	-	-
Vallibel Power Erathna PLC	3,364,000	26,272	-	-
Laughfs GAS PLC	100,000	4,075	310,975	10,107
		60,843		89,182

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(Amounts expressed in Sri Lankan Rs. '000)

31 FINANCIAL ASSETS HELD FOR TRADING - GROUP (Contd.)

As at 31st March	No of Shares 2015	Market Value 2015	No of Shares 2014	Market Value 2014
Telecommunications				
Dialog Axiata PLC	7,377,563	83,290	6,331,448	56,983
	-	83,290		56,983
Trading				
Singer (Sri Lanka) PLC	60,000	7,118	-	-
		7,118	-	-
Total Quoted investments		1,676,177		1,233,053
(ii) Investment In Unit Trusts				
Guardian Acquity Fixed Income Fund	43,557,890	530,099	-	-
Guardian Money GILT Fund	6,099,890	610,782	-	-
Mutual fund - India		5,310	-	5,456
		1,146,191		5,456
Total financial assets held for trading		2,822,368		1,238,509
(b) Company				
Investment In Unit Trusts				
Guardian Money GILT Fund	1,099,890	110,132	-	-
Total financial assets held for trading	-	110,132	-	-

32 DERIVATIVE FINANCIAL INSTRUMENT

As at 31st March	2015			2014		
	Contract/ Notional amount	Asset	Liability	Contract/ Notional amount	Asset	Liability
CPO futures contracts	-	-	-	52,660	-	(294)
Foreign exchange forward contracts	1,526,781	42,383	-	1,409,015	12,602	(294)
	1,526,781	42,383	-	1,461,675	12,602	(587)

The Group enters into commodities future contracts in order to hedge the financial risks related to the purchase and sales of commodity products. Unrealised fair value loss of approximately Rs.1,066, 560/- or equivalent to US$8,000 (2014: loss of Rs.261,340/- or equivalent to US$2,000) in respect of these contracts were recognised in the profit or loss since the Group has not adopted hedge accounting as of 31st March 2015.

The Group entered into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases. These contracts are not designated in hedge relationships and are measured at fair value through profit and loss. Unrealised fair value gain of approximately Rs.1.06Mn or equivalent US$ 8,000 (2014: gain of Rs.12.28Mn or equivalent US$ 94,000) in respect of these contracts were recognised in the profit or loss since the Group has not adopted hedge accounting as of 31st March 2015.

33 CASH AND CASH EQUIVALENTS

	Group		Company	
As at 31st March	2015	2014	2015	2014
Deposits				
F.C.B.U. deposits	58,829	1,540,960	-	-
Call deposits	3,634,018	8,891,384	3,838	86,480
Treasury bills	212,944	-	101,029	-
Fixed deposits	82,132	2,473,101	-	-
Short - term deposits	3,987,923	12,905,445	104,867	86,480
Cash in hand and at bank	5,157,727	4,030,338	17,527	15,027
	9,145,650	16,935,783	122,394	101,507

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(Amounts expressed in Sri Lankan Rs. '000)

33 CASH AND CASH EQUIVALENTS (Contd.)

(a) Cash and cash equivalents are denominated in foreign currencies at 31st March as follows:

	Group	
As at 31st March	2015	2014
US Dollars	3,336,920	3,209,125
Sterling Pound	1,200	1,307
Indonesian Rupiah	314,102	2,617,451
Malaysian Ringgit	483,018	535,747
Singapore Dollars	3,333	2,091
Indian Rupee (INR)	305,969	449,766
	4,444,542	6,815,486

Certain bank accounts of the Group have been pledged as security for bank borrowings. As at 31st March 2015, these accounts have a total amount of Rs.3,593 Mn or equivalent to US$ 26,954,000 (2014: Rs.428 Mn or equivalent to US$ 3,283,000). There are no legal and contractual restrictions on the use of the pledged bank accounts.

Plantation sector cash management

Short-term deposits earn interest at floating rates based on daily bank deposit rates and are made for varying periods between one day to a week, depending on the immediate cash requirements of the Group. For the financial year ended 31 March 2015, interest earned ranges from 3% to 6.25% per annum (2014: 3.50% to 5.50% per annum) for Indonesian Rupiah short-term deposits, 0.01% to 2.5% per annum (2014: 0.05% to 1.25% per annum) for US Dollar short-term deposits, 2.75% to 2.95% per annum (2014: Nil) for Malaysian Ringgit short-term deposits and 5.65% to 6.60% per annum (2014: 6.75% to 9.50%) for Re Purchase Agreements (REPO's) placed in Sri Lanka.

Oil and Fats cash management

Deposits that are kept with banks are used to cash back the trade instruments, such as Letter of Credits and bank guarantees. These deposits range from a period of a week to three months. In 2015, no Indian Rupee deposits was placed (2014: 6.75% to 9.40% per annum). For Malaysian Ringgit deposits, interest earned ranges from 3.15% to 3.60% per annum (2014: 3.00% to 3.70% per annum). Any excess cash is further utilised to reduce the overdraft interest incurred.

Investment and Beverage sectors cash management

Short-term deposits earn interest at floating rates based on daily bank deposit rates and are made for varying periods between one day to three months, depending on the immediate cash requirements of the sector. In 2015, interest earned ranges from 7% – 10% per annum (2014: 7% – 10% per annum)

(b) For the purpose of the consolidated cash flow statement, cash equivalent comprise the following:

	Group		Company	
As at 31st March	2015	2014	2015	2014
Short - term deposits	3,987,923	12,905,445	104,867	86,480
Cash-in-hand and at bank	5,157,727	4,030,338	17,527	15,027
	9,145,650	16,935,783	122,394	101,507
Short - term borrowings	(15,483,742)	(17,202,878)	-	-
Bank overdrafts	(1,759,579)	(925,777)	-	-
	(8,097,671)	(1,192,872)	122,394	101,507

34 STATED CAPITAL

	Group/Company			
	Movement in No of shares		Movement in Stated capital	
	2015	2014	2015	2014
Ordinary shares				
At the beginning of the year	102,000,000	102,000,000	371,880	371,880
At the end of the year	102,000,000	102,000,000	371,880	371,880
Preference shares				
At the beginning of the year	1,839,568	1,839,568	40,755	40,755
At the end of the year	1,839,568	1,839,568	40,755	40,755
Stated Capital			412,635	412,635

(a) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings of the Company. All ordinary shares rank equally with regard to the right to the Company's net assets at the point of distribution.

(b) The holders of the "Eight Percent (8%) Participating Cumulative Preference Shares" are entitled to 8 votes per share at a poll and eight percent (8%) cumulative preference dividend. In addition, they are entitled to the right to participate with the ordinary shares in the surplus in excess of 0.625% the dividend on ordinary shares but at eight (8) times the rate of dividend in the ordinary shares in excess of 0.625% of the dividend on such shares. These preference shares are not entitled to participate in the surplus assets in a winding up.

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

35 CAPITAL RESERVES

	Group		Company	
As at 31st March	2015	2014	2015	2014
Represented by				
Capital Redemption reserve	40,000	40,000	40,000	40,000
Other capital reserves	2,162,190	2,148,938	-	-
	2,202,190	2,188,938	40,000	40,000

Capital Accretion reserve, Revaluation reserve - Created to set aside revaluation surplus on immovable assets. Not utilised for distribution on prudency.

Other capital reserves - represents the amounts set aside by the Directors for future expansion and to meet any contingencies.

36 REVENUE RESERVES

	Group		Company	
As at 31st March	2015	2014	2015	2014
Represented by				
Currency translation reserve (Note a)	(6,653,137)	(2,651,546)	-	-
Revenue reserve	65,012	54,073	-	-
Available-for-sale financial assets reserves (Note b)	893,582	894,374	-	-
Retained earning	31,191,407	29,379,911	6,845,682	6,733,457
	25,496,864	27,676,812	6,845,682	6,733,457

(a) **Currency translation reserve**
Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) **Available-for-sale financial assets reserve**
This consists of net unrealised gain/(loss) arising from change in the fair value of available for sale financial assets and excluding cumulative impairment losses incurred as at the reporting date.

37 INVESTMENT THROUGH SUBSIDIARIES

	No of shares	Cost	Market value	Cost	Market value
As at 31st March		2015	2015	2014	2014
Bukit Darah PLC	26,710,158	10,688	18,109,488	10,688	15,783,032

38 LOANS AND BORROWINGS

	As at 31st March						Group 2015	Group 2014
(i)	Current	Sector	Currency	Maturity	Note	Weighted average		
	Bank loans and borrowings							
(a.)	Long term bank borrowings - amount due within one year							
	Secured	Oil palm plantation	USD	2016	A	LIBOR +3- 3.25% /3.5%-3.75% p.a.	5,128,025	4,868,895
	Secured	Oils and Fats	MYR	2016	B	COF + 1.50% p.a.	548,750	1,298,298
	Unsecured	Beverage	USD	2016		3 Months LIBOR + 3.17%	238,185	292,191
	Unsecured	Beverage	LKR	2016		3 Months AWDR + 3%	200,000	200,000
	Unsecured	Beverage	LKR	2016		1 Months SLIBOR +0.5%	595,668	595,659
	Unsecured	Leisure		2016		9%	-	8,568
	Unsecured	Beverage	LKR	2016		7.75%	200,040	-
	Unsecured	Beverage	LKR	2016		AWPLR (4 Week AVG,Revised monthly)	100,000	-
	Unsecured	Beverage	LKR	2016		AWPLR + 1%	99,600	115,000
							7,110,268	7,378,611
(b.)	Finance lease payables						163,642	52,921
							7,273,910	7,431,532

