Confident

BUKIT DARAH PLC

Annual Report 2015/16

Contents

www.carsoncumberbatch.com

Confident

While 2015 was notable for a business environment of volatility, Bukit Darah PLC remained confident of its investments' strength, endurance and capability to grow and expand their many business interests across the globe.

- 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

LION BREWERY (CEYLON) PLC ALSO PRODUCES THE INTERNATIONALLY RENOWNED GLOBAL BRAND "CARLSBERG"

Ceylon Beverage Holdings PLC has also invested in a chain of pubs ("Machan" & "O!") and retail outlets

With roots going back to over 100 years in the brewing industry of Sri Lanka, 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 Power Strong", "Grand Blonde", "Sando Dark" and "Sando Stout". The Beverage Sector 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 PLC 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.

Sector Overview

PEGASUS REEF HOTEL, WHICH ENTERED THE HOSPITALITY INDUSTRY OF SRI LANKA DURING THE EARLY 1970'S AS ONE OF THE FIRST PREMIER STAR CLASS RESORT ESTABLISHMENTS IN THE COUNTRY

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 Leisure sector constitutes of two hotel properties; The Pegasus Reef Hotel and Giritale Hotel, where the latter is fully owned by the former. The Pegasus Reef Hotel, which entered the hospitality industry of Sri Lanka during the early 1970's as one of the first premier star class resort establishments in the country, is a cosy tropical getaway, located in Hendala, Wattala, overlooking the breath taking 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 its efforts to provide a unique guest experience and elevate the overall standards of the hotel, Pegasus Reef launched an exclusive sea food restaurant, named 'The Fishery' 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 wildlife sanctuary, and is a well sought after eco-tourist destination.

Sector Overview

WE ENTERED INDONESIA IN 1996 AND SINCE THEN WE HAVE GROWN TO A TOTAL EXTENT OF OVER 70,000 HECTARES PLANTED...

Our plantations are developed adopting stringent sustainable development criterion, Goodhope is a member of the RSPO

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 70,000 hectares planted in Indonesia and with a total land bank of over 145,000 hectares.

During FY 15/16 our plantations yielded more than 1 million MT's of FFB (Fresh Fruit Bunches) and over 240,000 MT of CPO (Crude Palm Oil).

Goodhope Asia Holdings Ltd was incorporated in Singapore in 2008 as the holding company consolidating all investments by the 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.

Sector Overview

OUR DOWNSTREAM OPERATION SUPPLIES SPECIALTY FATS TO THE CONFECTIONERY, ICE CREAM AND BAKERY BUSINESSES, WITH THE MALAYSIAN PLANT EXPORTING SPECIALTY FATS…

Our customers range from multi nationals to regional and national players within these industries commanding significant market shares in their respective businesses

Group subsidiary Goodhope Asia Holdings 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 operation supplies specialty fats to the confectionery, ice cream and bakery businesses, 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 GUARDIAN GROUP, SERVES AS AN INVESTMENT HOUSE WHICH OFFERS INVESTORS VARIETY IN TERMS OF EXPOSURE TO ASSET CLASSES BASED ON THEIR PREFERENCE AND RISK APPETITE.

As at 31st March 2016, the total Assets under Management of the Guardian Group amounted to Rs. 28.9 Bn...

The Portfolio & Asset Management segment is primarily focused 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, 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 2016, the total Assets under Management of the Guardian Group amounted to Rs. 28.9 Bn, of which, the discretionary portion of Guardian's proprietary portfolio was valued at Rs.12.3 Bn and external client portfolios together with Unit Trust's stood at a cumulative Rs. 9.5 Bn.

Sector Overview

THE SECTOR OWNS AND MANAGES A TOTAL BUILT UP AREA OF APPROXIMATELY 193,000 SQ. FT. SPREAD ACROSS A LAND BANK OF 2.94 ACRES, ALL POSITIONED IN THE PRIME AREAS OF COLOMBO

The total property portfolio of the sector was valued at Rs. 3.2 Bn as at 31st March 2016

The Real Estate business, 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 193,000 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 warehouse complex at Vauxhall Lane is also situated in an area which would be earmarked for development, eventually. Due to many landmark projects envisaged to come up in the city some of which have already broken ground, there is an apprehension that there could be an oversupply of space in time to come.

The total property portfolio of the sector was valued at Rs. 3.2 Bn as at 31st March 2016. 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/as at 31st March	2016	2015	% Change
Statement of Income			
Group revenue	85,570,280	88,546,659	(3)
Segment results	9,399,773	13,446,974	(30)
Profit before taxation	6,963,299	8,282,042	(16)
Profit after taxation from continuing operations	4,421,881	5,732,620	(23)
EBITDA	13,269,514	16,483,039	(19)
Profit attributable to ordinary shareholders	1,455,420	2,156,404	(33)
Cash earning per share (Rs)	123.58	47.61	160
Earnings per share (Rs.)	13.84	20.71	(33)
Dividend per share (Rs)	3	3	-
Dividend payout (%)	259	73	254
Statement of Cash flow			
Operating cash flow	12,605,257	4,856,514	160
Capital Expenditure	9,844,501	22,104,716	(55)
Statement of Financial Position			
Shareholders' funds	30,004,221	28,111,689	7
Net assets	68,056,861	63,177,331	8
Net assets per ordinary share (Rs.)	293.76	275.21	7
Return on ordinary shareholders' funds (%)	4.85	7.66	(37)
Total assets	177,270,200	164,405,799	8
Net debt	68,131,397	66,834,591	2
Market / Shareholder Information			
Market value per share (Rs)	350	678	(48)
Enterprise value (Rs.Mn)	141,884	171,056	(17)
Market capitalization (Company) (Rs.Mn)	35,700	69,156	(48)
Revenue to Government of Sri Lanka	20,700,276	19,791,874	5
Group value addition	40,789,336	37,581,602	9
Group employment (Nos.)	15,136	15,954	(5)

Chairman's Statement

> Considering the prevailing uncertain global macroeconomic landscape, volatilities in currency and commodity prices could continue to have an impact on the downstream and upstream oil palm sectors.

OVERVIEW

Driven by challenges at macro level, group performance for the year concluded was down in comparison to that of the corresponding financial year. Whilst volatilities in currency and commodities persisted, earnings for the period were also affected by weak equity market conditions and increases in excise duty pertaining to the beverage business.

PERFORMANCE

Consolidated Revenue, at Rs. 85.6 Bn for the twelve months ended 31st March 2016, declined by 3.4% against the previous year. In comparison, Net Profit fell by 18.2% year-on-year. The impact on Turnover was artificially contained to an extent by the increase in excise duty by the government during the year which pushed up the top line but had equal negative effect on the bottom line as indicated above.

Triggered by more optimistic expectations for CPO prices, the change in fair value of biological assets stood at a positive Rs. 677.5 Mn for the financial year under review in contrast to the loss of Rs. 108.9 Mn reported in FY 14/15. However it is pertinent to note that the inclusion of fair value of biological assets is a requirement of the International Accounting Standards and it is a non-cash adjustment. Similarly, the gain or loss arising from foreign exchange movements is also non-cash in nature. Stemming from a weaker Rupiah and Indian Rupee, the year concluded posted a foreign exchange loss of Rs. 251.4 Mn, which however is an improvement compared to the loss of Rs. 2.5 Bn registered during the previous twelve months.

At Company level, Revenue reported for the period under consideration marked a decrease of 60.6% from a year ago, led by a reduction in intra-group dividend received. Accordingly, Company level earnings for the year reduced to Rs. 162.6 Mn from Rs. 462.4 Mn recorded in the preceding twelve months.

Bukit Darah PLC is the holding company of a portfolio of diverse businesses held through investment vehicles: Carson Cumberbatch PLC and Goodhope Asia Holdings Ltd.

PORTFOLIO & ASSET MANAGEMENT

Comprising of sector holding company Ceylon Guardian Investment Trust PLC and its subsidiaries - The Guardian group managed a total Asset portfolio of Rs. 28.9 Bn as at 31st March 2016, inclusive of private equity investments, Unit Trust Operations and client funds. The actively managed discretionary portfolio, which yielded a negative return of 6.39% over the year, yet outperformed both the ASPI and S&P SL 20 indices by 4.58% and 10.44% respectively.

In reflection of the sluggish market conditions, sector earnings for the period under review was at Rs. 550.0 Mn, depicting a year-on-year decrease of 70.4% against the same for FY 14/15.

BEVERAGE

From a sector perspective, the Beverage business was the largest contributor to Group Revenue and Earnings reported for the year ended 31st March 2016. However, brewery volumes were affected by two unfair excise duty increments on beer announced in October/ November 2015, making beer more expensive than hard liquor. Further, the company's manufacturing plant located in Biyagama, Sri Lanka, was severely affected by floods as a result of the incessant rains experienced in the country during April/May 2016. The damage caused was substantial, to the extent that production is currently on halt, compelling the management to seek for alternative solutions to address the demand.

Performance of other businesses under the sector, which includes; Exports, the Pub Chain and Luxury Brands, were also impacted similarly by the excise duty increase during the year. In addition to the above the recent floods also affected the

Chairman's Statement

performance of these divisions which would manifest quantitatively in the ongoing financial year financials.

Accordingly, the sector reported a Revenue of Rs. 36.9 Bn for the twelve months in consideration, which is an increase of 13.8% against the preceding financial year. Sector Net Profit stood at Rs. 2.1 Bn for the year concluded, up by 71.4% against FY 14/15.

LEISURE

Performance of the leisure segment was commendable during the period under review, resulting from improved operational indicators at Pegasus Reef and Giritale, the two hotels under sector purview.

Stemming from higher occupancy and banquet Income, sector Revenue stood at Rs. 583.0 Mn for the year ended 31st March 2016 recording year-on-year growth of 14.3%. At Rs. 107.1 Mn, overall Net Profit for the twelve months in consideration reflected growth of 27.4% against the previous financial year.

Considering the industry's growth potential the opportunities available to capitalize on will be considerable in time to come. In light of such prospects, the management of the Pegasus Reef hotel has decided to refurbish the hotel in the forthcoming financial year. Plans are also being perused to upgrade the facilities at the Giritale hotel.

REAL ESTATE

Engaged in the business of renting commercial office space, the sector as a whole reported an increase in occupancy during the period under review compared to the corresponding twelve months. This, along with rent revisions led to a 10.8% year-on-year increase in Revenue reported by the sector, which stood at Rs. 214.7 Mn as at year end.

OIL PALM PLANTATIONS

The Oil Palm Plantations business suffered twin blows during the year, as both CPO prices and FFB yields realized remained below expected levels. Commensurate with the subdued global commodity markets, international CPO prices traded at below average levels for most part of the year. Further, as the year progressed, Indonesia, where over 90% of the group's plantations are located was severely affected by El-nino weather conditions. At national level, the resultant negative impact on the country's crop output was significant. Amidst such challenges, the sector recorded a Net Profit of Rs. 2.3 Bn on Revenue of Rs. 19.1 Bn for the year under review. Compared to the corresponding twelve months, Net Earnings fell by 25.1% triggered by a revenue drop of 21.2% year-on-year.

With over 15,000 hectares to reach maturity in the upcoming 3 years, prospects for the plantation business appear optimistic in spite of adversities faced in the short term.

OILS & FATS

Whilst operations of the Oils & Fats division in Malaysia largely remained on track, the business in India continued to be pressured by intense competition and was a significant drag on overall sector performance. Considering the persistent adversities faced and the resultant impact it has had on consolidated Oils & Fats earnings, the management and board of directors of the sector has arrived at the decision to scale down operations in India with the possibility of eventual closure in time to come. In addition to the situation in India, fluctuations in currency exchange rates, volatile feedstock prices and weaker demand for palm based products also posed significant challenges to the sector during the year.

Revenue

36.8Bn

Beverage Sector

The Beverage business was the largest contributor to Group Revenue and Earnings reported for the year ended 31st March 2016.

In spite of the difficulties encountered, construction of the state of the art research and development facility in Johor Baru, Malaysia was successfully completed during the year. The project was one of the many initiatives introduced by the management to remain competitive in an industry that is continuously evolving.

The Oils & Fats segment is currently operating independently to the upstream plantations business. Thus, inputs for the sector are sourced separately.

For the year concluded, the sector reported a Net Loss of Rs. 867.3 Mn, on Revenue of Rs. 27.7 Bn.

OUTLOOK

Considering the prevailing uncertain global macroeconomic landscape, volatilities in currency and commodity prices could continue to have an impact on the downstream and upstream oil palm sectors.

Performance of the beverage business, going forward, will be largely dependent on the regulatory policies in existence at the time.

Where the investment sector is concerned, prospects in the medium term appear to be encouraging, provided that the proposed economic developments are implemented, leading to greater investor confidence and growth momentum.

As such, whilst remaining cautious of the challenges in store, we are closely monitoring any opportunities to realise gains.

My colleagues on the board and I, would like to take this opportunity to extend our sincere appreciation to the group's staff, numbering over 15,100, and all our business associates for their valuable contribution during the year. I would like to extend a warm welcome to Mr. M. Dayananda who joined the Board w.e.f 15th August 2015.

Whilst thanking all my colleagues on the Board, I appreciate the support given by the Audit Committee, Remuneration Committee, Nomination Committee and Related Party Transaction Review Committee. Finally, I thank our shareholders for the continued confidence placed in us.

(Sgd.)
Hari Selvanathan
Chairman

24th June 2016

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* • 96.22%

Indo-Malay PLC
• 1906* • 90.78%

Good Hope PLC
• 1910* • 94.52%

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%

PT Agro Bina Lestari
• 2006* • 95%

PT Agro Surya Mandiri
• 2006* • 95%

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

BEVERAGE

Ceylon Beverage Holdings PLC
• 1910* • 75.37%

Lion Brewery (Ceylon) PLC
• 1996* • 60.76%

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%

LEISURE

Pegasus Hotels of Ceylon PLC
• 1966* • 89.98%

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* • 85.09%

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

Cayman Islands

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. L.R. De Lanerolle
Mr. S. K. Shah
Mr. M. Dayananda*

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

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

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

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE
(Formed w.e.f 1st January 2016)
Mr.L.R. De Lanerolle (Chairman) - Non-Executive/Independent Director
Mr.M. Dayananda - Non- Executive/Independent Director
Mr. D. C.R. Gunawardena - Non-Executive Director
Mr. H. Selvanathan - Executive Director
Mr. M. Selvanathan - Executive 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

* Appointed w.e.f. 15th August 2015

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

Sector Review

BEVERAGE SECTOR

Operating in an industry that is already heavily regulated, the Group's Beverage business - comprising of Ceylon Beverage Holdings PLC and its subsidiaries –faced a multitude of challenges during the year.

Firstly, Excise duty on Beer was increased on two occasions within a narrow time frame. The first was in October 2015 where the tax was increased by 27% on mild beer and by 32% on strong beer. Soon after, in November 2015, taxes on strong beer were raised by a further 29%. This time, a marginal reduction in the tax on mild beer was announced, only to be retracted within a few days. Thus, within a period of two months, excise duty on strong beer increased by a staggering 70%, collectively. Meanwhile, excise duty on spirits, which carry a higher content of alcohol per millilitre relative to Beer, went up only by a mere 25% during this period.

Post these increases, industry volumes fell immediately, by nearly 40% and is yet to recover. Based on available evidence, the volume lost by the beer industry has gone primarily to the toddy sector. The arrack sector has also gained, but marginally.

Towards end May 2016, at the time of drafting this review, the Kaduwela – Biyagama area where the brewery is located was inundated by torrential rains that lasted for nearly two weeks, causing heavy floods in the area. And for the first time in its history, the brewery premises were affected, causing considerable damage to utilities, electrical panels & electronics at the ground floor level. The exact value of the damage is currently being ascertained, but the management is confident that the insurance cover in place should cover resulting losses to the business. Currently, efforts are underway to re-commence production as swiftly as possible whilst catering to market demand with the least possible interruption.

In spite of the setbacks faced the overall spirit of the management and employees remained undeterred and the sector companies moved forward with business as usual.

During the year, Lion Brewery Ceylon PLC reintroduced four brands inherited as part the company's acquisition of Millers Brewery. The brands are; Sando Power Strong, Sando Power Stout, Three Coins Lager and Grand Blonde.

The new bottling and canning plants of the brewery were fully integrated into the operation during the year under review, completing a major upgrade and expansion program. With plenty of capacity now in hand – in part, attributable to the drop in volume due to the excise tax increases – the brewery no longer operate 3 shifts in packaging. In the coming years, the focus is on gradually increasing capacities on a need basis within the processing, utilities and other support sections until they match those of the brew house and packaging lines. Such capacity enhancements are less capital intensive and as such, cash outflows in the future on account of plant and machinery are likely to reduce in comparison to the previous years.

The Beverage segment recorded strong growth during the first half of the year under review, until the excise duty revisions came through. Accordingly, for the twelve months ended 31st March 2016 the sector recorded a Net Profit of Rs. 2.1 Bn on Revenue of Rs. 36.9 Bn, compared to Net earnings of Rs. 1.2 Bn on turnover of Rs. 32.4 Bn during FY 14/15. At 13.8%, the year-on-year increase in sector Revenue is largely stemming from price revisions fuelled by the aforementioned excise duty hikes. As explained above, this also resulted in a year-on-year decline in overall local sales volumes realised by the sector for the year.

With the sector, being the third largest taxpayer in the country, collectively, it is noteworthy to mention the segment's tax contribution for the year. In the form of Excise and import the Duty only, sector remitted Rs. 20.2 Bn in total to the state. Compared to the previous year, this is an increase of Rs. 3.9 Bn. At sector level, corporate taxes for the year amounted to Rs. 928 million, based on the discriminatory 40% rate applicable to the alcohol industry.

Notwithstanding the heavy outlays incurred towards expansions and the Millers Brewery acquisition, the sector balance sheet remained strong, with Total Assets of Rs. 29.9 Bn against Net borrowings of Rs. 9.6 Bn as at 31st March 2016.

In reflection of the company's credit worthiness, Lion Brewery Ceylon PLC was assigned a AA- (lk) rating by Fitch during the course of the year under review.

Awards & Recognition

Despite the restrictions placed on advertising and marketing, over the years, the 'Lion' brand has grown from strength to strength, carving for itself an indelible position in the local arena. Reinforcing this fact, Lion was once again ranked amongst the 10 most valuable brands in Sri Lanka during the year, moving up 3 places to secure the 6th position.

The year under review also saw Carlsberg Sri Lanka being adjudged the winner of the 'Indo-Lanka customer engagement award' for its new packaging launch.

Sector Review

Export Business
In comparison to the twelve months ended 31st March 2015 turnover of the export business of current period registered a 5% decline, driven by a change in the business model deployed in the US market coupled with generally tough conditions across the western world. However, volumes exported to the sectors' largest overseas market -the Maldives- grew by an impressive 21% during the year. 'Lion' is now the overall market leader in Maldives, with a strong presence in the country's draught beer segment.

During the year, the company (Lion Brewery Ceylon PLC) also successfully ventured into a contract brewing agreement with Scottish brand, "Hudgen", a 5% abv brew. The brand showed promising growth during the year, contributing to nearly 40% of the period's export volumes.

Luxury Brands
Sector subsidiary Luxury Brands (Pvt) Ltd is the sole authorized importer & distributor of the reputed "Diageo" and "Moet Hennessey" brands in Sri Lanka. Headquartered in London, Diageo is the world's largest premium Alcobev business, with a portfolio of iconic brands such as; Johnny Walker, J&B, Smirnoff, Tanqueray, Ciroc, Bailey's & Guinness. Moet Hennessey is part of the French luxury goods business, LVMH. The alcobev brands in this portfolio include Hennessey, Glenmorangie, Moet-Chandon & Dom Perignon.

As is the case with beer, the distribution and sale of spirits is also highly regulated in Sri Lanka, where marketing activities are completely prohibited. Despite such constraints, the Luxury Brands segment recorded a number of noteworthy achievements during the year. Sri Lanka was recognized as the fastest growing market for Diageo in South Asia for the year 2015. The company (Ceylon Beverage Holdings) was also nominated for the Diageo Sell Out stars awards for brilliant execution and also was adjudged a winner at the Indo-Lanka customer engagement awards for the brand, Smirnoff.

The portfolio recorded its highest ever sales in the month of December 2015 which incidentally was also the highest ever sale in a single month recorded by an imported spirits company in Sri Lanka.

Overall, the Luxury brands business recorded a 14% increase in Profits Year-on-Year, contributing positively towards Beverage sector earnings.

Pubs "N" Places
With a total of 35 pubs operating under the brand names "Machan", "8.8%" and "O!", the Carson Cumberbatch PLC's beverage group now operates the largest pubs chain in the country.

During the year under review, the "Machan" chain revamped its menu to include dishes easy to prepare and suited to the local taste palette, along with take away and delivery options in selected outlets.This resulted in higher revenues from food and increased patronage into outlets. Several innovations were also implemented such as the king sized 500ml mug for beer, which was well received by consumers.

A new beer garden concept branded "Chillax" was introduced during the year with the first outlet opened in Beruwela to cater to the tourist market.

Outlook
As stated previously, the main focus in the months ahead will be to re-commence production operations at the brewery as early as possible, while maintaining supply to cater to demand. Where the business environment is concerned, going forward, it will no doubt be challenging, especially in the wake of volatile policy decisions.

Nonetheless, the FMCG sector has seen reasonable volume growth, which is a good sign, since it's a strong barometer of disposable income in the hands of consumers. The envisaged growth in tourism will also be beneficial for the Beverage sector. But the outlook will be largely dependent on the regulatory directions imposed on the industry.

PORTFOLIO & ASSET MANAGEMENT SECTOR

The twelve months concluded proved to be a period of volatility for global and domestic equities alike, as investor confidence was drained by a mix of domestic and international events driving markets into bearish territory.

Triggered by factors such as the slow-down in China's economy, collapse in oil prices and the increase in the US Feds policy rate, the growth story of emerging economies came into question during the year, which resulted in a sell off across emerging markets. In recent months however, with the recovery of oil prices, global markets settled to a greater extent, with emerging economies seeing a significant net inflow. Initially, Sri Lanka too witnessed significant foreign outflows, which stabilised as the year progressed. But the country did not benefit from the renewed interest in emerging markets, mainly due to the domestic macroeconomic concerns that came into spotlight, such as; upward pressure on interest rates, high debt commitments and rupee depreciation. As such, the sentiment surrounding the Colombo Stock Exchange (CSE) was rather weak during the year, heightened by low activity.

Equity markets underwent a correction for the financial year ending March 2016 with the All share Price Index (ASPI) falling by 10.97% year-on-year and the S&P SL20 declining by 16.82%.The first half of the year was dominated by an overall sense of uncertainty that prevailed in anticipation of general elections to be held in August 2015. As at year end, overall Market capitalisation of the CSE stood at Rs. 2.58 trillion compared with Rs. 2.89 trillion a year ago.

With the markets in decline, sector holding company – Ceylon Guardian Investment Trust PLC- used it as an opportunity to increase its equity exposures. Accordingly, the Guardian group were net buyers in the Colombo Stock Exchange with net purchases amounting to Rs. 0.9 Bn for the period in review.

The weak state of markets in 2015/16, reflected in the groups' performance for the year as well, where the actively managed discretionary portfolio, valued at Rs. 12.6 Bn (Including Dividends distributed) as at 31st March 2016, declined by 6.39% year-on-year. However, when compared with the ASPI performance for the same period, the discretionary portfolio return was in excess of 4.58% whilst against the S&P SL20, the portfolio outperformed by 10.44%.

Including the strategic assets, the total value of the portfolio held under Ceylon Guardian (excluding client portfolios and Unit Trust funds) amounted to Rs.19.7 Bn (including Dividends distributed) as at 31st March 2016. This is a decline of 28.94% year-on-year, mainly driven by the dip in value of strategic assets, which stood at Rs.7.9 Bn as at year end.

Overall, the Portfolio & Asset Management segment reported a Net Profit of Rs. 550.0 Mn, on Revenue of Rs. 1.1 Bn for the twelve months under consideration. In comparison, sector Earnings and Turnover for the financial year ended 31st March 2015 stood at Rs. 1.9 Bn and Rs. 2.0 Bn respectively. The contraction in Top line Year-on-Year resulted from the lack of market opportunities to realise gains. Profitability was further affected by a loss recorded on assets held as 'Fair Value through Profit & Loss', triggered by the decline in market.

Private Equity

The portfolio value in Guardian Capital Partners PLC (GCP), the Private Equity investment arm of the Guardian Group stood at Rs. 221 Mn as at year end, invested in equities of five companies, where the largest holding is LVL Energy Fund Limited, followed by Expolanka Holdings and Access Engineering. The company (Guardian Capital Partners) made a Rs. 10 Mn investment in Kashmi Singapore Pte Ltd during past twelve months.

During the year, Guardian Capital Partners entered into a joint venture with US based impact investing group, "Small Enterprise Assistance Funds (SEAF)" , marking the group's foray into a larger scale private equity operation. With over twenty years of expertise in managing and transforming companies via private equity, SEAF has invested more than USD 387 Mn to date in more than 400 projects via 35 funds spread across 25 countries. The first initiative with SEAF would be to launch a Sri Lanka focused Private Equity fund, with a broad mandate to invest across the private equity space, subject to GCP obtaining all necessary regulatory approvals in Sri Lanka and shareholder approvals where necessary.

Unit Trusts

Guardian Acuity Asset Management (GAAM) is the mutual fund arm of the Ceylon Guardian, comprising of three funds on offer, invested in equity, money market fixed income and money market gilt edged instruments respectively. The financial year 2015/16 was a challenging year for the mutual fund industry both in local and global markets due to weakening of macroeconomic conditions and investor confidence across the world.

Despite the AUM of the overall industry shrinking, total assets managed by GAAM grew by 109% to Rs 5.6 Bn in FY 2015/16, with the largest contributor to the total AUM, the money market fund – standing at Rs 4.4 Bn as at year end.

All funds delivered above benchmark returns in the FY 2015/16 by continuing impressive "since inception return". The Equity Fund recorded 11.0% annualised return by outperforming the benchmark return by 8.4% whilst other two money market funds, namely GAMMF and GAMMGF, recorded 9.2% and 6.3% annualised return since inception, above the benchmark set.

Client Portfolios

The value of total client Assets under management stood at. Rs. 3.88 Bn as at 31st March 2016, where during the year, all client portfolios generated returns above the stipulated benchmarks.

Outlook

Looking ahead, the fragile recovery in advanced economies is expected to continue with emerging market economies to experience very divergent prospects. With the domestic economy envisaged to demonstrate more stability in the coming years led by fiscal

Sector Review

consolidation and a better balance of payment position, investor confidence is likely to strengthen. Accordingly, an increased appetite for risky assets can result in a recovery in the All Share Price Index from recent market corrections.