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

38 LOANS AND BORROWINGS (Contd.)

							Group	
	As at 31st March						2015	2014
(i)	Current (Contd.)	Sector	Currency	Maturity	Note	Weighted average		
(c.)	Short term Bank borrowings							
	Working capital facilities							
	Secured	Oil palm plantation	USD	2015	C	LIBOR + 4.40% p.a.	1,045,229	450,158
	Secured	Oil palm plantation	IDR	2015	C	BLR – 2.5% p.a.	1,495,584	1,231,276
	Revolving credit facility							
	Secured	Oil palm plantation	USD	2015	A	COF + 3.00% p.a.	2,666,400	657,885
	Secured	Plantation	MYR	2015	D	COF + 1.20% p.a	-	809,710
	Bankers' acceptance							
	Secured	Oils and Fats	MYR	2015	F	COF + 1.50% p.a	3,208,612	5,419,277
	Bill discounting							
	Secured	Oils and Fats	MYR	2015	F	COF + 1.50% p.a	502,083	634,011
	Buyers' credit							
	Secured	Oils and Fats	USD	2015	E	LIBOR + margin p.a	2,541,308	1,228,037
	Short term loan							
	Secured		USD		E	COF + 2.75 % p.a	74,526	-
	Unsecured	Beverage	LKR	2015		7.65% to 8%	3,950,000	6,772,525
	Bank overdrafts facility	Beverage & Investment Holdings	LKR	2015	F	BLR + 2.00% p.a	1,759,579	925,777
	Total Short term Bank borrowings						17,243,321	18,128,655
	Total loan payable within the year						24,517,231	25,560,187

						Group	
	As at 31st March					2015	2014
	Current	Sector	Currency	Maturity	Note	Weighted average		
(ii)	Non- Current						
(c)	Long term bank borrowings - amount due after one year						
	Secured	Oil palm plantation	USD	2018	A	LIBOR +3- 3.25% /3.5%-3.75% p.a.	38,712,528	29,936,889
	Secured	Oils and Fats	MYR	2019	B	COF + 1.50% p.a.	4,491,018	3,245,693
	Unsecured	Beverage	USD	2017		3 Months LIBOR + 3.17%	415,211	651,977
	Unsecured	Beverage	LKR	2017		3 Months AWDR + 3%	400,000	600,000
	Unsecured	Beverage	LKR	2017		1 Months SLIBOR +0.5%	460,025	1,055,713
	Unsecured	Leisure				9%	-	7,878
	Unsecured	Beverage	LKR	2019		Fixed 7.75%	699,640	-
	Unsecured	Beverage	LKR	2020		AWPLR (4 Week AVG,Revised monthly)	900,000	-
	Unsecured	Beverage	LKR			AWPLR + 1%	292,500	391,700
							46,370,922	35,889,850
	Finance lease payables						162,524	44,059
	Total Long term bank borrowings - amount due after one year						46,533,446	35,933,910
	Total loans and Borrowings						71,050,677	61,494,097

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

38 LOANS AND BORROWINGS (Contd.)

		Group	
	As at 31st March	2015	2014
(b)	Long term Bank Borrowings		
	Movement in Long - Term Borrowings		
	Balance as at the beginning of the year	43,268,461	31,749,073
	Transfer	-	6,505,500
	Obtained during the year	16,811,778	8,485,592
		60,080,239	46,740,165
	Impact on exchange rate changes on conversion	1,336,341	567,269
	Unamortized transaction cost	(620,182)	(1,214,577)
	Re - payments during the year	(7,315,208)	(2,824,396)
		53,481,190	43,268,461
	Amounts falling due within one year	(7,110,268)	(7,378,611)
	Amounts falling due after one year	46,370,922	35,889,851

(c) Details of borrowings

A These loans and borrowings are repayable fully on 14 November 2018 and secured by certain property, plant and equipment, debt service reserve accounts and collection accounts of some subsidiaries of the Group. All the borrowers under the facility together with one of the GAHL's subsidiaries have also provided corporate guarantees.

B This is a term loan repayable fully on 27 October 2019 and secured by all present and future, fixed and current assets (excluding shares, intellectual property rights, stocks and trade debtors) of the Borrowers. The GAHL along with the borrowers have provided corporate guarantees for this loan facility.

C This represents three working capital facilities and secured over the borrowers' stocks and trade receivables. One of these facilities is also secured by a corporate guarantee provided by the GAHL.

D This trade finance facility was fully repaid and settled on 27 October 2014.

E These trade finance and short term loan facilities are secured over present and future movable fixed assets together with stocks and trade receivables of the borrower excluding intangible assets. The GAHL has provided a corporate guarantee for these facilities.

F This trade finance facility is secured over the borrowers' present and future stocks and trade receivables. The GAHL has also provided a corporate guarantee for this facility.

G These obligations are secured by a charge over the leased assets. These obligations are denominated in the respective functional currencies of the relevant entities in the Group.

* COF - Cost of Funds, BLR - Bank Lending Rate, SLIBOR - Sri Lanka Inter Bank Offer Rate, LIBOR - London Inter Bank Offer Rate

(d) Obligations under finance leases and hire purchases

The outstanding minimum lease payments and scheduled maturity dates are as follows:

	Group	
As at 31st March	2015	2014
Analysis of finance obligation by year of re - payment		
Minimum lease payments:		
Due within one year	201,313	63,399
Due within two years	180,649	48,087
Future lease payments	381,962	111,485
Less: Future finance charges	(55,796)	(14,504)
Present value of minimum lease payable	326,166	96,981
Less: Current portion of obligations due under finance lease	(163,642)	(52,921)
	162,524	44,059

Certain Oil Palm Plantation and Oil & Fats sector companies had entered into finance lease agreements for motor vehicles and heavy vehicles with finance lease terms of 3 to 5 years (31st March 2014: 3 to 5 years). These finance lease purchase obligations are subject to effective interest rate of 14.24% (31st March 2014: 13.73%) per annum.

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

39 DEBENTURES

	Group	
	2015	2014
Balance as at the beginning of the year	3,000,000	-
Debentures issued	2,000,000	3,000,000
Debentures paid	(201,200)	-
Balance as at the end of the year	4,798,800	3,000,000
Interest payable	130,764	93,774
Balance as at the end of the year	4,929,564	3,093,774

New Debenture issue

The Company Subsidiary, Lion Brewery (Ceylon) PLC issued 20,000,000 rated Unsecured Redeemable Debentures (Category 3 - Type I) at a face value of Rs.100/- each to raise Rs.2,000,000,000/- on 8th December 2014. The interest is paid on 30th September and 31st March for a period of 5 years.

The categories of Debentures and its proportion of the different types of debentures in each category are as follows.

	Group	
As at 31st March	2015	2014
Category 01 Debentures - Floating Rate (Note 39.1)	804,800	1,006,000
Category 02 & 03 Debentures - Fixed Rate (Note 39.2)	3,994,000	1,994,000
Total	4,798,800	3,000,000

39.1 Category 01 Debentures - Floating rates

Types in Category 01 Debentures	Amount Rs.000	Proportion (From and out of the Category 01 Debentures issued)	Interest Rate (per annum) payable quarterly	Redemption From the Date of Allotment
Type B	201,200	20%	AWPLR + 0.40%	24 Months (2 Years)
Type C	201,200	20%	AWPLR + 0.60%	36 Months (3 Years)
Type D	201,200	20%	AWPLR + 0.80%	48 Months (4 Years)
Type E	201,200	20%	AWPLR + 1.10%	60 Months (5 Years)
Total	804,800			

Type A debentures amounting to Rs.201,200,000/- were redeemed on June 16, 2014.

39.2 Category 02 & Category 03 Debentures - Fixed Rate

Types in Category 02 & 03 Debentures	Amount Rs.000	Proportion (From and out of the Category 02 Debentures issued)	Interest Rate (per annum) payable quarterly	AER (per annum)	Redemption From the Date of Allotment
Type F	598,200	30%	13.50%	14.20%	36 Months (3 Years)
Type G	598,200	30%	13.75%	14.48%	48 Month (4 Years)
Type H	797,600	40%	14.00%	14.75%	60 Months (5 Years)
Type I	2,000,000	N/A	7.85%	8.00%	60 Months (5 Years)
Total	3,994,000				

39.3 Composition of Debentures and interest repayment

	Group	
As at 31st March	2015	2014
Classified under Non Current Liabilities		
Debentures falling due after one year	4,597,600	2,798,800
Total	4,597,600	2,798,800
Classified under Current Liabilities		
Debentures falling due within one year	201,200	201,200
Debenture interest payable	130,764	93,774
Total	331,964	294,974

39.4 Interest paid on Debentures

During the year the LBCPLC has charged Rs.397.77 Mn (2014- Rs.320.93 Mn) as debenture interest on both at fixed rates and floating rates and out of which Rs.130 .76 Mn (2014 -Rs.93.77 Mn) was payable as at the reporting date.

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(Amounts expressed in Sri Lankan Rs. '000)

40 TRADE AND OTHER FINANCIAL PAYABLES AND OTHER NON -FINANCIAL LIABILITIES

	Group		Company	
As at 31st March	2015	2014	2015	2014
Financial				
Non Current				
Rental and telephone deposits [Note a]	55,818	50,492	-	-
	55,818	50,492	-	-
Current				
Trade payables	4,763,259	4,818,257	-	-
	4,763,259	4,818,257	-	-
Other financial payables				
Customer deposits (Note b)	886,626	1,044,453	-	-
Taxes payable	1,318,418	1,157,695	-	-
Accrued expenses	3,158,451	2,824,945	8,247	4,600
Other creditors	3,195,902	6,552,675	66,108	51,009
Total other financial payables	8,559,397	11,579,768	74,355	55,609
Total trade and other financial payables	13,378,474	16,448,517	74,355	55,609
Non Financial				
Non Current				
Other non financial liabilities				
Employee benefits (Note 41)	1,254,959	1,038,037	-	-
Other non financial liabilities	1,254,959	1,038,037	-	-
Total trade and other payable - Non Current	1,310,777	1,088,529	-	-
Total trade and other payable - Current	13,322,656	16,398,025	74,355	55,609

Total financial liabilities

	Group		Company	
As at 31st March	2015	2014	2015	2014
Trade and other financial – current payables	13,322,656	16,398,025	74,355	55,609
Other financial payables – non-current	55,818	50,492	-	-
Loans and borrowings	71,050,677	61,494,097	-	-
Debenture	4,929,564	3,093,774	-	-
Total financial liabilities carried at amortised cost	89,358,715	81,036,388	74,355	55,609

Term and condition of the above current Financial liabilities:
- Trade payables are non - interest bearing and are normally settled in 60 to 90 day terms.
- Other payables are non - interest bearing and have an average term of six months.