With the implementation of proposed developments, the management expects a higher growth momentum for the economy in the medium term, which would most likely flow through into capital markets. Uncertainty still prevails with the timing of global recovery and may result in mixed movements of foreign interest in the Colombo Stock Exchange.

From an operations perspective, going forward, the Guardian group will focus on actively generating Private Equity business for the new venture and extending sales reach via diverse channels for the Unit Trust sector.

LEISURE SECTOR

Comprising of the two hotel properties - Pegasus Reef and Giritale– the group's leisure sector performance for the year concluded was above all expectations.

Aided by the growth in Tourist Arrivals and the initiatives undertaken by the management to strengthen occupancy in consideration of the intense competition, both properties witnessed an improvement in occupancy for the year. Occupancy at Pegasus Reef Hotel stood at 59% for the year concluded, against an average of 47% recorded in the previous financial year, whilst the same for Giritale Hotel increased to 64% from the 57% registered in FY 14/15.

During the year, the Pegasus Reef Hotel successfully launched its new sea food restaurant, named "The Fishery". Construction of the restaurant was completed at a total investment of Rs. 45 Mn, funded entirely via cash generated from operations.

For the upcoming financial year, the hotel has planned for a comprehensive set of refurbishments, including; upgrade of rooms, kitchen area and the banquet office. The project will be mainly financed from accumulated operational cash flows. Of the 140 rooms in the hotel, 81 rooms will be refurbished initially, at an estimated cost of Rs. 200 Million. Where the banquet office renovation is concerned, it will certainly be of value to the hotel's growing MICE business. The investment to refurbish the kitchen area, which has not been upgraded since the post Tsunami refurbishment, has been budgeted at Rs. 15 Million. The period scheduled for refurbishment is May to November 2016, during which time the bulk of the rooms will not be operational. The Banquet Halls however, will be in operation throughout the year.

The sector reported Revenue of Rs. 583.0 Mn in revenue for the twelve months ended 31st March 2016, marking a year-on-year increase of 14.2%. The increase was mainly driven by growth in occupancy, and higher income from Food & Beverages stemming from banquet functions. Largely fuelled by the topline expansion, overall earnings of the sector witnessed a growth of 27.9% year-on-year, to Rs. 107.1 Mn for the year under review.

Outlook

In light of the impressive growth in Tourist arrivals coupled with the country's development potential, the future of Sri Lanka's Leisure industry appears to be inundated with bountiful opportunities, though fundamental challenges exist, in the form of lack of adequate tourism infrastructure and, the absence of a clear strategy at policy making level. Accordingly, given the planned refurbishments, the two hotels of the sector are well positioned to gain from any upside from Tourism of future.

REAL ESTATE SECTOR

The Real Estate business comprising of Equity One PLC and its subsidiaries consists of a portfolio of commercial properties spread across over two acres of land in the heart of Colombo.

For the year under review, the sector, as a whole, reported average occupancy of 90%, on total rentable area of approximately 193,000 sqft. Compared to the preceding twelve months, the increase in occupancy was at 3%.

With Janadhipathi Mawatha now open to the public, the two properties located in this area held by subsidiary company, Equity Two PLC, were set to avail of enhanced market opportunities. However, access to the buildings via this roadway is still restricted due to the guard fence built alongside the properties, to barricade entry either by vehicle or on foot.

The sector reported turnover of Rs. 214.7 Mn for the year concluded, which was an increase of 10.8% compared to the previous financial period fuelled mainly by growth in occupancy. In reflection of the current market values of the properties determined based on the valuation conducted early this year, the sector recorded a Fair value gain of Rs. 491.6 Mn for the period, against a gain of Rs. 265.8 Mn previously, providing a further boost to earnings. Accordingly, overall sector profitability for the period under review stood at Rs. 580.8 Mn, up by 59.1% year-on-year.

De-Listing of Equity One PLC

On 2nd November 2015 the Board of Directors of sector holding company, Equity One PLC, announced its decision to de-list the shares of the company from the official list of the Colombo Stock Exchange (CSE) subject to shareholder and regulatory approval, further to the minimum public float rules stipulated by the Securities & Exchange Commission (SEC) of Sri Lanka.

Accordingly, the special resolution to de-list the shares of Equity One PLC from the official list of the Colombo Stock Exchange was passed at the Extraordinary General Meeting of the Company held on the 30th of November 2015, with more than seventy five percent of the shareholders present at the meeting voting in favour of the said resolution. Upon obtaining shareholder approval, an application was made to the Securities & Exchange Commission of Sri Lanka on the 11th of December 2015 for approval of the same which is pending as of 24th June 2016 and is well beyond the time frame set out.

The delay is in spite of representatives of the company, including the Chairman having met with the SEC and explaining the process followed by the company leading upto the shareholders meeting and having provided authorities with all required information in a timely manner.

Outlook

Considering the level of economic growth projected for Sri Lanka in the coming years, the country is likely to experience more business activity and a rise in per capita income, which in turn would increase the demand for higher quality properties amongst other things. With the need for more commercial property space, prospects for the sector appear bright.

OIL PALM PLANTATIONS

The twelve months ended 31st March 2016 was undoubtedly one of the toughest years faced by the Oil Palm Plantations segment considering the headwinds that came its way during this period, mostly at a macro level.

To begin with, global commodities have been on a downturn since of late along with the precipitous slump in Crude Petroleum Prices. Resonating with this trend, CPO prices have also been on the low end of the spectrum where prices touched a five year low over the last two years, mostly trading at levels below the average recorded in previous cycles. Prices per MT hovered in the range of RM 2,100 – RM 2,300 during the first half of the year and fell to a low of RM 1,900 during August/September 2015. The key factors that impacted the sluggish growth in market prices include; weaker demand for bio-diesel in the wake of cheap crude oil prices and increased production of other competing edible oils such as soybean, rapeseed, sunflower etc.

During the latter part of the year however prices witnessed an upward movement, triggered by constrained supply resulting from El-nino weather conditions. 2015/16 is the second consecutive financial year we experienced such weather in Indonesia, where a greater majority of our plantations are located. As a result, the country experienced extreme droughts which affected FFB yields negatively and led to a near 20% decline in crop output for the year.

The sector reported Revenue of Rs. 19.1 Bn for the period under review depicting a year-on-year decline of 21.2%. This was mainly brought about by the low CPO price regime that dominated the year coupled with sluggish growth in CPO volumes. The average CPO price pertaining to the sector was at USD 463 for the year, against Rs. USD 674 realized in the preceding twelve months.

The Indonesian Rupiah (IDR) continued to weaken against the USD in reflection of the country's fiscal situation albeit at a lower degree than previous year and closed at IDR 13,276 per USD for the year, marking a depreciation of 1.5% against the average rate held during the previous financial year. Accordingly, compared to the exchange valuation loss of Rs. 2.3 Bn recorded for the corresponding period, the year under review registered an exchange loss of only Rs. 71.3 Mn.

In contrast to the Rs. 104.7 Mn loss from change in fair value of Biological Assets, the sector recorded a gain of Rs. 679.0 Mn for the year under review, stemming from the view held by the valuers that the prevailing trend in CPO prices will continue over the medium to long term.

Impacted by the contraction in turnover, sector EBITDA for the period under review declined by 38% year-on-year to Rs. 6.9 Bn for the twelve months ended 31st March 2016 in spite of a relatively lower foreign exchange loss and a fair value gain from biological assets.

Net profit after tax stood at Rs. 2.3 Bn against Rs. 3.1 Bn recorded for the comparable period. The management did will to mitigate to an extent the impact of lower CPO prices and the reduced throughput via stringent cost management initiatives.

Outlook

Going forward, given that the impacts of the El-nino are likely to prevail over the next one to two years, crop production during this period will be negatively affected. The anticipated decline in overall crop due to this is at 20% to 25% approximately. Although this may lead to increased CPO prices, prices could possibly be weighed down by greater availability

Sector Review

of alternative edible oils. Further, the levy of 50 USD per MT on CPO exports imposed by the government of Indonesia to fund the bio diesel mandate may weigh down prices realized as it is factored into the price.

Therefore the overall negative impact on the sector's free cash flow generation ability over the next two to three years is considerable, given the funds required to service fixed commitments on loans and capital expenditure.

In light of this situation the sector holding company, Goodhope Asia Holdings, is currently in the process of negotiating re-structure of its long term financing and is working with financiers for further infusion. In the meantime, new land developments in the interim period have been curtailed whilst only undertaking critical non-discretionary capital expenditure.
To further facilitate this scenario, the sector management has carried out a series of initiatives to re-structure its operations and enhance operational viability as follows;

- Re-structure of support services across the segment within the regional management companies and aligning resource including staff with anticipated lower plantation development Hectarage, prolonged development time frame and the lower production volumes.
- Rationalizing operating costs by way of reducing expenses pertaining to management, administration and establishment

With such initiatives coupled with the continued focus on deriving operational efficiencies and gains, the management is confident of that they will be able to sustain operating costs at a competitive level over the short to medium term.

Discontinued Operations within the sector: Plantation operations in Malaysia
Pursuant to previous announcements made on the Colombo Stock Exchange, the four listed Malaysian Plantation Companies of the group (4MPC's), obtained approval from their shareholders for the sale of their respective plantation estates in Malaysia, taking into account the following imperative factors;

- The rapid infrastructure and commercial developments taking place near the location of the plantation have increased their commercial value over its value based on agricultural usage.
- Operational viability of the plantation given its relatively smaller size where economies of scale could be derived only by maintaining a threshold volume of acreage.
- Dependency on outside mills for processing the plantation's FFB (Fresh Fruit Bunches) produce, as a minimum of 2,500-3,000 hectares of plantations is required to economically operate a small palm oil mill.

For the 4 MPC's to sustain their profitability in future and achieve greater economies of scale expanding the existing land bank in their current location is the more prudent option. However, apart from the high cost of acquiring land in the region, other limitations in securing additional land in the vicinity of these estates makes this an unviable option.

With the proposed sale of the Malaysian plantations, the operations in Malaysia inrespect of Good Hope PLC and Selinsing PLC have been re-classified as "Discontinued Operations" in the financial statements in accordance with the requirements of the Sri Lanka Financial Reporting Standards (SLFRS) and hence the earnings from these operations have been shown separately as earnings from discontinued operations. Refer Note No: 8 in the Financial Statements for more details on this. These two subsidiaries have fulfilled the criteria to be classified as "Discontinued Operations" as at the reporting date.

Other two subsidiaries, Indo-Malay PLC and Shalimar (Malay) PLC, had not fulfilled the criterion to be classified as "Discontinued Operations" by the the reporting date and therefore have been disclosed under note 51 (d) in the financial statements.

OILS & FATS

Slower than anticipated recovery in key palm oil consuming countries resulted in limited growth in demand for palm based products during the year, leading to lower price levels. The sluggish growth environment witnessed in Middle East and CIS (Commonwealth of Independent States) countries, which are the key consuming markets for specialty fats (Lauric based) produced by the sector, resulted in greater price driven competition.

Malaysian Operations
The Oil & Fats divisions' Malaysian Operations continued to perform satisfactorily during the period under review, with the specialty fats business meeting its capacity for most part of the year, resulting in a 6% increase in the specialty fats volumes sold from the previous year.

Prices of Lauric Oil (Crude Palm kernel oil and Coconut oil), a feedstock variant used to manufacture specialty fats, moved up over the last few months, triggered by a contraction in supply of coconut oil. Accordingly, managing and maintaining specialty fats margins during this period was challenging, having to offer discounts to remain competitive while maintaining adequate working capital to facilitate operation of the plants at full capacity. The supply of such feedstock for the segment is currently sourced independently as the upstream and downstream segments within the group are not integrated. Therefore the downstream Oils & Fats division has to secure its own supply operating within its own supply chain.

Managing the impacts from currency fluctuations in the wake of rapid depreciation of the Malaysian Ringgitt (MR) during the year was another operational challenge faced by the sector as exports are contracted in foreign currency. The Malaysian Ringgit weakened by 5.4% against the USD during the year. The management has deployed a stringent currency risk management process linked to each individual contract in order to minimize such exposure.

During the year, construction of the state of the art research and development facility in Johor Baru, Malaysia was completed successfully and is now fully operational: many new products have been developed and commercialized during the period under review. The management was also successful in gaining entry to the more profitable Japanese market during the period with the supply of fats for its dairy industry. Through the facilities in the R&D center, the operational team is currently working on developing new products for Japanese and Korean markets.

Options for strategic alliances were also looked at during the year. As such, discussions are currently ongoing with potential partners to enhance and derive synergies that are essential to derive and retain a competitive edge within the specialty fats industry.

Scaling down of Indian Operations

The business and operating environment facing the Indian refinery remained challenging during the year. Given the relatively low volumes and the highly competitive playing field for sale of bulk refined oils, the overall profitability of this segment continued to be below expectations.

We have been at a disadvantageous position compared to the larger players operating in India, who are integrated with their upstream plantations and are thus better able to mitigate the fluctuations in feedstock prices. Therefore the financial performance of this division was significantly impacted from depreciating exchange rates as imports are contracted in USD, resulting in any increases in CPO price during the shipment period leaving a direct impact on the profitability as it cannot be passed on to the consumer.

Accordingly, the Indian operations posted an EBITDA loss of Rs. 125 Mn (USD 0.9 Mn) for the year under review, and a net loss of Rs. 732 Mn, (USD 3.4 Mn), compared to a net loss of Rs 755 Mn (USD 5.3 Mn) incurred during the previous year.

Taking the above factors into consideration, the board of directors has taken a decision to further scale down sector operations in India to minimize operating losses and with the possibility of eventual closure of the operations by disposing its assets. This option is currently being evaluated and a detailed action plan is to be drawn up accordingly.

The Oils & fats segment, inclusive of both Indian and Malaysian operations recorded an EBITDA of Rs. 778 Mn on revenue of Rs. 27.7 Bn for the year under review against EBITDA of Rs. 472 Mn on Revenue of Rs. 29.1 Bn registered during the comparable twelve months.

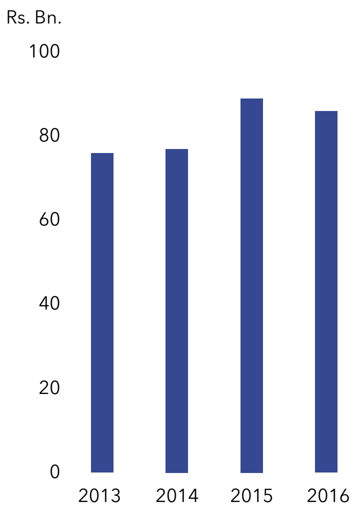
Overall Net loss reported for the period stood at Rs. 867.3 Mn compared to the loss of Rs. 619.1 Mn recorded in FY 14/15.

Carsons Management Services (Private) Limited

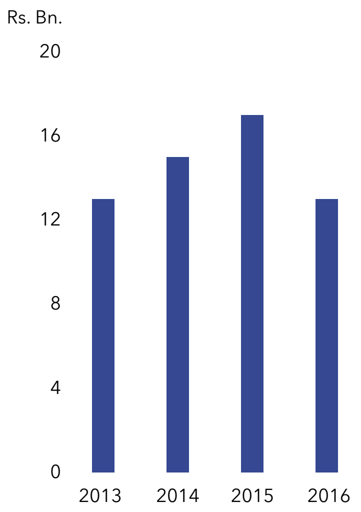
24th June 2016

Graphical Financial Review

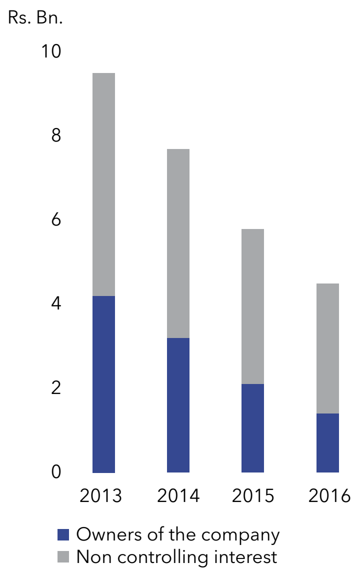
Revenue



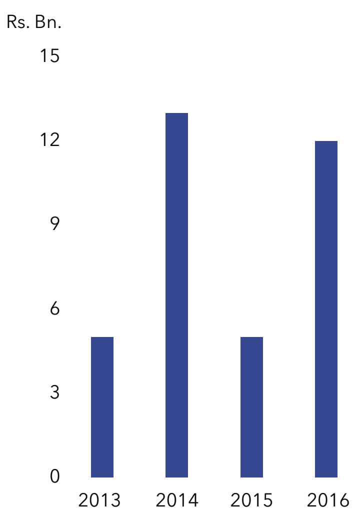
EBITDA



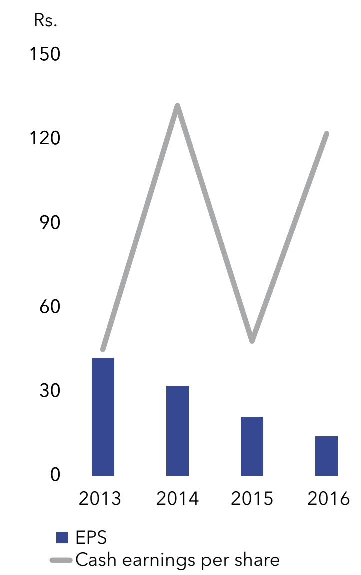
Net Profits Distribution



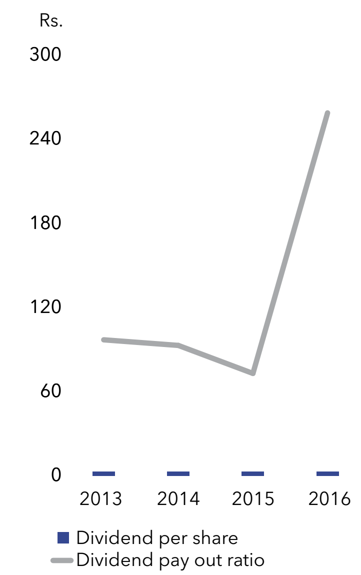
Operating Cash Flow



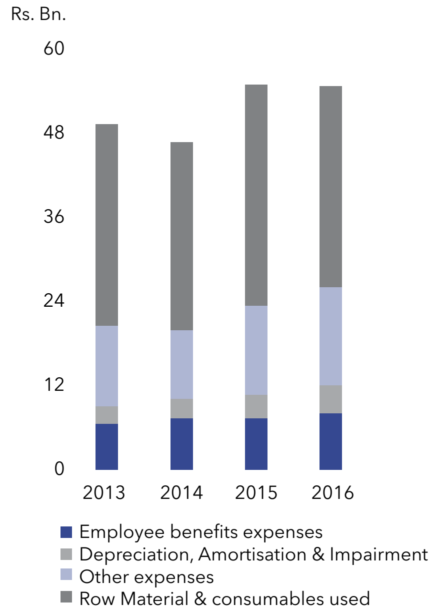
Earnings per share vs Cash earnings per share



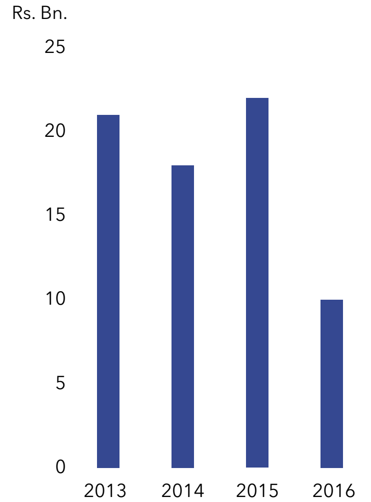
Dividend per share vs Dividend pay out ratio



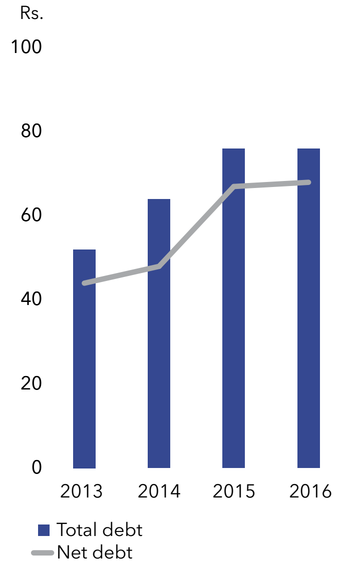
Analysis of Group operating expenses



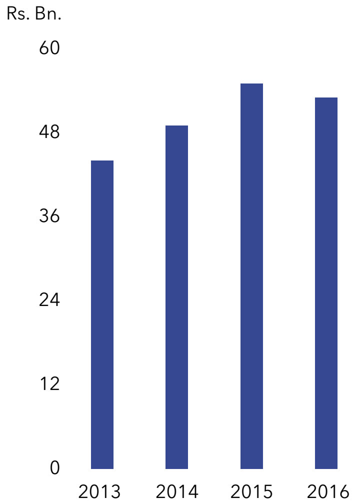
Capital Expenditure



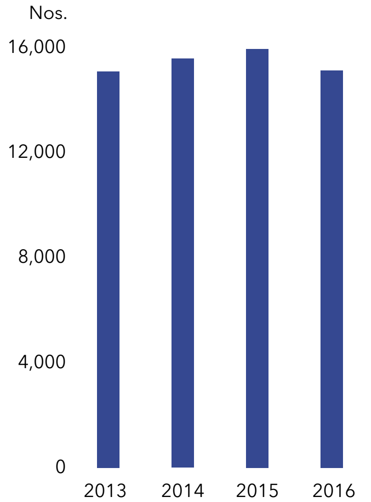
Total debt vs Net debt



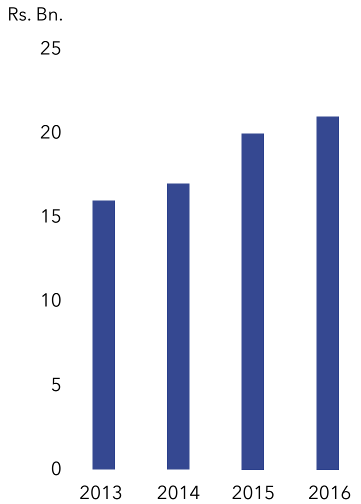
Gearing Ratio



Employees of the group



Taxes paid to the Government of Sri Lanka

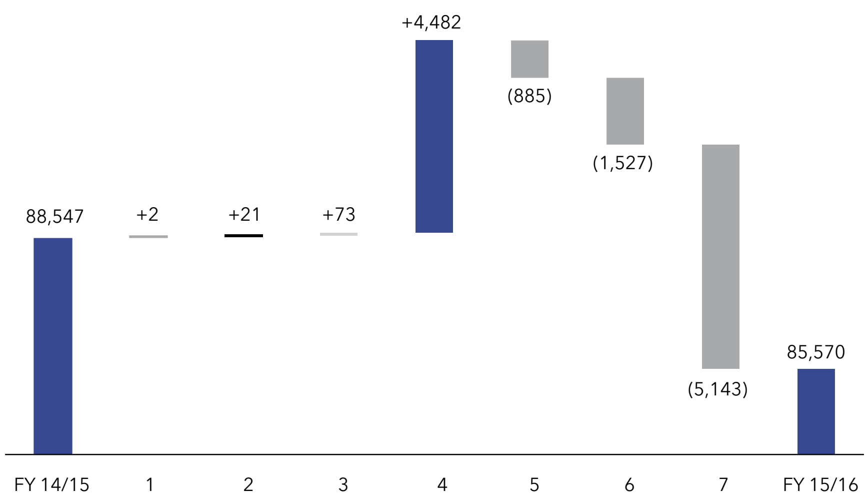


Group Financial Review

Revenue

REVENUE BY SECTOR (Rs. Mn)	FY 15/16	FY 14/15	YoY % Change
Beverage	36,878	32,396	13.84%
Oils & Fats	27,658	29,185	-5.23%
Oil Palm Plantations	19,099	24,242	-21.22%
Portfolio & Asset Management	1,120	2,005	-44.14%
Leisure	583	510	14.31%
Real Estate	215	194	10.82%
Investment Holding & Management Services	17	15	13.33%
TOTAL	85,570	88,547	-3.36%

Movement in Group Revenue from FY 14/15 to FY 15/16 (Rs. Mn)



	COMPOSITION OF GROUP REVENUE (%)	FY 15/16	FY 14/15
1	Investment Holding & Management Services	0.02%	0.01%
2	Real Estate	0.25%	0.22%
3	Leisure	0.68%	0.58%
4	Beverage	43.10%	36.59%
5	Portfolio & Asset Management	1.31%	2.26%
6	Oils & Fats	32.32%	32.96%
7	Oil Palm Plantations	22.32%	27.38%

For the year ended 31st March 2016 Bukit Darah PLC recorded a consolidated Revenue of Rs. 85.6 Bn, down by 3.4% from a year ago mainly due to the sharp decline in Oil Palm Plantations sector turnover, coupled with decreases in revenue reported by the Oil & Fats and Portfolio & Asset Management segments.

At Rs. 19.1 Bn for the twelve months under consideration, the Oil Palm Plantation sector turnover contracted by 21.1% year-on-year driven by a weak CPO price regime that held for most part of the year. Further, a drop in FFB (Fresh Fruit Bunch) yields, in FY 15/16 stemming from El-nino conditions experienced in Indonesia led to a meager growth in overall CPO (Crude Palm Oil) volumes. Although the supply constraints fuelled by the adverse weather triggered a pickup in CPO prices towards the latter part of the year, prices were pressured by competition stemming from alternative edible oils. As such, the sector contribution to overall group revenue reduced from 27.4% in FY 14/15 to 22.3% in the financial year under review.

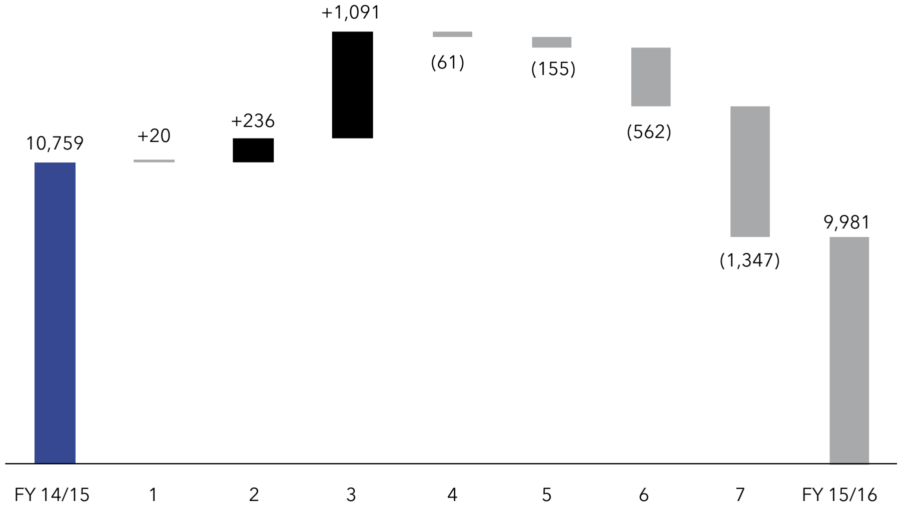
Overall demand for palm based products was relatively low during the year. Accordingly, there was limited upward movement in market prices, particularly for specialty fats – the largest product segment of the Sector. Sector turnover for the year fell by 5.2% year-on-year to Rs. 27.7 Bn for the twelve months in review.