(a) Rental Deposits

	Group	
	2015	2014
Balance as at the beginning of the year	50,492	28,077
Receipts during the year	5,763	32,132
Transferred to deferred revenue	(1,890)	(10,877)
Refunds during the year	(2,813)	(1,896)
Unwinding of interest on refundable deposits	4,266	3,056
Balance as at the end of the year	55,818	50,492

The above rental and telephone deposits are re - payable on termination of the tenancy agreements in the real estate sector.

(b) Customer Deposits

	Group	
	2015	2014
Balance as at the beginning of the year	1,044,453	980,663
Receipts during the year	98,673	63,790
Refunds made during the year	(2,910)	-
Empty deposit write back during the year	(253,590)	-
Balance as at the end of the year	886,626	1,044,453

Customer deposits are taken as security against the containers with the assets in the beverage sector.

(c) Trade payable denominated in foreign currencies are as follows

	Group	
As at 31st March	2015	2014
Currency		
US Dollar	1,049,762	2,184,933
Malaysian Ringgit	1,707,163	1,115,007
Indonesian Rupiah	1,780,222	1,427,439
Indian Rupee (INR)	27,731	13,851
Singapore Dollar	7,466	6,664
Euro	3,333	8,363
	4,575,677	4,756,257

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41 EMPLOYEE BENEFITS

	Group	
For the year ended 31st March	2015	2014
The amounts recognised in the profit or loss are as follows:		
Current service cost	241,353	288,506
Interest cost	89,346	78,334
Amortization of past service costs	(6,188)	(16,055)
Amortization of actuarial loss	-	1,122
Immediate recognition on new entrants	33,406	74,150
Curtailment gain/loss	(12,087)	(139,120)
Total employee benefit expense	345,830	286,937
The details of employee benefit liability as at 31st March 2015 and 2014 are as follows:		
Present value of unfunded obligations	1,254,959	1,038,037
	1,254,959	1,038,037
The movement in the liabilities recognised in the Statement of Financial Position is as follows:		
Balance as at the beginning of the year	1,038,037	1,240,631
Provision for the year	345,830	286,937
Payments made during the year	(53,745)	(24,919)
Gain/(loss) on employee benefits recognised in other comprehensive income	38,443	(302,510)
Provision Transferred during the year	(1,892)	-
Impact on exchange rate changes on conversions	(111,714)	(162,102)
Balance as at the end of the year	1,254,959	1,038,037

41 EMPLOYEE BENEFITS (Contd.)

(a) Sensitivity analysis on the key assumptions used in actuarial valuation is as follows:

	Discount Rate		Future Salary Increments	
2015	1% Increase	1% Decrease	1% Increase	1% Decrease
Consolidated Statement of Financial Position				
Retirement benefit obligations	(159,468)	189,804	147,265	(125,960)
Consolidated Statement of Comprehensive Income				
Re-measurement gain/(loss) on retirement benefit obligations	157,282	(187,171)	(144,745)	123,804

	Discount Rate		Future Salary Increments	
2014	1% Increase	1% Decrease	1% Increase	1% Decrease
Consolidated Statement of Financial Position				
Retirement benefit obligations	(120,202)	144,093	139,475	(119,822)
Consolidated Statement of Comprehensive Income				
Re-measurement gain/(loss) on retirement benefit obligations	119,710	(143,502)	(126,259)	119,333

(b) A separate fund has not been established to accommodate the liability arising in respect of employee benefit. The above gratuity provision of Rs.345.83Mn (2014 - Rs.286.93Mn) is based on assumptions of an actuarial valuation carried out by Mr. M. Poopalanathan, AIA, of Messrs Actuarial & Management Consultants (Private) Limited, as recommended by the Sri Lanka Accounting Standards (LKAS 19) -Employee benefits, 'the Projected Unit Credit' (PUC) method has been used in this valuation. The Indonesian Subsidiaries, engaged an independent actuary, PT Dayamandiri Dharmakonsilindo to conduct actuarial valuation of employee benefits liability as of March 31st 2015 using the projected unit credit actuarial valuation method.

The actuarial valuation was made using the following assumption:

	Sri Lanka	Indonesia	Malaysia
Discount rate	10% per annum	8.10% per annum	4% per annum
Future salary increment rate	10% - 12% per annum	11% per annum	3% per annum
Withdrawal Rate	-	-	10%
Mortality rate	A 67/70 Mortality Table issued by the Institute of Actuaries, London	TOM year 2011	
Disability rate		10% of mortality rate	-
Resignation rate	5% per annum for age up to 49 and thereafter zero.	3% per annum from age 20 and reducing linearly to 1% per annum at age 45 and thereafter 100% at normal retirement	
Retirement age	55 years	55 years	

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42 NET ASSETS PER SHARE

Company and Group net asset per share calculation is as follows.

	Group		Company	
As at 31st March	2015	2014	2015	2014
Total Equity	63,177,331	66,468,508	7,298,317	7,186,092
Less				
Non -controlling interest	(35,065,642)	(36,190,123)	-	-
Outstanding preference share capital	(40,755)	(40,755)	(40,755)	(40,755)
Total equity attributable to owners of the company	28,070,934	30,237,630	7,257,562	7,145,337
Number of ordinary shares used as the denominator				
Ordinary shares in issue	102,000,000	102,000,000	102,000,000	102,000,000
Net Asset per Share (Rs.)	275.21	296.45	71.15	70.05

43 FAIR VALUE OF FINANCIAL INSTRUMENTS

(a). In accordance with the SLFRS 13, the Group has applied the new definition of fair value, it unifies the Definition of fair value as the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date prospectively. The change had no significant impact on the measurements of the Group's assets and liabilities, but the Group has included new disclosures in the Financial Statements, which are required under SLFRS 13.

(i). Classes of financial instruments that are not carried at fair value and of which carrying amounts are a reasonable approximation of fair value are current trade and other receivables (Note 29), cash and cash equivalents (Note 33), trade and other payables (Note 40) and loans and borrowings (Note 38).

(ii). The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair value of financial assets and liabilities by classes that are not carried at fair value and of which carrying amounts are not reasonable approximation of fair value are as follows:

	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial asset				
Other receivables	6,266,040	#	6,141,490	#

Fair value information has not been disclosed for these financial instruments carried at cost as fair value cannot be measured reliably.

(iii). Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table shows an analysis of the Group's assets not measured at fair value but for which fair value is disclosed:

	Significant unbearable inputs currying (Level 3)	Carrying amount
2015		
Property, plant and equipment of the Indonesian plantations (Note 19)	37,024,164	19,880,412
2014		
Property, plant and equipment of the Indonesian plantations (Note 19)	31,470,824	17,226,749

(b) The following table shows an analysis of assets and liabilities curried at fair value by level of fair value hierarchy

	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable (Level 3)	Total
Assets measured at fair value				
Financial assets:				
Available-for-sale financial assets	8,790,222	169,150	133,634	9,093,006
Financial assets held for trading	1,676,177	1,146,191	-	2,822,368
Derivative financial instrument	-	42,383	-	42,383
As at 31 March 2015	10,466,399	1,357,724	133,634	11,957,757
Non -financial assets:				
Biological assets	-	-	47,034,490	47,034,490
Investment properties	-	2,355,945	-	2,355,945
Freehold Land & Buildings	-	7,262,579	5,377,581	12,640,160
As at 31 March 2015	-	9,618,524	52,412,072	62,030,596

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43 FAIR VALUE OF FINANCIAL INSTRUMENTS (Contd.)

	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable (Level 3)	Total
Assets measured at fair value				
Financial assets:				
Available-for-sale financial assets	7,701,852	413,206	95,462	8,210,520
Financial assets held for trading	1,233,059	5,456	-	1,238,509
Derivative financial instrument	-	12,602	-	12,602
As at 31 March 2014	8,934,911	431,264	95,462	9,461,637
Non -financial assets:				
Biological assets	-	-	46,817,103	46,817,103
Investment properties	-	2,093,650	-	2,093,650
Freehold land & buildings	-	5,023,058	6,015,134	11,038,192
Balance as at 31st March 2014	-	7,116,708	52,832,237	59,948,945
Liabilities measured at fair value				
Financial liabilities				
Derivative financial instrument	-	587	-	587
Balance as at 31st March 2014	-	587	-	587

(c) Fair value of financial and non financial assets and liabilities that are carried at fair value

Fair value hierarchy

The table below analyses financial and non financial assets and liabilities carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows.

Level 1: 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 for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived prices).

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

Methods and assumptions used to determine fair values

The methods and assumptions used by the management to determine the fair values of financial and non financial assets and liabilities other than those carrying amounts reasonably approximate to their fair values as mentioned in Note, are as follows:

Financial & non financial assets/ Liability category	Fair Value Basis , Valuation techniques	Fair Value Hierarchy
Investment in Listed Shares	Published volume weighted average (VWA) prices	Level 1
Listed Unit Trusts	Published Market Prices	Level 2
Unlisted private equity	Discounted cash flow	Level 3
Biological Assets	Discounted cash flow	Level 3
Investment properties	Market approach	Level 2
Freehold Land & Buildings	Market approach/	Level 2
Freehold Land & Buildings	Existing use	Level 3

Fair value of financial instruments by classes that are not carried at fair value and of which carrying amounts are reasonable approximation of fair value.