The beverage segment retained its position as the highest contributor to Group revenue during the year, representing a 43.1% share of consolidated topline relative to the share of 36.6% depicted in the preceding financial year. The year-on-year increase in sector turnover, at 13.8%, is largely attributable towards price revisions led by increments in excise duty. Mild Beer is currently taxed at Rs. 190 per bulk Liter whilst Strong Beer is taxed at Rs. 315 per bulk liter, which, compared to the levels that prevailed at the beginning of the financial year reflect increases of 27% and 70% respectively. With the full impact being passed on to consumers, subsequent to the excise tax increases, volumes took a drastic hit, leading to a year-on-year drop.

Operating Profit

OPERATING PROFIT BY SECTOR (Rs. Mn)	FY 15/16	FY 14/15	YoY % Change
Oil Palm Plantations	5,210	5,772	-9.74%
Beverage	4,021	2,930	37.24%
Portfolio & Asset Management	576	1,923	-70.05%
Real Estate	633	397	59.45%
Leisure	100	80	25.00%
Investment Holding and Management Services	-135	-74	82.43%
Oils & Fats	-424	-268	58.21%
Total	9,981	10,759	-7.23%
FOREX (Gains)/Losses	251	2,461	-89.80%
(Gain)/Loss from change in FV of Biological Assets	-678	109	-522.02%
(Gain)/Loss from change in FV of Investment Property	-492	-266	84.96%
Impairment of Business Assets	336	385	-12.73%
Adjusted Operating Profit	9,398	13,448	-30.12%

Movement in Group Operating Profit from FY 14/15 to FY 15/16 (Rs. Mn)



	COMPOSITION OF GROUP OPERATING PROFIT (%)	FY 15/16	FY 14/15
1	Leisure	1.00%	0.74%
2	Real Estate	6.34%	3.69%
3	Beverage	40.28%	27.23%
4	Investment Holding & Management Services	-1.35%	-0.69%
5	Oils & Fats	-4.25%	-2.49%
6	Oil Palm Plantations	52.20%	53.65%
7	Portfolio & Asset Management	5.78%	17.88%

The Group's Leisure and Real Estate businesses also generated increased revenue for the year, contributing positively towards consolidated topline. Leisure sector turnover, which stood at Rs. 583.0 Mn for the period in review, registered growth of 14.3% year-on-year, fuelled by higher occupancy and Banquet income. The Real Estate business also witnessed an improvement in occupancy during the period under consideration, which led to the 10.8% increase in sector revenue over the comparable period.

Reflecting a decline of 7.2% over the comparable period, consolidated operating Profit for the year under review stood at Rs. 10 Bn, against Rs. 10.8 Bn recorded for the year ended 31st March 2015. The contraction is largely attributable towards poor performance of the Portfolio & Asset Management, Oil & Fats and Oil Palm plantations segments.

The twelve months concluded was a dull year for markets overall. Resonating with the overall sentiment witnessed globally, the two indices of the Colombo Stock Exchange too ended on negative territory. In such bearish conditions, opportunities to realize gains were limited. Thus, the portfolio & Asset Management segment of the group recorded a decline in revenue. Further, the sector registered a net loss from change in fair value of short term financial assets for the year under review, in contrast to the net gain reported for the corresponding twelve months. As such, the Portfolio & Asset Management business registered a 70.1% drop in operating profit for the year under consideration. At Rs. 576.4 Mn, sector operating profit for the period ended 31st March 2016 commanded a 5.8% share of consolidated operating profit, which is a decrease of 12.1% compared to the 17.9% share reported in FY 14/15.

Group Financial Review

Weighed down by the challenging operational environment in India, heightened by the sector's relatively small scale in the country, performance of the Oils & Fats segment deteriorated further during the period, with an operating loss of Rs. 423.8 Mn compared to the loss of Rs. 268.3 Mn made in the previous financial period. Even though India is one of the largest consumers of vegetable Oil in the world, the competitive landscape for bulk refined oil in the country is rather intense, comprising of a number of large scale players enjoying the benefits of integrated upstream operations. As a result, such players are better positioned to mitigate the impact of fluctuating feed stock prices.

Stemming from the decrease in Revenue on the main, the Oil Palm Plantations sector recorded a 9.7% Year-on-Year dip in operating profit which stood at Rs. 5.2 Bn for the twelve months under consideration. Compared to the 21.2% fall in sector revenue year-on-year, the contraction in operating profit against the corresponding period was lesser due to a relatively lower foreign exchange loss and a gain from change in fair value of Biological assets. Sector foreign exchange loss was at Rs. 71 Mn during the year in review, which is a substantial reduction against the loss of Rs. 2.3 Bn recorded in the previous financial year. Further, the valuation of plantations yielded a fair value gain of Rs. 677.5 Mn for the period, in contrast to the loss of Rs. 108.9 Mn recorded in FY 14/15.

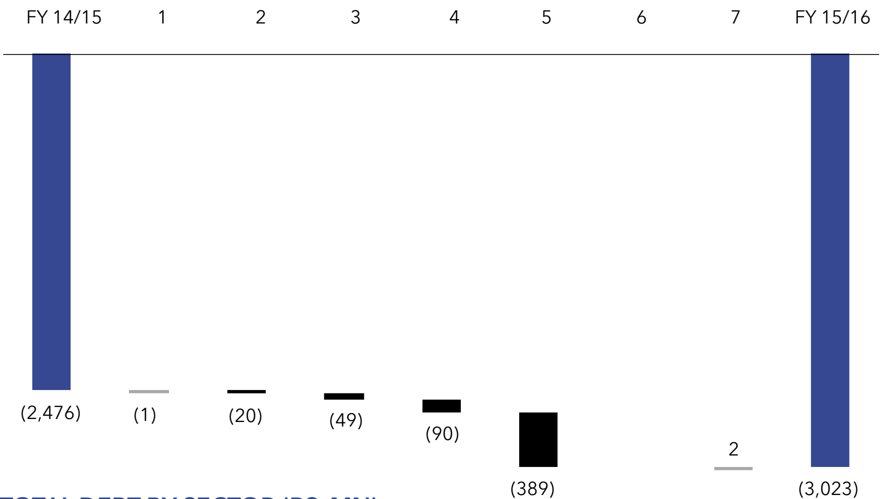
In spite of the challenges faced, the Beverage segment, also the largest contributor to consolidated operating profit, registered a positive 37.2% movement in operating profit against the corresponding twelve months.

Commensurate to the expansion in topline, the Leisure and Real Estate

Net Finance (Cost)/Income

NET FINANCE (COST)/INCOME BY SECTOR (Rs. Mn)	FY 15/16	FY 14/15	YoY % Change
Oil Palm Plantations	-1,399	-1,310	6.79%
Beverage	-1,009	-620	62.74%
Oils & Fats	-550	-501	9.78%
Real Estate	-3	-3	-
Investment Holding & Management Services	-82	-61	34.43%
Portfolio & Asset Management	0	1	-100.00%
Leisure	20	18	11.11%
Total	-3,023	-2,476	22.09%

Movement in Group Net Finance Cost from FY14/15 to FY15/16 (Rs. Mn)



TOTAL DEBT BY SECTOR (RS. MN)

Sector Reference	1	2	3	4	5	6
FY14/15	3	11,499	49,368	1,062	14,048	0
FY15/16	13	11,984	49,180	1,238	13,382	0
YoY Change	333.3%	4.2%	(0.4%)	16.5%	(-4.7%)	-

	COMPOSITION OF GROUP NET FINANCE COST (%)	FY 15/16	FY 14/15
1	Portfolio & Asset Management	0.00%	-0.05%
2	Oils & Fats	18.21%	20.24%
3	Oil Palm Plantations	46.26%	52.86%
4	Investment Holding & Management Services	2.73%	2.52%
5	Beverage	33.37%	25.04%
6	Real Estate	0.10%	0.13%
7	Leisure	-0.67%	-0.74%

businesses reported strong growth in operating profit for the period under review, at 25.0% and 59.5% respectively. Further to increased Revenue, the Real Estate sector also reported an increase in fair value of investment property, resulting in a gain of Rs. 491.6 Mn for the year under consideration.

In spite of a marginal decline in Total Debt outstanding at Group level, consolidated Net Finance expenses for the period under review increased by 22.1% year-on-year, largely attributable towards the gradual upswing in lending rates witnessed during the year, triggered by the changes to policy rates.

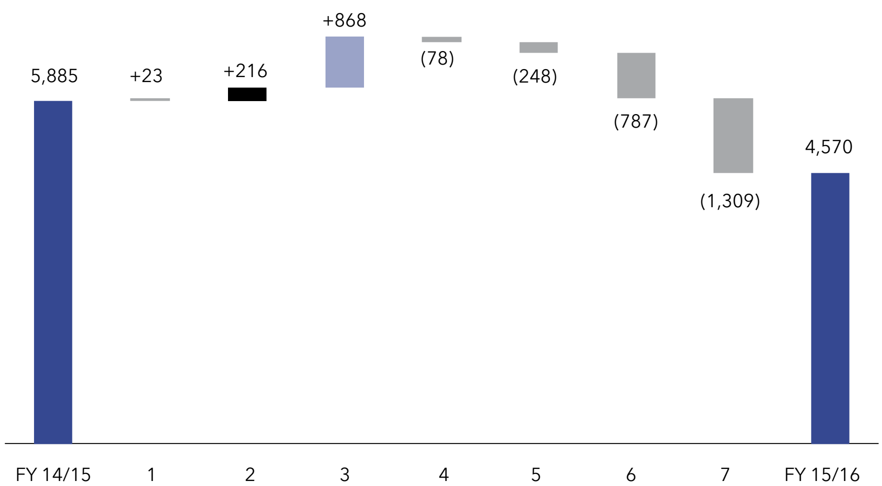
Sector wise, the highest year-on-year change in Net Finance expenses for the year was reported by the Beverage segment. The increase is largely on account of the rise in interest payments pertaining to the Rs. 2 Bn issue of variable interest rate Debentures by Lion Brewery Ceylon PLC in December 2014. Total debt outstanding at sector level stood at Rs. 13.4 Bn as at 31st March 2016, down by Rs. 666 Mn against the corresponding balance sheet date, resulting from repayment of short term debt.

Considering the group operating profit, adjusted for; foreign exchange gains/losses, impairment of business assets and change in fair value of biological assets the group's interest cover ratio for the financial year under review stood 3.11 times. This is a reduction in comparison with the 5.43 times reported for FY 14/15, triggered by reduced operating profits for the year.

Profit after Tax

PROFIT AFTER TAX BY SECTOR (Rs. Mn)	FY 15/16	FY 14/15	YoY % Change
Oil Palm Plantations	2,347	3,134	-25.11%
Beverage	2,084	1,216	71.4%
Portfolio & Asset Management	550	1,859	-70.4%
Real Estate	581	365	59.2%
Leisure	107	84	27.4%
Investment Holding & Management Services	-232	-154	50.6%
Oils & Fats	-867	-619	40.1%
Group PAT	4,570	5,585	-18.17%

Movement in Group PAT from FY 14/15 to FY 15/16 (Rs. Mn)



	COMPOSITION OF GROUP PAT (%)	FY 15/16	FY 14/15
1	Leisure	2.42%	1.46%
2	Real Estate	13.14%	6.37%
3	Beverage	47.12%	21.22%
4	Investment Holding & Management Services	-5.22%	-2.70%
5	Oils & Fats	-19.61%	-10.80%
6	Oil Palm Plantations	49.71%	52.02%
7	Portfolio & Asset Management	12.44%	32.43%

Group Financial Review

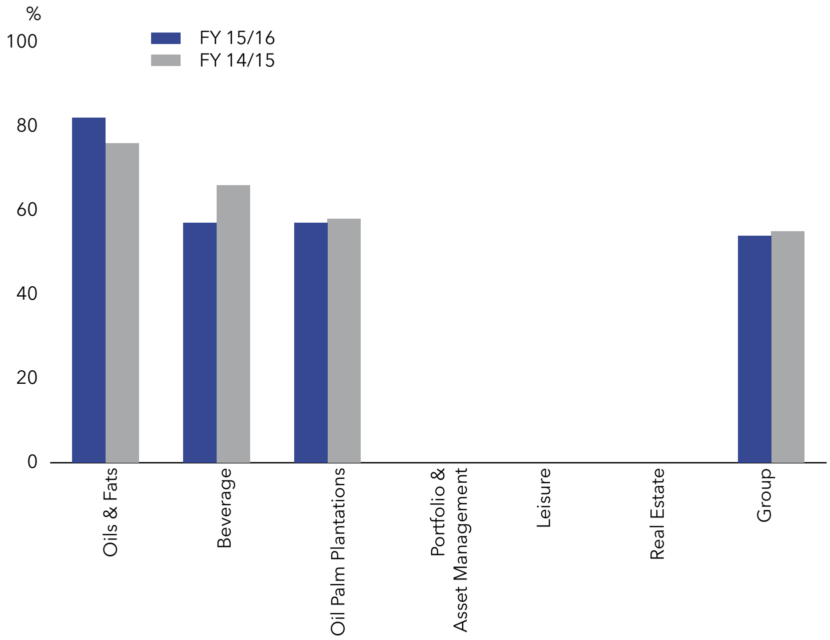
The Group concluded the year with a consolidated Net Profit of Rs. 4.6 Bn, registering a year-on-year decrease of 22.3% fuelled by the reduction in operating profit and increased Net Finance cost. From a sector perspective, the Portfolio & Asset Management segment carried the greatest impact, with a Rs. 1.3 Bn decline in sector earnings for the year.

The largest positive contribution to group earnings was made by the Beverage business, which recorded a 71.4% increase in Net Profit Year-on-Year. Accordingly, the sector's share of group earnings increased to 47.1% during the year, from 21.2% in the previous period. However note that the Net Profit of the Beverage business in FY 14/15 was inclusive of an impairment charge amounting to Rs. 302.8 Mn. When compared with the FY 14/15 earnings adjusted for this charge, the growth in sector bottom line during the year stood at 37.2%.

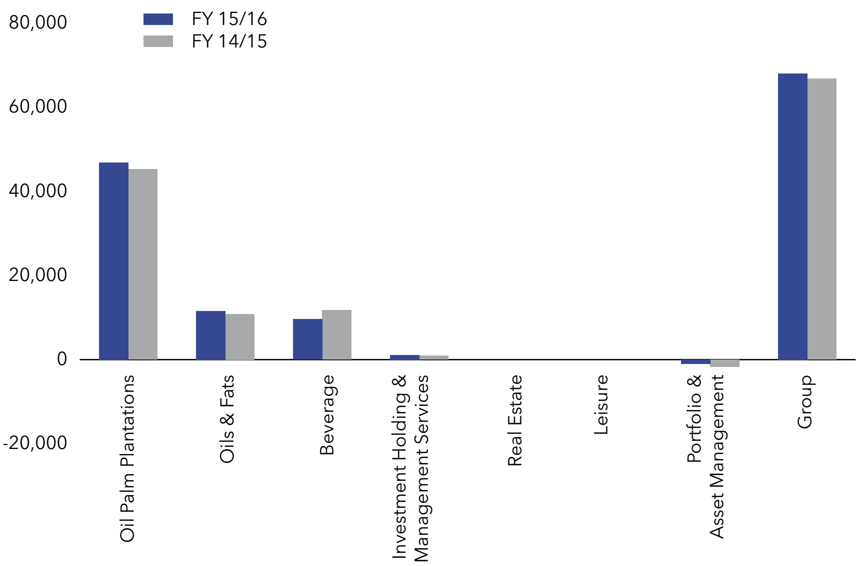
Group Debt

Total interest bearing borrowings of the group stood at Rs. 75.8 Bn as at 31st March 2016, declining marginally by 0.27% against borrowings of FY 14/15. After considering the available cash balance within the group, overall Net Debt for the year witnessed an increase of 1.9% against the previous year, to Rs. 68.1 Bn. With the exception of the Portfolio & Asset Management, Leisure and Real Estate segments, all other sectors of the Group remain geared, on account of borrowings financing obtained for expansions.

Gearing Position



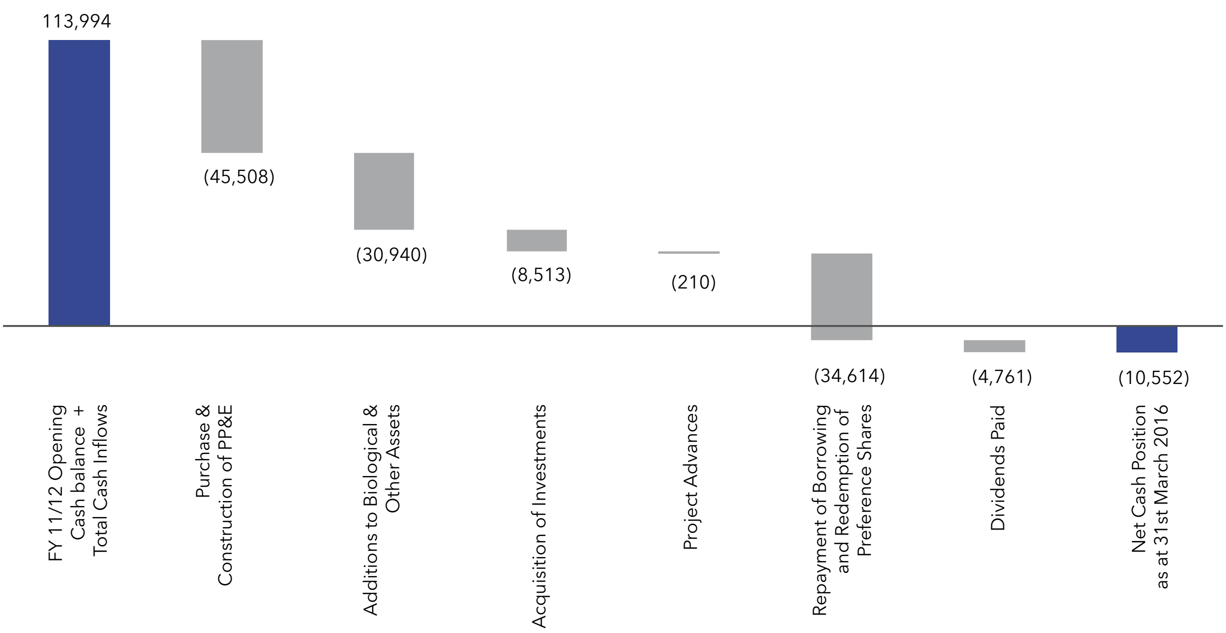
Net Debt by Sector (Rs. Mn)



Group cash Utilization

Rs. Mn	2011/12	2012/13	2013/14	2014/15	2015/16	Total
Opening Cash Balance	8,771					8,771
Cash Inflows						
Total Cash Inflows from Operating, Investing & Financing Activities	19,168	14,972	31,009	24,416	15,658	105,223
Cash Outflows						
Investing Activities						
Purchase and Construction of PP&E	-8,828	-12,562	-9,866	-9,577	-4,675	-45,508
Additions to Biological and Other Assets	-3,859	-6,620	-5,662	-10,798	-4,001	-30,940
Acquisition of New Investments and Non-controlling Interest	-5,066	-414	-227	-2,224	-582	-8,513
Project Advances	-	-	-164	-25	-21	-210
Total Investing Cash Outflows	-17,753	-19,596	-15,919	-22,624	-9,279	-85,171
Financing Activities						
Repayment of Borrowings and Redemption of Preference Shares	-9,407	-6,710	-2,926	-7,613	-7,958	-34,614
Dividends Paid (Including Dividend Paid to Non-Controlling Shareholders and Preference Shareholders)	-970	-903	-928	-1,084	-876	-4,761
Total Financing Cash Outflows	-10,377	-7,613	-3,854	-8,697	-8,834	-39,375
Net Cash Position as at Financial Year Ended 31st March 2016						-10,552

Cash Utilization Over the Last Five Years (Rs. Mn)



Group Financial Review

A significant portion of group debt is arising from the Oil Palm Plantations segment. Given the nature of its operations, periodic investments on developing new land and maintaining existing planted area are inevitable, thus commanding a high level of operational capital. However, in light of the recent macro developments, the sector management is currently engaged in discussion with financiers, of the possibility of re-structuring its long term financing.

From a gearing perspective, the Oils & Fats business currently reflects the highest gearing ratio, largely on account of significant debt levels inherited from acquisition of the company in 2011. As explained in detail in the individual sector review, with operations in India scaled down, the debt burden pertaining to the sector is likely to reduce to more manageable levels going forward.

Group cash & cash equivalents stood at Rs. 7.7 Bn as at 31st March 2016, down by 16.2% from Rs. 9.1 Bn recorded as at 31st March 2015.

Over the last five years, the group has incurred Rs. 76.4 Bn as investments on property plant & Equipment and Biological assets, which forms 61.4% of the total cash outflows incurred on investing and financing activities, during the five year period. During the year, capital expenditure incurred by the group was at Rs.8.7 Bn which is 47.9% of the cash outflows on investing and financing activities 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.

Carsons Management Services (Private) Limited

24th June 2016

Directors Profile

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

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

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

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

Directors Profile

CHANDANA TISSERA

Chandana Tissera 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 31 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

LESLIE RALPH DE LANEROLLE

Ralph De Lanerolle has over 50 years 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

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.

MAHENDRA DAYANANDA (Appointed w.e.f 15/8/2015)

Mahendra Dayananda is an Independent Non-Executive Director of Pegasus Hotels of Ceylon PLC and Nestle Lanka PLC and was a former Non – Executive Director of Delmege Ltd. An expert on economic issues, he was until recently the Chairman of the Sri Lanka Business Development Centre.

Former Chairman of the Ceylon Chamber of Commerce, he chaired the Monetary Policy Consultative Committee – Central Bank of Sri Lanka and continues to chair several organisations such as Total Tea Concepts (Private) Limited and Indo Asia Teas (Private) Limited. He is the Resident Representative of Gover Horowitz & Blunt Ltd, United Kingdom and is also the Honorary Consul for the Republic of Benin in 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, Pegasus Hotels of 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

BEVERAGE

Suresh Shah
Director / CEO

Chan Liyanage
Director - Supply Chain

Ranil Goonetilleke
Director - Finance

Stefan Atton
General Manager - Sales & Marketing

Preethi De Silva
General Manager - Ran Sahal (Pvt) Ltd

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. Surani Amerasinghe
Head of Human Resources

Nishantha Hulangamuwa
Head of Outbound Supply Chain

Eshantha Salgado
Head of Quality Assurance

Janaka Bandara
Head of Production

Channa Senarathne
Head of Sales

Hiran Edirisinghe
Chief Engineer

Jehan Goonaratne
Finance Manager - Corporate Finance

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

Nirosh de Silva
General Manger - Technical

Management Teams

PORTFOLIO & ASSET MANAGEMENT

Ms. Ruvini Fernando
Director/CEO

Tharinda Jayawardena
Head of Research

Sumith Perera
Head of Portfolio Management

Asanka Jayasekara
Fund Manager

Lakmal Wickramaarachchi
Accountant

Ms. Champa Perera
Manager - Operations

REAL ESTATE

Nalake Fernando
Director - Property Management

S. Rajaram
Head of Engineering

Sisira Wickramasinghe
Accountant

LEISURE

Harsha Jayasinghe
Resident Manager - Pegasus Reef Hotel

Vibath Wijesinghe
Finance Controller

Kapila Gunathilake
Chief Accountant

Ms. Mala Munasinghe
Executive Housekeeper

N. Jayakody
F & B Manager

D. Fernando
Head of Sales & Marketing

M. Abeywickrama
Front Office Manager

Roshan Jayawickrama
Executive Chef

L. Waidyakumara
Chief Engineer

Thiagarajah Ganeshan
Resident Manager - Giritale Hotel

Senarath Ekanayake
Accountant

Mahinda Tennekoon
House-keeper

Hendrik Nandasena
Chef

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
Finance Controller

Group Directorate

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. J.M.S. Jayawickrama, C.S. Karunasena, S. B. Ismail H.B. Aminudin

PT AGRO INDOMAS
Commissioners: H. Selvanathan (President Commissioner), M. Selvanathan, I. Paulraj, M. Ramachandran Nair, T. de Zoysa, D.C.R. Gunawardena, A.S. Amaratunga
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

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

SELINSING PLC
Directors: M. Selvanathan (Chairman), H. Selvanathan, I. Paulraj * NE, D.C.R.Gunawardena * NE, P.C.P. Tissera, S. Mahendrarajah** NEI

INDO-MALAY PLC
Directors: H. Selvanathan (Chairman), M. Selvanathan, I. Paulraj * NE, D.C.R.Gunawardena * NE, P.C.P. Tissera, T. Rodrigo** NEI S. Mahendrarajah** NEI (Director & alternate Director for 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
Alternate Director: S. Mahendrarajah (for 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
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. J.M.S. Jayawickrama, C.A.V.S. Upasena, H.B. Aminudin C.S. Karunasena, M.R. Jiffrey, K.G.G. De Silva, M.S. Mukthar

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), C.S. Pakadang, Ms. J.M.S. Jayawickrama, C.S. Karunasena

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

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

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

Group Directorate

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), 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

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.