Current trade and other financial receivables and payables, current and non-current loans and borrowings at floating rate, other bank deposits and cash and bank balances. The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

(d) Movement in Level 3 assets and liabilities measured at fair value

	Available for-sale financial assets	Biological assets	Freehold Land and Buildings (Malaysia)	Private equity	Total
As at 1st April 2013	94,747	42,787,232	6,153,303	94,747	49,130,029
Total (Loss)/gain recognised in the income statement					
Net gain arising from changes in fair value of assets	-	3,182,098	-	-	3,182,098
Total gain recognised in the other comprehensive income					
Foreign currency translation	-	(5,551,523)	(138,170)	-	(5,689,693)
Movements in assets	715	6,399,296	-	715	6,400,726
As at 31 March 2014	95,462	46,817,103	6,015,133	93,462	53,023,160
Total loss recognised in the income statement					
Net gain arising from changes in fair value of assets	-	(104,702)	-	-	(104,702)
Total loss recognised in the other comprehensive income					
Foreign currency translation	-	(5,581,939)	(637,552)	-	(6,219,491)
Movements in assets	38,172	5,904,028	-	38,172	5,980,372
As at 31 March 2015	133,634	47,034,490	5,377,581	38,634	52,679,339

There have been no transfers from level 1, level 2 or level 3 for the financial years ended 31st March 2014 and 31st March 2015

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

44 FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

The accounting classification of each category of financial instruments and their carrying amounts are set out below:

As at 31st March 2015	Available for sale	Financial assets held for trading	Loans and receivables	Other financial liabilities	Total carrying amount
Financial assets					
Investment in equity securities	8,923,851	1,676,177	-	-	10,600,028
Investment in unit trust	169,155	1,146,191	-	-	1,315,346
Trade and other financial receivables	-	-	5,314,152	-	5,314,152
Derivative financial instruments	-	-	42,383	-	42,383
Cash and cash equivalents	-	-	9,145,650	-	9,145,650
	9,093,006	2,822,368	14,502,185	-	26,417,559
Financial liabilities					
Long term borrowings	-	-	-	53,481,190	53,481,190
Debentures	-	-	-	4,929,564	4,929,564
Finance lease liabilities	-	-	-	326,166	326,166
Trade and other financial payable	-	-	-	13,378,474	13,378,474
Short term borrowings	-	-	-	17,243,321	17,243,321
	-	-		89,358,715	89,358,715
As at 31st March 2014					
Financial assets					
Investment in equity securities	7,797,309	1,233,053	-	-	9,030,362
Investment in unit trust	413,211	5,456	-	-	418,667
Trade and other financial receivables	-	-	4,721,690	-	4,721,690
Derivative financial instrument	-	-	12,602	-	12,602
Cash and cash equivalents	-	-	16,935,783	-	16,935,783
	8,210,520	1,238,509	21,670,075	-	31,119,104
Financial liabilities					
Long term borrowings	-	-	-	43,268,461	43,268,461
Debentures	-	-	-	3,093,774	3,093,774
Finance lease liabilities	-	-	-	96,981	96,981
Trade and other financial payable	-	-	-	16,448,517	16,448,517
Derivative financial instrument	-	-	-	587	587
Short term borrowings	-	-	-	18,128,655	18,128,655
	-	-	-	81,036,975	81,036,975

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency, commodity price and market price risk. The Group's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses relevant financial instruments to hedge the risks of commercial exposure. Such financial instruments are not held for trade or speculative purposes. These market risk management activities are governed by the risk management framework and systems. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks for the financial years ended 31st March 2015 and 31st March 2014 Mechanisms adopted by the Group in managing eventual impact of such risks are given below,

(1) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. For trade receivables, the Group adopts the policy of dealing with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit rating counterparties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows.

As at 31st March	2015	2014
Investment in unit trusts	1,315,346	418,667
Trade and other receivables	5,191,607	4,611,784
Cash and cash equivalents	9,145,650	16,935,783
	15,652,603	21,966,234

The credit risk for the trade and other receivable at the end of the reporting period by segment is as follows:

As at 31st March	2015 Rs.'000	2015 % of total	2014 Rs.'000	2014 % of total
Investment Holding/Portfolio and Asset Management	215,395	4%	42,195	1%
Oil Palm Plantations	670,207	13%	526,358	11%
Oils & Fats	2,799,978	54%	2,776,175	60%
Beverage	1,442,614	28%	1,208,966	26%
Real Estate	17,328	0%	11,677	0%
Leisure	45,929	1%	45,016	1%
Management Services	155	0%	1,398	0%
	5,191,606	100%	4,611,785	100%

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

44 FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (Contd.)

The Credit risk for the trade and other receivable at the end of the reporting period by geographic region is as follows:

As at 31st March	2015	2015 % of total	2014	2014 % of total
Sri Lanka	1,780,632	34%	1,307,656	28%
Malaysia	2,532,131	49%	2,487,394	54%
Indonesia	520,177	10%	482,078	10%
Singapore	47,676	1%	-	0%
India	310,991	6%	334,656	7%
	5,191,606	100%	4,611,785	100%

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are credit-worthy debtors with good payment record with the Group. Cash and cash equivalents, financial assets held for trading and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(2) Liquidity Risk

The Group actively manage its operating and financing cash flows to ensure all refinancing, repayment and investment needs are satisfied. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain unutilised banking facilities of a reasonable level compared to its overall debt. The Group raises committed funding from both capital markets and financial institutions and prudently balance it's debt maturity profile with a mix of short and longer term funding to achieve overall cost effectiveness.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the segment treasury. The Treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

	One year or less	One to five years	Total
Group			
2015			
Financial assets			
Available-for-sale financial assets	-	9,093,006	9,093,006
Financial assets held for trading	2,822,368	-	2,822,368
Trade and other financial receivables	5,191,607	122,545	5,314,152
Assets held for sales	491,895	-	491,895
Derivative financial instrument	42,383	-	42,383
Cash and cash equivalents	9,145,650	-	9,145,650
Total undiscounted financial assets	17,693,903	9,215,551	26,909,454
Financial liabilities			
Trade and other financial payable	13,322,656	55,818	13,378,474
Loans and borrowings	24,517,231	46,533,446	71,050,677
Debenture	331,964	4,597,600	4,929,564
Total undiscounted financial liabilities	38,171,851	51,186,864	89,358,715
Total net undiscounted financial assets / (liabilities)	(20,477,948)	(41,971,313)	(62,449,261)

	One year or less	One to five years	Total
Group			
2014			
Financial assets			
Available-for-sale financial assets	-	8,210,520	8,210,520
Financial assets held for trading	1,238,509	-	1,238,509
Trade and other financial receivables	4,611,784	109,906	4,721,690
Derivative financial instrument	12,602	-	12,602
Cash and cash equivalents	16,935,783	-	16,935,783
Total undiscounted financial assets	22,798,678	8,320,426	31,119,104
Financial liabilities			
Trade and other financial payable	16,398,025	50,492	16,448,517
Derivative financial instrument	587	-	587
Loans and borrowings	25,560,187	35,933,910	61,494,097
Debenture	294,974	2,798,800	3,093,774
Total undiscounted financial liabilities	42,253,773	38,783,202	81,036,975
Total net undiscounted financial assets/(liabilities)	(19,455,095)	(30,462,776)	(49,917,871)

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

44 FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (Contd.)

(3) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity price and equity prices, will effect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Commodity price risk

The Group's primary source of cash inflows are from the sale of palm based products. The Group prices its Crude Palm Oil ("CPO") and Palm Kernel ("PK") produced in the oil palm plantation business with reference to the international market prices.

These commodities are subject to fluctuation in prices, due to varying market forces.

The Group manages the impact of such price volatility on its cash flows, by hedging its sales by entering into forward sale contract or by hedging its sales through CPO futures where required. The Group has not adopted hedge accounting as at 31st March 2015.

As at 31st March 2015, had the prices of CPO and PK been 5% higher/lower with all other variables held constant, profit before tax would have increased/decreased by Rs1,019 Mn or equivalent US$7,646,000 (2014:Rs.939Mn or equivalent US$7,189,000).

CPO, PK and Crude Palm Kernel Oil ("CPKO") are also key raw materials in our edible oils and fats business segment. These are as stated above freely-traded market commodities and are subject to varying market forces that determine its prices.

In the edible oils and fats business segment, the Group manages the impact of such price volatility on its cash flows, by hedging its purchases either by entering into forward purchase contract or through a back-to-back purchase arrangement for the respective sales or taking hedging positions in Bursa Malaysia Derivatives (BMD).

The Group has not adopted hedge accounting as of 31 March 2015 at a group level or in any of its business segments.

(b) Equity price risk

The Group operate as an investment house, where the principle activity of each of the companies within the Group being to act as specialized investment vehicle to undertake, among others; listed and private equity investments, the Group is categorically exposed to equity price risk. Having a substantial portion of 97% (2014 – 99%) of its investment portfolio designated as listed investments in the Colombo Stock Exchange and private equity investments, market volatilities bring in substantial volatility to the Groups earnings and value of its asset base at the reporting date.

Management of market price risk

Listed equity

Management of the Group monitors the mix of debt and equity securities in its investment portfolio based on market indices, where decisions concerned with the timing of buy / sell decisions are well supported with structures in-house research recommendations. Transactions of a major magnitude within the portfolio are subject to review and approval by the Investment Committee.

Private equity

Due evaluations are carried out before-hand, extending to both financial and operational feasibility of the private equity projects that the Group ventures into, with a view to ascertain the Company's investment decision and the risks involved. Continuous monitoring of the operations against the budgets and the industry standards ensure that the projects meet the desired outcome, and thereby the returns. Further, the Group generally carries investment agreements with the parties concerned, which carry specific 'exit clauses' to private equity projects - typically an 'Initial Public Offering' or a 'Buy-out' at a specified price formulae, which provides cover to a certain extent against movements in market conditions.

	Carrying Amounts	
As at 31st March	2015	2014
Investment in equity securities - Available for sale	9,093,006	8,210,520
Investment in equity securities - Financial assets held for trading	2,822,368	1,238,509
	11,915,374	9,449,029

(c) Foreign currency risk

The Group has currency exposures arising from loans and borrowings of Indonesian , Indian and Sri Lankan entities denominated in a currency other than the functional currency the Indonesian Rupiah (IDR), Indian Rupees (INR) and Sri Lanka (Rs.) The foreign currency in which theses loans and borrowings are denominated is United States Dollar (USD).

A significant portion of our raw material purchases in the edible oils and fats business segment (in Malaysia and India) is also denominated in USD, resulting in a currency exposure against the functional currencies of Malaysian Ringgit (MYR) and INR.

The Group currency exposures arising from sales and purchases as well as all other assets, liabilities and operational expenses is limited as these are primarily denominated in the respective functional currencies of Group entities,primarily IDR, Malaysian Ringgit (MYR) and Indian Rupees (INR).

The Group manages the impact of such exchange movements on its cash flows, by hedging its currency exposure through forward booking arrangements on a selective basis. The Group does not have any other foreign currency hedge arrangements as at reporting date.

Foreign exchange - Sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in Indonesia Rupiah exchange rate against the US Dollar, with all other variables held constant:

	Change in Indonesia Rupiah to US$ exchange rate	Effect to profit before tax US$'000
2015	+/- 5%	+/- 5,747
2014	+/- 5%	+/- 65

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

44 FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (Contd.)

(d) Interest rate risk

The Group's exposure to the risk of changes in the market interest rates relates to the Long term & short term debt. The Group had no substantial long-term interest-bearing assets as at 31st March, 2015. The investment in financial assets are mainly short-term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits or occasionally, in short-term commercial papers/deposits which yield better returns than cash at bank.

The Group manages it's interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes. The Group will pursue derivative mechanisms such as interest swaps, where necessary, to manage its interest risk arising from the group's sources of finance. The Group does not actively pursue derivative mechanisms at the moment. As at present the Group has benefited from the reduction of LIBOR over the recent past, on all US Dollar borrowings which are pegged to the LIBOR.

At the end of the reporting period the profile of the Group's interest-bearing financial instruments as reported to the Management of the Group was as follows:

Financial assets

As at 31st March	2015	2014
Short term deposits	3,987,923	12,905,445
	3,987,923	12,905,445
Financial liabilities		
Loans term borrowings	53,481,190	43,268,461
Debenture	4,929,564	3,093,774
Finance lease liabilities	326,166	96,981
Short term borrowings	15,483,742	17,202,878
Bank overdraft	1,759,579	925,777
	75,980,241	64,587,871

44 CAPITAL MANAGEMENT

Group consist of companies operating in different business sectors spanning across several geographical domains. Due to the different industry/market specific business sensitivities across industries, Group does not push down a "one size fits all" policy in capital management to its subsidiaries.

Individual companies, through their respective Boards of directors determine the capital structure best suited for their business needs subject to regulatory framework, cash-flow capacity potential, availability or otherwise of cheaper external funding, future expansion plans and share holder sentiments.

Whilst allowing the flexibility to determine the optimum capital structure for its subsidiaries, group monitors capital through the relevant ratios (i.e. gearing ratio, debt to equity ratio etc) which each sector has to present to their respective Boards and the Board of the parent company at each quarterly performance review. Further, each public quoted company of the group has to submit an internally verified solvency report to their respective Board on quarterly basis along with the submission of interim reports irrespective of whether a distribution is proposed or not.

a. Analysis of Group Changes in Net Debt

The group defines capital as the total equity of the group. The group's objective for managing capital is to deliver competitive, secure and sustainable returns to maximize long term shareholder value.

Net debt is current and non current finance debt less cash equivalents. The net debt ratio is the ratio of net debt to total equity. The net debt ratio enables investors to see how significant net debt is relative to equity from shareholders.

As at 31st March	2015	2014
Gross Debt	75,980,241	64,587,871
Cash and Cash Equivalents	(9,145,650)	(16,935,783)
Net Debt	66,834,591	47,652,088
Equity	63,177,331	66,468,508
Net Debt Ratio	106%	72%

b. Adjusted net gearing ratio

Adjusted net gearing ratio is adjusted net debt to equity, which equals adjusted net debt divided by total capital. The Group includes within adjusted net debt, net debt less liquid working capital. Liquid working capital includes inventories (excluding consumables) and trade receivables, less current liabilities (excluding loans and borrowings). Capital includes equity funds.

	Group	
As at 31st March	2015	2014
Shareholders' funds	63,177,331	66,468,508
Liquid working capital:		
Inventories (excluding consumables)	7,665,077	7,940,973
Trade and financial receivables	5,191,607	4,611,784
Less: Current liabilities (excluding loans and borrowings)	(13,590,878)	(16,526,064)
Total liquid working capital	(734,194)	(3,973,307)
Adjusted net debt	67,568,785	51,625,395
Adjusted net gearing ratio (%)	107%	78%

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

45 COMPANIES WITHIN THE GROUP WHICH ARE NOT AUDITED BY MESSRS KPMG

Goodhope Asia Holdings Ltd	Ernst & Young - Singapore
Agro Asia Pacific Limited	"
Indo - Malay PLC	Ernst & Young - Sri Lanka
Selinsing PLC	"
Good Hope PLC	"
Shalimar (Malay) PLC	"
Agro Harapan Lestari (Private) Limited	"
AHL Business Solutions (Private) Limited	"
Goodhope Investment Pvt Ltd	"
Shalimar Developments Sdn. Bhd.	Ernst & Young - Malaysia
Agro Harapan Lestari Sdn. Bhd.	"
PT Agro Indomas	Ernst & Young - Indonesia
PT Agro Bukit	"
PT Agro Harapan Lestari	"
PT Agro Asia Pacific	"
PT Karya Makmur Sejahtera	"
PT Nabire Baru	"
PT Agrajaya Baktitama	"
PT Rim Capital	"
PT Agro Wana Lestari	"
PT Batu Mas Sejahtera	"
PT Sawit Makmur Sejahtera	"
PT Sumber Hasil Prima	"
PT Sinar Sawit Andalan	"
PT Sariwana Adi Perkasa	"
Premium Nutrients Pvt Ltd	Ernst & Young - Singapore
Premium Oils & Fats Sdn Bhd	Ernst & Young - Malaysia
Premium Vegetable Oils Sdn Bhd	"
Premium Fats Sdn Bhd	"
Arani Agro Oil Industries Privet Ltd	S.R.B.C & Co. LLP

46 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for as at the date of the reporting period but not recognised in the financial statements are as follows:

	Group	
As at 31st March	2015	2014
Oil Palm plantation and Oil and Fats		
Approved and contracted for	827,251	3,415,975
	827,251	3,415,975
Leisure		
Approved and contracted for	31,406	-
	31,406	-
Real Estate		
Approved and contracted for	17,011	-
	17,011	-
Total capital commitments	875,668	3,415,975

b. Finance commitment :

Document credits effected for foreign CAPEX purchases of the LBC PLC as at 31st March 2015 amounted to Rs.285.30 Mn. (2014 - Rs.378.37Mn)

c. Commitments for purchase contracts

The Group has the following committed purchases contracts entered into for the use of the Group. The contractual or underlying amounts of the committed contracts with fixed pricing terms outstanding as at period end are as follows:

	Group	
As at 31st March	2015	2014
Committed contracts		
Purchases	2,247,775	2,602,816
Sales	3,933,607	3,993,929
	6,181,382	6,596,744

d. Commitments for obligations under finance leases and hire purchases

The Group has commitments for obligations under finance leases and hire purchases as disclosed in Note 19 J.

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

46 COMMITMENTS (Contd.)

e. Contingent liabilities

Corporate guarantees

(i) The Indonesian plantation companies have provided a corporate guarantee to a bank for a Rs.980 Mn (2014 - 782 mn) loan taken under the Plasma programme.

The Goodhope Asia Holdings Ltd has provided the following guarantees at the end of the reporting period:

• GAHL has provided corporate guarantees to two banks for the financing facilities obtained by its subsidiaries, amounting to Rs 58,351 Mn or equivalent US$ 437,681,000.(2014 - Rs.48,211 Mn or equivalent US$ 368,953,000)

f Material litigation

(1) On 7 August 2014, PT Agro Bukit ("PTAB") South Kalimantan was served with a Letter of Claim from the solicitors acting for PT Hutan Rinang Banua ("PT HRB"), a Sinar Mar Group company which was incorporated and domiciled in Indonesia, engaging in the forestry business filed, in relation to the dispute on land use out of the extent of 19,010 Ha of PTAB's forestry area, whereby PT HRB is seeking a total claim of Rs 20.54Bn or equivalent to US$154.1 Mn consisting of the following:

(i) reputational loss of Rs.11.46 Bn or equivalent to US$86 Mn;

(ii) opportunity cost of Rs.7.99Bn or equivalent to US$60 Mn;

(iii) losses caused due to land clearing by PTAB of Rs.999.9 Mn or equivalent to US$7.5 Mn; and

(iv) expenses incurred by PT HRB to obtain concession ownership and production preparation of the work area of Rs.79.99Mn or equivalent to US$0.6 Mn.

PT HRB did not submit a detailed basis for the calculation of the aforesaid claims to the District Court of Batulicin where the case was heard. In addition, PT HRB made a request to the District Court to attach the movable and immovable properties of PTAB South Kalimantan and its registered office premises in Jakarta as security in order to ensure that PTAB will meet its legal obligations towards PT HRB's claim.

Out of the overlapping area of 8,745 Ha, an approximate area of 3,293 Ha has been developed by PTAB (2,767 Ha as own and 526 Ha as Plasma) whilst the balance 5,452 Ha is not to be used for planting. PTAB continues to be in possession of the planted land including the disputed area until the same is settled.

PTAB has obtained all required licenses and permits to clear and cultivate its land from the relevant Government Authorities and await the issue of HGU (land title) for this land.

The value represented in the balance sheet of PTAB in respect of the biological assets and immovable property, plant and property in relation to the area thus far developed amounted to Rs.2.45 Bn or equivalent to US$18.4 Mn as at 31 March 2015. Further, the value of Plasma areas in respect of corporate guarantees that have been given to external bank financiers for loans taken for Plasma development amounted to Rs.466.6Mn or equivalent to US$3.5 Mn as at 31 March 2015.

The judgment of the District Court was delivered on the 5 February 2015 in favour of PTAB rejecting all claims described above made by PT HRB. PT HRB filed a Notice of Appeal on 16 February 2015 and subsequently on 21 April 2015, PTAB through its solicitors was served with a Memorandum of Appeal filed by PT HRB from the District Court.

PTAB filed its Response on the 5 May 2015. Unless there is new evidence to be presented, no further court hearings are generally held at the Appeal stage. Order is expected to be delivered within an approximate period of 12 to 18 months from the date of Response filed.

(2) In 2008 the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Ceylon Beverage Holdings PLC and its Directors for the recovery of Rs.48,121,634/29 comprising of Rs.23,062,080/43 being the amount of Excise (Special Provision) Duty (the 'duty') purportedly in arrears during the period 1998/IVq to 2001/IIIq and Rs.25,059,553/86 as its penalty. The Ceylon Beverage Holdings PLC and the Directors filed an application for Writ in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued by the Director General of Customs and Excise Duty and obtained a Stay Order in respect of the proceedings of the Fort MC Case. A sum of Rs.23,062,080/43 being the duty amount in dispute was paid to Sri Lanka Customs by the Ceylon Beverage Holdings PLC as required before submitting its appeal. Subsequently the CA Application was dismissed and the Ceylon Beverage Holdings PLC appealed against the Order to the Supreme Court and was granted Special Leave to Appeal by the Court. The Court also ordered the staying of all further proceedings in the MC Case until final hearing and determination of the Appeal. No provision has been made for the payment of penalty amounting to Rs.25,059,553/86, pending the Judgment from the Supreme Court in the said Leave to Appeal matter. Currently this matter is in the Arguments stage.