PT AGRO BINA 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, Ratha Krishnan V. Raman, E. Suhardi

PT AGRO SURYA MANDIRI
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, Ratha Krishnan V. Raman, E. Suhardi

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 (resigned w.e.f 1/1/2016), G.V Krishnarao (appointed w.e.f 1/1/2016)

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

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

GOODHOPE INVESTMENTS (PRIVATE) LIMITED
Directors: H. Selvanathan (Chairman) 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

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.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, D.R.P. Goonetilleke, S.W.M.K.N. Hulangamuwa, M.R.B. Ranatunga, S.G.S. Atton (appointed w.e.f 1/5/2016), W.H.S. Boteju (appointed w.e.f 1/5/2016)

RETAIL SPACES (PRIVATE) LIMITED
Directors: S.K. Shah, D.R.P. Goonetilleke, P.P. de Silva, S.G.S. Atton (appointed w.e.f 1/5/2016)

LUXURY BRANDS (PRIVATE) LIMITED
Directors: S.K. Shah, D.R.P. Goonetilleke, S.G.S. Atton (appointed w.e.f 1/5/2016), M.R.B. Ranatunga (appointed w.e.f 1/5/2016), Ms. N.F.H. Raheem (resigned w.e.f 31/3/2016)

PEARL SPRINGS (PRIVATE) LIMITED
Directors: C.T. Liyanage, Ms. N.F.H. Raheem (resigned w.e.f 31/3/2016), D.R.P. Goonetilleke, S.K. Shah (appointed w.e.f 1/5/2016)

MILLERS BREWERY LIMITED
D.R.P. Goonetilleke, C.T. Liyanage, Ms. N.F.H. Raheem (resigned w.e.f 31/3/2016) S.K. Shah (appointed w.e.f 31/3/2016)

VEE WARUNA (PRIVATE) LIMITED
Directors: P.P.De Silva, L.E.J. Salgado W.W.M.A.J. Bandara, S.G. Jansz

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, K. C. N. Fernando

LEISURE

PEGASUS HOTELS OF CEYLON PLC
Directors: D.C.R. Gunawardena* NE (Chairman), H. Selvanathan, M. Selvanathan (resigned w.e.f 15/11/2015), S. Nagendra** NEI, M. Dayananda** NEI, W.A.A. De Z. Gunasekera** NEI (Stepped down from the Board w.e.f 15/6/2016) K. Selvanathan (appointed w.e.f 15/11/2015) K.C.N. Fernando (ceased to be Alternate Director to M. Selvanathan w.e.f 15/11/2015)

EQUITY HOTELS LIMITED
Directors: D.C.R. Gunawardena (Chairman), V. R. Wijesinghe, A. P. Weeratunga

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

RIVERSIDE RESORTS (PRIVATE) LIMITED
Directors: H. Selvanathan (Chairman), S. Mahendrarajah

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

Group Directorate

PORTFOLIO & ASSET MANAGEMENT

CEYLON GUARDIAN INVESTMENT TRUST PLC
Directors: I. Paulraj* NE (Chairman), D.C.R. Gunawardena* NE, V.M. Fernando** NEI, Mrs. M.A.R.C. Cooray ** NEI, K. Selvanathan, C.W. Knight** NEI T.C.M. Chia ** NEI

CEYLON INVESTMENT PLC
Directors: I. Paulraj* NE (Chairman), D.C.R. Gunawardena* NE, A.P. Weeratunge, Mrs. M.A.R.C. Cooray** NEI, V.M. Fernando** NEI, K. Selvanathan T.C.M. Chia ** NEI

THE SRI LANKA FUND
Directors: D.C.R. Gunawardena, Mrs. W.Y.R. Fernando, A.J.R. Collins

GUARDIAN CAPITAL PARTNERS PLC
Directors: I. Paulraj* NE (Chairman), S. Mahendrarajah** NEI, D.C.R. Gunawardena* NE W.A.A. De Z. Gunasekera** NEI (Stepped down from Board w.e.f 3/6/2016)
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 (resigned w.e.f 30/10/2015), K. Selvanathan, A.P. Weeratunge, M.A.T. Jayawardena (appointed w.e.f 1/6/2016)
Alternate Director:
M.A.T. Jayawardana (ceased to be Alternate Director to Mrs. B.D.N. Jayatilake on 30/10/2016), M.A.T. Jayawardana (for Mr. A.P. Weeratunge) - resigned w.e.f 31/5/2016

GUARDIAN ACUITY ASSET MANAGEMENT LIMITED
Directors: D.C.R. Gunawardena (Chairman), T. W. de Silva, M. R. Abeywardena, K. Selvanathan, Mrs. W. Y. R. Fernando, D. P. N. Rodrigo
Alternate Directors:
Mrs. B.D.N. Jayatilake (ceased to be Alternate Director to D.C.R. Gunawardena w.e.f 30/10/2015), S.M. Perera (for K. Selvanathan)

CARSON CUMBERBATCH PLC
Directors: Mr. T. de Zoysa (Chairman)**NEI
Mr. H. Selvanathan (Deputy Chairman)
Mr. M. Selvanathan, Mr. I. Paulraj*NE
Mr. D.C.R. Gunawardena*NE
Mr. S. K. Shah, Mr. P.C.P. Tissera
Mr. V.P. Malalasekera**NEI
Mr. F. Mohideen**NEI
Mr. R. Theagarajah**NEI
Mr. W.M.R.S. Dias**NEI
Alternate Director:
Mr. K. Selvanathan (for Mr. M. Selvanathan)

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)

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

Sustainability Report

CORPORATE SOCIAL RESPONSIBILITY

Corporate citizenship is a journey, not a destination. The Group adopts a dynamic approach towards social responsibility, thereby continuously improving the initiatives we undertake in order to make a meaningful difference to the communities of those countries where we have our business presence. In line with the World Commission on Environment and Development, we ensure our CSR efforts provide holistic and sustainable returns to a country's socioeconomic, cultural and environmental framework. We engage in those projects that provide a greater benefit to a greater number of people, but also focus on uplifting vulnerable communities that are often marginalized by mainstream development initiatives. We focus on the education and empowerment of youth, and believe it to be the most effective and rewarding investment for the long-term sustainable development of a nation.

Education and People Development

The Group recognizes access to education as a fundamental human right, as well as a key pillar of sustainable community development. In the year under review, we continued our efforts to improve accessibility of marginalized groups to quality education.

AGRO HARAPAN FOUNDATION

The Agro Harapan Foundation maintains its commitment to address the challenges faced by students in the regions of the Group's plantations operations. The Foundation adopts a holistic approach, by fostering formal education through support to school and university students, informal education through community learning centres, and taking an active role in teachers' capacity building.

School and University Education

Under the Foundation, the sector manages 12 of its own schools in Central Kalimantan. These include a model secondary school (SMP Tunas Agro), a primary school and nine kindergartens. All schools offer free education to students, which include both children of employees as well as those in surrounding villages.

SMP Tunas Agro, which remains the flagship school of the Foundation, offers the national curriculum as regulated by the Indonesian government. The school is equipped with several modern facilities that include science, language and computer laboratories, a music room and library. Recognized as a benchmark for quality education in the region, the school holds an "A" Accreditation, bestowed by the Indonesian Government in 2013.

In addition to academics, the school offers several programmes for students to develop life-skills. One such programme is the "Student Entrepreneurship Programme", which teaches students to run a small business from conceptualization to commercialization.

The Agro Harapan Foundation also assists over 80 public schools, which range from vocational high schools, secondary schools, primary schools and kindergartens spread across 89 villages in 5 provinces in Indonesia.

It is our policy where possible to upgrade and assist village schools rather than construct our own schools within our plantations. This policy is recognized, respected and appreciated by the local government.

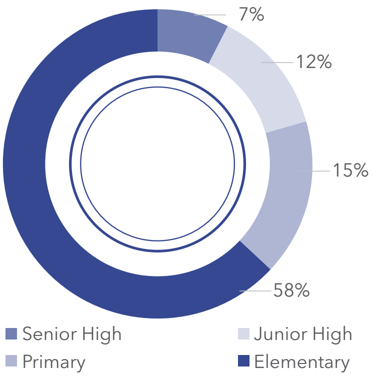
As at 31st March 2016, the Foundation has assisted more than 9,000 students across all our plantations in Indonesia, of which only 37% are children of employees.

The Foundation also offers scholarships for university education. In the year under review 22 university students residing in the communities surrounding our plantations in Sintang, West Kalimantan were supported under this programme. In addition, under the BRIDGE scholarship scheme, the Foundation assists children of deceased employees to continue their education from kindergarten up to university.

Library facilities at SMP Tunas Agro

Sustainability Report

Foundation Assisted Schools



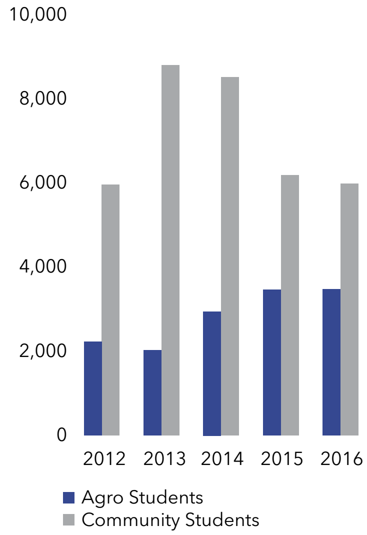
Teacher Training and Capacity Building

One of the fundamental prerequisites of our policy to upgrade the quality of education in village schools, is to invest in training and development of teachers. Since 2008, our plantations sector has been investing in annual training and regular coaching of teachers in Kalimantan, with the support of the Indonesian Education University, Jakarta State University, Indonesian Teachers Association, Catholic Bachelor Association and the Education Office. The programme was initiated after conducting an assessment of the existing competency level of teachers in the area.

	2013/14	2014/15	2015/16
Teachers Trained	45	114	25

Since 2010 the sector has been engaging the services of the Indonesian Teachers Association (IGI) to coach the primary school teachers in the East Kotawaringin and Seruyan regions of Central Kalimantan. Nearly 30 teachers benefitted from this programme, a majority of whom

Students assisted by Agro Harapan Foundation



continue to serve the Agro Harapan Foundation. IGI conducts periodic observation visits to monitor the quality of teaching. The sector also partnered with the Indonesian Education University (UPI) to train the Foundation's teachers in specific subjects that are a part of the National Examination curriculum.

Early Childhood Education

In line with the efforts of the Indonesian Ministry of Education, the Group's plantations sector has been taking an active role in encouraging early childhood education, particularly within its remote operating locations. With this in view, the sector established daycare centres and kindergartens for the benefit of children below four years of age. The Foundation also partnered with the Faculty of Early Childhood Education of Jakarta University (UNJ), in order to provide training to kindergarten teachers and childcare workers. Further, the Foundation continues to create awareness among parents on the importance of early childhood education, as well as on child protection approaches.

Informal Education

Parallel to formal education programmes, the Foundation provides support to marginalized communities who have not had the privilege of access to formal education opportunities. Community learning centres have been set up by the Foundation as well as the "Village Improvement Programme" for the

Sesawi Reading Club attracts children from villages surrounding PT Nabire Baru in Papua, to learn and enjoy reading. The afternoon reading sessions take place at the nearby beach.

benefit of villagers in the Central Kalimantan, South Kalimantan and Nabire areas.

Computer Skills Training For Public Sector Employees
We continued our efforts to provide training in Microsoft Office to staff of the Medical Office of Health (MOH) of the Hambantota District. The programme was initiated in 2014 on invitation of the District Health Office of Hambantota. The training is primarily aimed towards providing the required computer literacy to public health sector officials 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 in the health sector would generate positive spillover effects, specifically with regards to improved maternal and child healthcare in the Southern region.

To date, we have completed training staff of five out of the total twelve MOH divisions in the Hambantota District, namely Hambantota, Ambalanthota, Lunugamwehera, Sooriyawewa and Tissamaharama divisions, totaling over 100 midwives and public health inspectors.

In the upcoming year, we also plan to commence computer skills training for 24 Grama Niladhari officials of the Lunugamwehera Division, on invitation of the Divisional Secretariat, Lunugamwehera.

All above classes are conducted by a dedicated computer instructor at the Carsons Computer Centre, Hambantota.

FACILITATING YOUTH EDUCATION IN BIYAGAMA
For the sixteenth consecutive year, we provided the annual requirement of school books and stationery to over 1,700 school students of the Biyagama South Grama Niladhari Division. Keeping with our efforts to promote early childhood education, in the year under review we also provided the complete school kit to 200 students of the Biyagama Pradeshiya Sabha Montessori.

We also continued our annual scholarship programme, providing merit-based scholarships to three students who successfully completed their Ordinary Level Examinations, to support them in pursuing their higher education aspirations.

ECONOMIC EMPOWERMENT

YOUTH TO NATION FOUNDATION
Spearheaded by Ceylon Guardian Investment Trust PLC and Ceylon Investment PLC, the two investment companies of the Group, the Youth to Nation Foundation (YNF) was incorporated in 2013, with a vision to build a nation of self-reliant, motivated youth who will add value to, rather than be dependent on society. Towards achieving this, YNF undertakes a twofold approach, firstly by nurturing selected young entrepreneurs with potential through the Young Entrepreneurs Development Programme, and secondly by developing competencies of a wider base of entrepreneurs in different parts of the country.

Young Entrepreneurs Development Programme
As the flagship programme of YNF, the Young Entrepreneurs Development Programme (YEDP) aims to enhance the technical and business management skills of young entrepreneurs towards their success, which would promote the socioeconomic development of Sri Lanka in a sustainable manner. Entrepreneurs are selected to the programme by the YNF selection committee, comprising both internal and external members, based on the extent to which their businesses have the potential to add value to the economy. This may be through utilization of local raw materials, generation of employment, provision of livelihood to other small businesses or cottage industries, and earning or saving of foreign exchange.

Selected entrepreneurs are nurtured through a 3-year "incubator process" where they are provided financial assistance, management and technical

Improved production facility of 26 machine operators in Matara

Sustainability Report

intervention for them to successfully achieve their next business plan.

Currently in its third year of activity, as of 31st March 2016 YEDP has 15 beneficiary entrepreneurs, involved in a diverse range of industries such as garments, food processing, coir, footwear, soft toys and construction chemicals. To date, these entrepreneurs have achieved progress not merely in financial terms such as growth in volumes, profitability and revenue, but also in qualitative aspects such as better labour management and safety at work, improved quality of products, improved record-keeping, development of new products and markets, advances in technology and better environmental practices. YNF plans to increase the number of entrepreneurs in the programme to 25 in the next two years.

Some of the social benefits of the programme include job creation for youth, better livelihoods for low-income households, empowerment of rural women and better work-life balance for women working from their own homes. There are approximately 220 direct workers and a further 100 indirect workers whose employment has been secured, livelihoods and working conditions improved since the launch of the programme.