(3) The Customs Department instituted a prosecution in the Magistrate's Court of Kaduwela in Case No. 11303/Customs against the Lion Brewery (Ceylon) PLC and its directors to recover Excise Duty amounting to Rs.58,753,582/94 comprising of the disputed Excise Duty of Rs.29,376,791/47 and its penalty of Rs.29,376,791/47. The Lion Brewery (Ceylon) PLC and the directors have filed an application for Writ in the Court of Appeal to quash the Certificate Excise Duty in Default issued by the DG of Customs and Excise Duty to recover the said sum and obtained a Stay Order in respect of the proceedings of the MC Kaduwela Case. The Court of Appeal made an order against the Lion Brewery refusing the writ of certiorari prayed for and Lion Brewery (Ceylon) PLC has now preferred an appeal against the said order to the Supreme Court .Matter is currently at the stage of arguments stage.

(4) A case has been filed against the Pegasus Hotels of Ceylon PLC by an individual in the District Court of Negombo seeking a declaratory title from court stating that he is co-owner of 127.5 perches of the land that belonged to Pegasus Hotels of Ceylon PLC. The outcome of the matter is still pending. However, the Pegasus Hotels of Ceylon PLC is confident that it can establish title to the said land. In any case, the claimed land extent falls within the 1,251 perches of land acquired by the government for the fisheries harbour project.

(5) An assessment has been received for Rs.74,676,206/- from the Department of Inland Revenue to Millers Brewery Limited for income tax for the financial year 2011/12. As this pertains to the period when Millers Brewery was owned by Cargills Ltd, a bank guarantee has been provided by the previous owner Cargill's to absolve the company from any tax loss.

g The government in its interim Budget 2015 passed by the Parliament of Sri Lanka on 07th February 2015 proposed that a one off 25% Super Gain Tax (SGT) be imposed on companies based on either profits of (a) the company or (b) at the consolidated level if in a Group, if the profit before income tax is in excess of Rs.2,000 Mn as per the Audited Financial Statements in the Financial Year 2013/14. The Bill in respect of the above budget proposal was issued on 30th March 2015. The consolidated profit before tax of Bukit Darah PLC exceeds this threshold.

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs. '000)

46 COMMITMENTS (Contd.)

Accordingly, the Company & all its subsidiaries operating in Sri Lanka will become liable for SGT based on the taxable income of each company for the year of assessment 2013/14. SGT is to be paid in three instalments commencing from 15th May 2015 as per the bill. The probable impact of SGT on the companies in each sector has not been estimated, since as of the date of authorizing the Financial Statements by the Board of Directors, this bill has not been passed in the Parliament. In the event the Bill is enacted as law in the future, the companies which have a taxable income for the year of assessment 2013/14 will become liable to pay the SGT and those companies will effect relevant detail disclosure accordingly.

h An order has been made for the enforcement of an ex-parte judgment (in default of appearance) issued against the company's subsidiary Carson Cumberbatch PLC (CCPLC) by an overseas Court for a sum of Sterling Pounds 271,323.38 plus costs, in an action filed by a former consultant of the CCPLC. CCPLC has appealed against the said order and has also filed an appeal in the Provincial High Court of Civil Appeals, Colombo against an order issued by the District Court of Colombo in a separate case filed by CCLC challenging the enforceability of the said overseas judgment.

There were no contingent liabilities other than those disclosed above as at the reporting date.

47 RE CLASSIFICATION OF COMPARATIVE FIGURES

	Group For the year ended 31st March 2014		
	As previously Reported	Current Presentation	Impact
Non Current Assets			
Other financial receivables	-	109,906	109,906
Other non financial receivables	-	1,279,048	1,279,048
Trade and Other receivables	1,082,218	-	(1,082,218)
	1,082,218	1,388,954	306,736
Current Assets			
Trade receivables	-	4,197,522	4,197,522
Other financial receivables	-	414,262	414,262
Other non financial receivables	-	4,924,501	4,924,501
Trade and Other receivables	9,848,477	-	(9,848,477)
Financial Assets held for trading	1,233,053	1,238,509	5,456
	11,081,530	10,774,794	(306,736)
Current Liabilities			
Trade and Other payables	16,398,025	-	(16,398,025)
Trade payables	-	4,818,257	4,818,257
Other financial payables	-	11,579,768	11,579,768
	16,398,025	16,398,025	-
	28,561,773	28,561,773	-

48 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There were no circumstances have arisen subsequent to the Balance Sheet date which require adjustments to or disclosures in the financial statements.

49 RELATED PARTY DISCLOSURES

Bukit Darah PLC carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24"Related Party Disclosures",the details of which are given below.

	Group		Company	
For the year ended / as at 31st March	2015	2014	2015	2014
Transaction with Subsidiaries				
Dividend Income	-	-	478,186	389,814
Amounts paid for services obtain (Note i)	-	-	12,600	12,540
(i) Amounts paid for services obtain from				
Carsons Management Services (Private) Limited				
Support service fees	-	-	12,000	12,000
Secretarial fees paid	-	_	360	300
Computer Fees paid	-	_	240	240
	-	-	12,600	12,540
Transaction with Joint Venture				
Secretariat fees received	240	180	-	-

Transaction with Other related entities

(i) Company subsidiary Carson Cumberbatch PLC acquired 599,573 ordinary shares of its subsidiary Lion Brewery (Ceylon) PLC (LBCPLC) on 17th December 2014 and disposed 299,686 ordinary shares out of this purchase to Carlsberg Brewery Malaysia Berhad whom in turn is a substantial shareholder in LBCPLC, on 26th December 2014.

NOTES TO THE FINANCIAL STATEMENTS | CONTD;

(Amounts expressed in Sri Lankan Rs.'000)

49 RELATED PARTY DISCLOSURES (Contd.)

(ii) Lion Brewery (Ceylon) PLC (LBCPLC) purchases a part of its requirement of the raw material (rice) from Ran Sahal (Private) Limited. The entire production of Ran Sahal (Private) Limited is exclusively sold to the LBCPLC. Towards this the LBCPLC advances funds to Ran Sahal (Private) Limited from time to time against of future purchases. During the period the LBCPLC purchased rice for an amount of Rs.316,976,685/- (2014 - Rs.131,435,540/-). As at the reporting date an amount of Rs.100,588,460/- (2014 - Rs.70,087,738/-) has been advanced to Ran sahal (Private) Limited which remains to be settled from future purchases.

Carson Cumberbatch PLC has provided letters of comfort to the following subsidiary confirming its intention to continue to provide financial and other support and meet liabilities to enable the subsidiary to continue as a going concern for audit purposes.

a. Carsons Management Services (Private) Limited

Transaction with Key Management Personnel (KMP)
According to LKAS 24 "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company/Group (including Executive and Non Executive Directors) and their immediate family members have been classified as KMP of the Company/Group.

Compensation paid to the key Management Personnel of the Company and the Group comprise as follows:

	Group		Company	
For the year ended / as at 31st March	2015	2014	2015	2014
Short term employee benefits	1,224,924	954,695	1,170	930
Post employment benefits	2,769	2,715	-	-
Termination benefits	3,262	-	-	-
Non-cash benefits	412	234	-	-
	1,231,367	957,644	1,170	930

50 EXCHANGE RATE

The exchange rates applicable during the period were as follows:

	Balance Sheet Closing rate		Income Statement Average Rate	
For the year ended / as at 31st March	2015	2014	2015	2014
Malaysian Ringgit	35.99	40.07	39.22	40.58
US Dollar	133.32	130.67	131.20	130.11
Indonesian Rupiah (Rp)	0.0102	0.0115	0.0109	0.0119
Indian Rupee (INR)	2.12	2.18	2.14	2.16

51 BOARD OF DIRECTORS RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of Directors is responsible for the preparation and presentation of the financial statements in accordance with Sri Lanka Accounting Standards.

GROUP REAL ESTATE PORTFOLIO

The values of land & buildings owned and leased by companies within the Group and which have been revalued by valuers are indicated below together with the last date of valuation:

As at 31st March 2015			Land & Building		
Company	Location	Extent (Hectares)	Market Value Rs.'000	Book Value Rs.'000	Date of last Valuation
Equity One PLC.	Colombo 7	0.238	787,828	787,828	31-Mar-15
Equity One PLC	Colombo 2	0.524	652,287	652,287	31-Mar-15
Equity Two PLC	Colombo 1	0.072	371,827	371,827	31-Mar-15
Equity Two PLC	Colombo 1	0.146	635,962	635,962	31-Mar-15
Equity Three (Private) Limited	Colombo 13	0.208	284,393	284,393	31-Mar-15
		1.188	2,732,297	2,732,297	
PT Agro Indomas * ** ***	Indonesia	26,861	6,592,576	3,699,597	31-Mar-15
PT Agro bukit * ** ***	Indonesia	24,931	5,822,191	5,801,085	31-Mar-15
PT Karya Makmur Sejahtera* ** ***	Indonesia	10,163	1,238,372	1,034,918	31-Mar-15
PT Agro wana lastari* ** ***	Indonesia	14,952	2,521,185	3,070,188	31-Mar-15
PT Agro jaya Baktitama* ** ***	Indonesia	8,775	913,410	736,801	31-Mar-15
PT Rim* ** ***	Indonesia	3,934	531,400	485,817	31-Mar-15
PT Nabire baru* ** ***	Indonesia	13,600	3,047,362	2,676,371	31-Mar-15
PT Batu Mas Sejahtera* ** ***	Indonesia	10,335	805,453	353,423	31-Mar-15
PT Sawith Makmur Sejahtera* ** ***	Indonesia	11,063	783,340	359,955	31-Mar-15
PT Sumber Hasil Prima* ** ***	Indonesia	13,999	1,039,788	690,096	31-Mar-15
PT Sinar Sawit Andalan * ** ***	Indonesia	9,828	608,624	447,333	31-Mar-15
PT Sariwana Adi Perkasa * ** ***	Indonesia	7160	967,868	348,864	31-Mar-15
		155,601	24,871,569	19,704,448	
Good Hope PLC****	Malaysia	311	1,257,539	1,257,539	31-Mar-13
Selinsing PLC****	Malaysia	488	1,524,682	1,524,682	31-Mar-13
Shalimar (Malay) PLC****	Malaysia	304	1,345,875	1,345,875	31-Mar-13
Indo-Malay PLC****	Malaysia	284	1,295,738	1,295,738	31-Mar-13
		1,387	5,423,834	5,423,834	
Premium Vegetable Oil Sdn. Bhd.	Malaysia	4.836	1,339,076	1,339,076	31-Aug-11
Premium Fats Sdn. Bhd.	Malaysia	0.024	37,257	37,257	31-Aug-11
Arani Agro Oil Industries Limited	India	0.931	340,732	340,732	24-Sep-11
		5.791	1,717,065	1,717,065	
Ceylon Brewery PLC	Nuwara-Eliya	1.540	123,805	123,805	31-Mar-11
Lion Brewery (Ceylon) PLC	Biyagama	12.747	3,588,974	3,588,974	31-Mar-11
Millers Brewery PLC	Padukka	9.697	778,516	778,516	31-Mar-14
		23.984	4,491,295	4,491,295	
Pegasus Hotels of Ceylon Ltd.	Wattala	5.450	988,517	988,517	31-Mar-12
Equity Hotels Ltd. **	Giritale	6.034	15,059	15,059	31-Mar-12
		11.484	1,003,576	1,003,576	
Total value		157,030	40,239,635	35,072,515	

There has been no permanent reduction in the value of land & buildings which may require provision.
* These valuations have not been incorporated in the books of account.
** Leasehold property.
*** These values Includes the Valuation of Land & Buildings.
**** The freehold land of four Malaysian plantation companies were revalued on 31st March 2013 based on existing use basis, by an independent value Enclk W.M. Malik, a member of the Institute of Surveyors, Malaysia, a partner with W.M. malik & Kamaruzaman. These Companies have obtained a confirmation of the value of freehold land as at 31st March 2015 from the same value, and the carrying value approximates its fair value.

FINANCIAL HIGHLIGHTS-USD

(Amounts expressed in US Dollars)

For the year ended 31st March	2015	2014
Statement of Income		
Group revenue	677,847,744	588,292,889
Segment results	101,105,755	99,087,804
Profit before taxation	64,701,364	85,568,909
Profit after taxation	44,853,049	60,514,186
EBITDA	108,217,192	123,402,035
Profit attributable to ordinary shareholders	16,436,006	25,171,138
Cash earning per share	0.42	1.21
Earnings per share	0.16	0.24
Dividend per share	0.02	0.02
Dividend payout (%)	73	93
Statement of Cash flow		
Operating cash flow	42,656,587	103,763,851
Capital Expenditure	168,481,052	136,711,275
Statement of Financial Position		
Shareholders' funds	210,858,753	231,716,423
Net assets	473,877,370	508,674,585
Net assets per ordinary share	2.06	2.27
Total assets	1,233,166,807	1,209,039,376
Net debt	501,309,562	364,675,046
Market / Shareholder Information		
Market value per share	5.09	4.52
Enterprise value	1,283,050,051	1,102,886,747
Market capitalization (Company)	518,721,872	461,253,539
Revenue to Government	150,202,468	129,081,074
Group value addition	286,884,083	270,418,488
Group employment	15,954	15,580

US $ Financials

The Financial Statements of the Group are reported in Sri Lankan Rupees. The translation of the Sri Lankan Rupees amounts into US Dollars is included solely for the convenience of Shareholders, Investors, Bankers and other users of Financial Statements. US Dollar Financials do not form part of the Audited Financial Statements of the Company.

STATEMENT OF INCOME-USD

	Group	
For the year ended 31st March	2015	2014
Revenue	677,847,744	588,292,889
Direct operating expenses	(478,360,564)	(403,502,782)
	199,487,180	184,790,107
Other items of income		
Change in fair value of investment properties	2,025,579	608,785
Change in fair value of Biological Assets	(798,026)	24,456,983
Gain / (Loss) on fair value financial assets held for trading	1,498,239	54,262
Other income	5,047,317	3,739,313
	-	-
Other items of expenses	-	-
Distribution expenses	(44,514,710)	(39,105,342)
Administrative expenses	(52,910,747)	(49,332,987)
Other operating expenses	(1,980,785)	(1,057,551)
Impairment of business assets	(2,930,724)	-
Expenses relating to new investments	(2,590,015)	-
Foreign exchange gain /(losses)	(18,755,099)	(22,641,573)
Profit from operations	83,578,209	101,511,996
Net finance cost	(18,873,331)	(15,936,638)
Share of net result of Joint Venture	(3,514)	(6,448)
Profit before Income tax expenses	64,701,364	85,568,909
Income tax expenses		
Current taxation	(15,120,008)	(15,840,696)
Deferred taxation	(4,728,308)	(9,214,027)
	(19,848,316)	(25,054,723)
Profit for the year	44,853,049	60,514,186
Profit attributable to		
Owners of the Company	16,436,006	25,171,138
Non controlling interest	28,417,043	35,343,048
	44,853,049	60,514,186
Exchange Rate	131.20	130.11

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION-USD

(Amounts expressed in US Dollars)

	Group	
As at 31st March	2015	2014
ASSETS		
Non - Current Assets		
Property, Plant & Equipments	436,532,073	419,064,085
Biological Assets	352,793,962	358,285,016
Prepaid lease payment for Land	33,504,875	31,338,532
Investment properties	17,671,355	16,022,423
Intangible assets	52,438,629	24,000,750
Investments in Joint ventures	194,367	197,390
Available-for-sale financial assets	68,204,365	62,834,010
Deferred tax assets	20,677,228	13,299,066
Other financial receivables	919,179	841,096
Other non financial receivables	21,315,917	9,788,383
Total non - current assets	1,004,251,950	935,670,752
Current Assets		
Inventories	57,493,827	60,771,202
Trade receivables	33,693,362	32,123,073
Other financial receivables	5,247,585	3,170,292
Other non financial receivables	38,079,365	37,686,546
Assets held for sales	3,689,581	-
Current tax recoverable	624,122	435,647
Financial assets held for trading	21,169,877	9,478,144
Derivative financial instrument	317,902	96,441
Cash and cash equivalents	68,599,235	129,607,278
Total current assets	228,914,857	273,368,624
Total assets	1,233,166,807	1,209,039,376

	Group	
As at 31st March	2015	2014
EQUITY AND LIABILITIES		
EQUITY		
Stated capital	3,780,498	3,780,498
Capital reserves	16,518,077	16,751,649
Revenue reserves	190,560,178	211,184,276
Equity attributable to owners of the company	210,858,753	231,716,423
Non -controlling interest	263,018,617	276,958,162
Total equity	473,877,369	508,674,585
Investment through subsidiary	(80,168)	(81,794)
	473,797,201	508,592,791
LIABILITIES		
Non - Current Liabilities		
Loans and borrowings	349,035,748	274,997,397
Debenture	34,485,449	21,418,841
Other financial payables	418,677	386,409
Other non financial liabilities	9,413,134	7,943,958
Deferred tax liabilities	77,687,219	71,362,141
Total non - current liabilities	471,040,226	376,108,746
Current Liabilities		
Trade payables	35,728,015	36,873,475
Other financial payables	64,201,898	88,618,413
Current tax liabilities	2,011,866	975,373
Derivative financial instrument	-	4,492
Loans and borrowings	183,897,625	195,608,689
Debenture	2,489,976	2,257,396
Total current liabilities	288,329,380	324,337,839
Total liabilities	759,369,606	700,446,585
Total equity and liabilities	1,233,166,807	1,209,039,376
Exchange Rate	133.32	130.67

This information does not constitute a full set of Financial Statements in compliance with LKAS.

GLOSSARY

ACTUARIAL GAINS AND LOSSES
Gain or loss arising from the difference between estimates and actual experience in a company's pension plan.

AVAILABLE FOR SALE FINANCIAL ASSETS
Non derivative financial asset that are designated as available for sale or any other instruments that are not classified as loans and receivable, held to maturity investment or financial assets at fair value through profit and loss.

ASSETS HELD FOR SALE
The carrying amount of the asset value which will be recovered through a sale transaction rather than through continuing use.

AWDR
The Average Weighted Deposit Rate is calculated by the Central Bank monthly and half yearly based on the weighted average of all outstanding interest bearing deposits of commercial banks and the corresponding interest rates.

AWPLR
The Average Weighted Prime Lending Rate is calculated by the Central Bank weekly, monthly and half yearly based on commercial bank's lending rates offered to their prime customers.

AMORTISATION
The systematic allocation of the depreciable amount of an intangible asset over its useful life.

BIOLOGICAL ASSET
A living plant or animal used in a business.

CAPITAL EXPENDITURE
The total of additions to property, plant & equipment, Biological assets, intangible assets, prepaid lease payments for lands and investment property.

CARRYING AMOUNT
The amount at which as asset is recognised in the statement of Financial Position.

CREDIT RISK
Risk that the counterparty to a transaction fails to meet its contractual obligations in accordance to the agreed terms and conditions.

CASH & CASH EQUIVALENTS
Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant can't risk of changes in value.

CONTINGENT LIABILITIES
A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

CURRENT RATIO
Current Assets over Current Liabilities. A measure of liquidity.

CAPITAL EMPLOYED
Shareholders' funds plus non-controlling interests and long term and short term borrowings.

CURRENCY SWAP
An agreement between two parties to exchange two currencies at a certain exchange rate at a certain time in the future.

CURRENT SERVICE COST
Is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

DEBENTURE
A long-term debt instrument issued by a corporate.

DERIVATIVES
Financial contracts whose values are derived from the values of underlying assets.

DIVIDENDS
Distribution of profits to ordinary shareholders of equity investments.

DIVIDEND COVER
Profit after tax divided by gross dividends. This ratio measures the number of times dividend is covered by the current year's distributable profits.

DIVIDEND YIELD
Dividend earned per share as a percentage of its market value.

DIVIDENDS PER SHARE (DPS)
Dividends paid and proposed, divided by the number of issued shares, which ranked for those dividends.

DEBT/EQUITY RATIO
Debt as a percentage of Shareholders Funds.

DIVIDEND PAYOUT RATIO
Total Dividend interest and Tax as percentage of Capital Employed.

EBIT
Earnings before Interest and tax expenses.

EBITDA
Earnings before interest, tax, depreciation and amortization.

EFFECTIVE RATE OF INTEREST
Total long-term and short-term interest divided by average long-term and short-term liabilities at the beginning and end of the year.

EFFECTIVE TAX RATE
Income tax expense divided by profit before tax.

EMISSIONS
The release of greenhouse gases and/or their precursors into the atmosphere over a specified area and period of time.

EQUITY INSTRUMENTS
A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ENTERPRISE VALUE (EV)
The total sum value of market capitalization, equity attributable to non-controlling shareholders and net debt.

EARNINGS PER SHARE (EPS)
Profit attributable to ordinary shareholders, divided by the number of ordinary shares in issue.

FAIR VALUE
Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

FAIR VALUE THROUGH PROFIT AND LOSS
A financial asset/liability acquired/incurred principally for the purpose of selling or repurchasing it in the near term.

FORWARD EXCHANGE CONTRACT
Agreement between two parties to exchange one currency for another at a future date at a rate agreed upon today.

FINANCIAL ASSET
Any asset that is cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity.

FINANCIAL INSTRUMENT
Any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity.

FINANCIAL LIABILITY
Any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

FINANCE LEASE
A contract whereby a lessor conveys to the lessee the right to use an asset for rent over an agreed period of time which is sufficient to amortise the capital outlay of the lessor. The lessor retains ownership of the asset but transfers substantially all the risks and rewards of ownership to the lessee.

GROSS DIVIDENDS
The portion of profit inclusive of tax withheld distributed to shareholders.

GROUP
A group is a parent and all its subsidiaries, associates and joint ventures.

GAIN ON BARGAIN PURCHASE
The amount of the identifiable assets acquired and liabilities assumed exceeds the aggregate consideration transferred.

GEARING
Proportion of total interest bearing borrowings to capital employed.

GOODWILL ON CONSOLIDATION
The excess of the cost of acquisition over the fair value of the share of net assets acquired when purchasing an interest in a company.

GUARANTEES
A contractual obligation made by a third party (Guarantor), who is not a party to a contract between two others, that the guarantor will be liable if the guarantee fails to fulfil the contractual obligations under that said contract.

HELD-TO-MATURITY
A financial asset with fixed and determinable payments and fixed maturity, other than loan and receivables, for which there is a positive intention and ability to hold to maturity.

IMPAIRMENT
This occurs when recoverable amount of an asset is less than its carrying amount.

INTEREST COVER
Profit before tax and net finance cost divided by net finance cost. Measure of an entity's debt service ability.

GLOSSARY | CONTD;

INTEREST RATE SWAP
An arrangement whereby two parties swap interest rate commitments with each other to reduce interest rate risks on fixed or floating rate loans.

INTERNAL RATE OF RETURN (IRR)
Rate of return used in capital budgeting to measure and compare the profitability of investments.

INTANGIBLE ASSET
An identifiable non-monetary asset without physical substance held for use in the production / supply of goods / services or for rental to others or for administrative purposes.

KEY MANAGEMENT PERSONNEL
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

LIBOR
The London Inter-Bank Offer Rate is an interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market.

LIQUIDITY RISK
The risk of an entity having constrains to settle its financial liabilities.

LOANS AND RECEIVABLES
A financial asset with fixed and determinable payments that are not quoted in an active market and do not qualify as trading assets.

LIQUID ASSETS
Assets that are held in cash or in a form that can be converted to cash readily, such as deposits with other banks, bills of exchange and treasury bills.

MARKET CAPITALISATION
Number of Shares in issue at the end of the period multiplied by the Market price at end of period

MARKET RISK
Possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices.

NON-CONTROLLING INTEREST
Equity in subsidiary not attributable, directly or indirectly, to a parent.

NET ASSET VALUE PER SHARE
Shareholders' funds divided by the number of ordinary shares in issue.

OTHER COMPREHENSIVE INCOME
An entry that is generally found in the shareholders' equity section of the balance sheet.

PRICE EARNINGS RATIO (P/E RATIO)
Market price of an ordinary share divided by earnings per share (EPS).

PRICE TO BOOK VALUE RATIO (PBV)
Market price per share divided by net assets per share.

PUBLIC HOLDING
Percentage of shares held by the public calculated as per the Colombo Stock Exchange Listing Rules as at the date of the Report.

QUICK ASSET RATIO
Total current assets less inventories divided by total current liabilities.

RELATED PARTIES
A person or entity that is related to the entity that is preparing its Financial Statements.

RETURN ON AVERAGE ASSETS (ROA)
Net income expressed as a percentage of average total assets, used along with ROE, as a measure of profit and as a basis of intra-industry performance comparison.

RETIREMENT BENEFITS
Present value of a defined benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

RETURN ON EQUITY
Profit attributable to equity holders of the company divided by average equity less non-controlling interest at the beginning and end of the year.

RETURN ON CAPITAL EMPLOYED
Earnings before interest and tax as percentage of Capital Employed.

RELATED PARTIES
Parties where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

REVALUATION SURPLUS
Surplus amount due to revaluing assets in accordance with its fair value.

SHAREHOLDERS' FUNDS
Shareholders' funds consist of stated capital plus capital and revenue reserves.

SEGMENTS
Constituent business units grouped in terms of similarity of operations and location.

TOTAL VALUE ADDED
The difference between revenue (including other income) and expenses, cost of materials and services purchased from external sources.

TOTAL ASSETS
Fixed Assets plus Investments plus Non-Current Assets plus Current Assets.

VALUE ADDED
Value added is the wealth created by providing products and services less the cost of providing such services. The value added is allocated among the employees, the providers of capital, to government by way of taxes and retained for expansion and growth.

WEIGHTED AVERAGE COST OF CAPITAL (WACC)
The rate that a company is expected to pay on average to all its equity and debt holders.

WORKING CAPITAL
Capital required to finance day- to-day operations, computed as the excess of current assets over current liabilities.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Ninety Ninth Annual General Meeting of Bukit Darah PLC will be held on Friday, the 14th day of August 2015 at 11.00 a.m. at the Taj Samudra Hotel, 'Crystal Room', Upper Floor, No.25, Galle Face Center Road, Colombo 3, Sri Lanka for the following purposes:

1. To receive and adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2015 together with the report of the Independent Auditors thereon.
2. To re-elect Mr. M. Selvanathan who retires by rotation in terms of Articles 82 and 83 of the Articles of Association of the Company.
3. To re-elect Mr. S. K. Shah as a Director in terms of Article 89 of the Articles of Association of the Company.
4. To re-appoint Mr. I. Paulraj as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 7of 2007 shall not be applicable to Mr. I. Paulraj who is 78 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."
5. To re-appoint Mr. L. R. De Lanerolle as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 7 of 2007 shall not be applicable to Mr. L. R. De Lanerolle who is 72 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."
6. To re-appoint Messrs KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154(1) of the Companies Act No. 07 of 2007 and to authorize the Directors to determine their remuneration.

By Order of the Board

(Sgd.)
K. D. De Silva (Mrs.)
Director
CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED
Secretaries

Colombo
13th July 2015

Notes:

1. A member is entitled to appoint a proxy to attend and vote instead of him/herself. A proxy need not be a member of the Company. A Form of Proxy accompanies this Notice.
2. The completed Form of Proxy must be deposited at the Registered Office, No.61, Janadhipathi Mawatha, Colombo 1, Sri Lanka not later than 11.00 a.m on 12th August 2015.
3. A person representing a Corporation is required to carry a certified copy of the resolution authorizing him/her to act as the representative of the Corporation. A representative need not be a member.
4. The transfer books of the Company will remain open.
5. Security Check -
   We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance lobby.

NOTES

FORM OF PROXY

*I/We ....

....of

.... being *a Shareholder/Shareholders of BUKIT DARAH PLC hereby appoint

....of

....

bearing NIC No./ Passport No .... or failing him/her*

Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Israel Paulraj	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Palehenalage Chandana Priyankara Tissera	or failing him,
Leslie Ralph De Lanerolle	or failing him,
Suresh Kumar Shah	

as *my/our proxy to attend at the 99th Annual General Meeting of the Company to be held on the 14th day of August 2015 at 11.00 a.m at the Taj Samudra Hotel, 'Crystal Room', Upper Floor, No.25, Galle Face Center Road, Colombo 3, Sri Lanka and any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2015, together with the Report of the Independent Auditors thereon.		
2. To re-elect Mr. M. Selvanathan who retires by rotation in terms of Articles 82 and 83 of the Articles of Association of the Company.		
3. To re-elect Mr. S. K. Shah as a Director in terms of Article 89 of the Articles of Association of the Company.		
4. To re-appoint Mr. I. Paulraj who is over Seventy years of age as a Director of the Company.		
5. To re-appoint Mr. L. R. De Lanerolle who is over Seventy years of age as a Director of the Company.		
6. To re-appoint Messrs KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act. No. 07 of 2007 and to authorize the Directors to determine their remuneration.		

Signed this ....day of .... Two Thousand and Fifteen.

....

Signature /s

Note:

(a) *Please delete the inappropriate words.

(b) A shareholder entitled to attend and vote at a General Meeting of the company, is entitled to appoint a proxy to attend and vote instead of him/ her and the proxy need not be a shareholder of the company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.

(c) A shareholder is not entitled to appoint more than one proxy to attend on the same occasion.

(d) Instructions are noted on the reverse hereof.

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy after filling in legibly your full name and address, by signing in the space provided. Please fill in the date of signature.

2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.

3. In terms of Article 67 of the Articles of Association of the Company:

   The instrument appointing a proxy shall be in writing and:

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

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

   A proxy need not be a member of the company.

4. In terms of Article 62 of the Articles of Association of the Company:

   In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by attorney or by representative, shall be accepted to the exclusion of the votes of the other joint-holders and for this purpose seniority shall be determined by the order in which the names stands in the Register of members in respect of the joint holding.

5. To be valid the completed form of proxy should be deposited at the Registered Office of the Company situated at No. 61, Janadhipathi Mawatha, Colombo 1 not later than 11.00 a.m. on 12th August 2015.

Please fill in the following details

Name : ....

Address : ....

....

....

Jointly with
Share folio no. : ....

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