Competency Development for Young Entrepreneurs

In order to provide a greater benefit to a greater number of beneficiaries, YNF continues to conduct business competency development workshops for young entrepreneurs in selected clusters, with the collaboration of the respective regional Chambers of Commerce. To date, ten workshops have been conducted in Hambantota, Matara, Ratnapura and Monaragala districts, participated by approximately 310 entrepreneurs. In the year under review, two workshops were conducted in Matara and Wellawaya regions, participated by over 80 entrepreneurs. YNF has initiated discussions with the Small Enterprises Development Bureau (SED) under the Ministry of National Policies and Economic Affairs, and plans are underway to conduct competency development for its member entrepreneurs in the upcoming year.

Vegetable Farming, Penyang Village, Kotim

COMMUNITY ENTREPRENEURSHIP PROGRAMME

The Community Entrepreneurship Programme (CEP) established by the Group's plantations sector is designed to facilitate members of the community surrounding the plantations to establish small or medium sized businesses from their homes. The aim of this programme is to help beneficiaries gain greater self-confidence and assist with their household income. Industries supported by the programme include vegetable and livestock farming, handicrafts and sewing.

STAFF-LED COMMUNITY ENTREPRENEURSHIP PROGRAMMES

Under this largely female-centric initiative, the employees of the Group's plantation sector conduct a range of skills development training for members of the local community. One of the most successful of these was the "Plastic-based Handicraft Training", utilizing recycled materials such as plastic cups and bottles. The training was attended by nearly 100 participants that included students, teachers, wives of employees as well as women from the surrounding villages.

THE PLASMA PROGRAMME

This programme provides partner farmers of the Group's plantations sector with access to financial assistance, good agricultural practices, as well as a guarantee to purchase their crops, thereby ensuring sustainable and profitable yields on par with industry standards. The programme also ensures these farmers have legal ownership over their respective properties.

The PLASMA programme which was initially commenced at PT Agro Indomas, continues to benefit villagers and smallholders, with new schemes being implemented in our immature plantations with the aim of creating job opportunities whilst providing a means of sustainable livelihood for the partner farmers. Plans are underway to develop 19,598 ha together with designated smallholders. To date, the PLASMA programme has successfully developed more than 7,327 ha benefiting more than 6,253 households in the Kalimantan and Papua regions.

MITRA MAKMUR PROGRAMME

The Group's plantations sector has commenced a programme, whereby the company enters into an agreement with individual community members for transporting Fresh Fruit Bunches (FFB). The company assists these individuals by purchasing "dump trucks" that are then leased out to them. To date, seven such agreements have been signed. The beneficiaries of this programme would also be provided training on household income management.

It is anticipated that this programme would provide a sustainable livelihood for the beneficiaries and their families, as well as encourage the sector to nurture strong, mutually beneficial community relations.

VILLAGE IMPROVEMENT PROGRAMME

The "Desa Gemilang" village improvement programme was initiated in late 2013, in three of our more mature plantations - PT Rim Capital and PT Agro Indomas in Central Kalimantan, and PT Agro Bukit in South Kalimantan. The focus of the programme is holistic community development, and aims to improve livelihoods in 12 pre-identified villages. The programme is undertaken in collaboration with the Al Azhar Foundation – a prominent national education foundation, with whom these plantations companies have signed MoUs.

The programme gives prominence to empowering women and youth to become income generators. In view of this, Al Azhar has identified promising youth from these villages to participate in a six-month life-skill development course in Sawangan, Bogor. It is anticipated that upon graduating, these youth would return to their villages and provide their support to manage the Community Learning Center.

Capacity building workshops are also provided to heads of the villages to improve their adminstrative skills, particularly to ensure food security within the villages in times of economic hardships or natural disasters.

Community Service

The Group continues to identify the specific social needs of marginalized communities in areas surrounding our business operations, and engages in projects that would effectively address those needs, thereby uplifting their overall quality of life in the long term. We especially attempt to provide basic amenities such as healthcare facilities, clean water supply, sustainable energy sources and support for religious activities to those communities lacking accessibility to them, due to geographical remoteness or economic vulnerability.

HEALTH CARE

Healthcare services provided to communities surrounding our plantations include clinics, dental and eye screening camps, and fogging of areas affected by dengue and malaria. We also conduct healthcare training and awareness sessions. Currently there are 17 of our clinics dispersed across our plantations.

The sector supports the Indonesian government's initiative to improve the nutrition of young children, by providing vitamins and high-nutrition foods to students of our assisted primary schools. In addition, campaigns are carried out by our resident doctors to educate parents and teachers on nutrition and the preparation of healthy meals.

Sustainability Report

CLEAN WATER PROJECT

Villagers residing around the Group's plantation locations traditionally utilize rivers and natural waterways for their daily domestic needs such as the washing of clothes. In order to reduce the pollution caused as a result, the sector has facilitated the building of wells, tanks and piped water systems to provide residents with easy access to clean water. To date, 27 new wells have been constructed and a further 7 upgraded to provide efficient water storage and distribution systems in several villages including Mahaya, Terawan and Lampasa.

The sector also carries out awareness campaigns to educate villagers on clean water management and its importance for healthy living. In 2010 the sector was assisted by the "Farmer Initiatives for Ecological Livelihood and Democracy (FIELD)" Foundation to carry out this initiative in several villages.

SOLAR LIGHTS FOR SCHOOL CHILDREN

In the year under review, the Group's leisure sector donated portable solar lights to forty school students in the Polonnaruwa District. These would provide a no-cost, green energy source to children of low-income families, and encourage them to engage in their studies. These lights may also be used for alternative household purposes.

SUPPORT FOR RELIGIOUS ACTIVITIES

The Group's leisure sector continued to maintain the Dharmashalawa of the Agbopura Temple in the Polonnaruwa District. Construction of the building involved not merely financial investment but also the voluntary efforts of the staff of Giritale Hotel. This project is a demonstration of our commitment to promote cultural and religious harmony among the communities surrounding our business operating locations. The Dharmashalawa continues to benefit approximately 200 school children who attend Sunday School, as well as the devotees of the Agbopura Temple.

In the year under review, the Group's leisure sector also donated two book cupboards to the library of the Thambalawewa Buddhist temple, in the Polonnaruwa District.

ROAD SAFETY AWARENESS CAMPAIGN

In view of Sri Lanka's ever-increasing traffic congestion in urban areas and rise in road accidents and fatalities, the Group's leisure sector decided to address a timely and pressing social need by conducting a road safety awareness campaign for school children in March 2016. The campaign was conducted on Old Negombo Road, Wattala, in collaboration with the Sri Lanka Police, and was participated by over 1,000 school children from five schools in the area. The campaign was also given coverage on television and print media, which helped to spread further awareness among the public.

MAHARAGAMA CANCER HOSPITAL PROJECT

Under the auspices of the CCC Foundation (Courage, Commitment, Compassion), the Group's plantations sector sponsored the construction of the second phase of a Transit House in early 2013, to accommodate outpatients of the Maharagama Cancer Hospital. The "CCC House", which is located within the premises of the Cancer Institute in close proximity to the Cancer Hospital, offers patients a clean, secure and relaxing environment to rest and recover between treatments.

The Group contributed LKR 60 million for this project, whilst employees also made significant voluntary contributions. The proceeds were utilized to equip the House with 188 beds for the accommodation of outpatients and their caretakers.

As a continuing support to the residents, especially children, groups of employees visit the CCC House once a month, organizing and participating in recreational activities.

Infrastructure Development

The Group's plantations sector supports the development of public infrastructure in its operating locations, as a means of creating mutual benefit to both the business and society. This includes the construction and maintenance of public roads and bridges as well as support for power generation and village electrification. The social benefits of these initiatives may be observed by the economic growth and social development seen at the villages that received these benefits, such as Terawan and Lampasa.

Culture Preservation

Culture preservation programmes aim to preserve the tangible and intangible legacies of indigenous peoples inherited from past generations, for the benefit of future generations. Some of the efforts undertaken by the Group's plantations sector include preserving culturally significant landscapes, sacred trees and places of worship in Central and West Kalimantan and Papua, documentation of Dayak folklore, traditions and beliefs in West Kalimantan, and revival of the indigenous Papuan council in Nabire, Papua. Towards this commitment, the sector collaborates with external stakeholders including indigeous people councils, NGOs and local governments.

Over the last few years the focus has been the preservation of the Dayak Culture in the Kalimantan region of Indonesia where the majority of our plantations are in operation. The most recent recognition for our efforts was bestowed by the "Dewan Adat Dayak" (Tribunal Dayak Council) in appreciation of our efforts and investments to document the positive values and traditional wisdom of Uud Danum, a sub-tribe of Dayak People in the Sintang Regency of West Kalimantan, Indonesia. A book documenting the tribe's customary law is to be published by the Agro Harapan Foundation shortly.

An initiative to integrate conservation of High Conservation Value (HCV) areas and revival of traditional Dayak wisdom in preserving the protected land has been implemented at PT Agro Wana Lestari, Central Kalimantan. Its primary focus is on the designation of 2,404 hectares of Santuai-Hawuk hills as customary protected areas, securing support and approval from affected stakeholders, and development of a framework to jointly manage and conserve the area. Approval from the local government and Dayak Tribunal Council have been obtained to keep the protected land intact. Further, the Group's plantations sector plans to raise awareness within the community to participate in the protection of the area and generate support from relevant stakeholders. Currently, the sector is in consultation with a prominent research institution from Inter-Governmental Science-Policy Platform on Biodiversity (IPB), who plan to undertake a study on the biodiversity of this protected area.

In the Papua region, the sector works to raise cultural awareness among indigenous tribal groups, especially children, in addition to taking steps to improve their educational levels and overall quality of life.

Corporate Networking – the Shakspeare Shield

We take pride in our sponsorship of the prestigious Shakspeare Shield Golf Tournament for the 104th consecutive year. Recognized as the oldest and most exclusive corporate golf tournament in the country, the event is organized by the Royal Colombo Golf Club, which is the second oldest Royal Club outside of the British Isles. The annual event attracts some of the top-ranking golfing talents of the corporate world, and is the only golf competition open to employees and directors from registered companies, embassies, government departments and service organizations.

The competition strengthens inter-organizational relations by bringing together the leading corporate, governmental and diplomatic institutions in Sri Lanka. In the year under review, the format of the tournament was tightened to a one-day event, increasing participant and spectator enthusiasm. It was held in July 2015 with the participation of twenty-one top corporates.

Chairman of Carson Cumberbatch PLC presenting the award to the winners of the 2015 Shakspeare Shield

ENVIRONMENTAL SUSTAINABILITY

Plantations, Oils and Fats Sector

Sustainability Certifications & Standards

We ensure that our environmental and social strategic intents and practices are aligned with the requirements of national and international standards as well as with those of our international financial stakeholders. Hence, we continuously strengthen our sustainability framework through benchmarking against these standards and best practices.

Accordingly we aim to manage our plantations and edible oils and fats business by implementing standards and best practices developed by recognized international industry associations including the Roundtable of Sustainable Palm Oil (RSPO), and the International Standards Organization (ISO) certification for environmental management (ISO 14000) and Occupational Health and Safety (OHSAS 18000). For national sustainability standards, we are

Sustainability Report

guided by the Indonesian Sustainable Palm Oil (ISPO) and Programme for Pollution Control, Evaluation and Rating (PROPER). These certifications are in line with the standards and principles established by our international financial stakeholders.

By using the GRI Guidelines for our sustainability reporting purposes, we have been able to capture the requirements of these national and international industry bodies.

ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO) CERTIFICATION

The 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. RSPO remains the global benchmark and is the leading reputed body acclaimed in the industry. It has stringent criteria which its members need to comply with; its certification programme consists of 8 principles, 43 criteria and 138 indicators. In 2015, RSPO further launched "RSPO Next" as the beyond compliance standards.

As a measure of our continued commitment to the RSPO, the previous financial year saw a major development for the plantations sector, where it received the ordinary membership of the Roundtable on Sustainable Palm Oil (RSPO) for Goodhope Asia Holdings Ltd on 2nd December 2014 under the category of Palm Oil Growers.

With this membership, all the plantations and edible oils and fats refineries of the Group must abide by the standards and code of conduct of the RSPO, including compliance to the Principles and Criteria (RSPO P&C). We are also required to submit a comprehensive, group-wide, Annual Communications of Progress (ACOP), which highlights the time-bound plan for certifications and the annual progress towards total compliance to the RSPO P&C.

In addition to this membership, two mills of our oldest plantation company, PT Agro Indomas have been certified by the RSPO. The Sungai Binti Mill of PT Agro Bukit Central Kalimantan and Bukit Santuai Mill of PT Agro Wana Lestari also obtained a RSPO certification in the year under review. As at 31st March 2016 71.32% of the total Crude Palm Oil (CPO) produced by the Group is certified as sustainable palm oil.

INDONESIAN SUSTAINABLE PALM OIL (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 palm oil production.

The ISPO standard consists of seven principles, 40 criteria, 128 indicators and 158 guidance covering legal, 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 we are working towards obtaining this certification as well. We have commenced the certification process for some of our plantations with the registration of five companies which are eligible for certification. The first stage audits in three of these companies have been successfully completed. We completed the certification process of PT Agro Indomas in January 2016. For PT Agro Wana Lestari, the status of ISPO certification process is still under review of ISPO commission.

ISO 14001 AND OHSAS 18001 CERTIFICATIONS

Our plantations 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, and aim to assist companies in continuously improving environmental performance and health and safety, while complying with applicable legislation.

	2013/14	2014/15	2015/16
ISO 14001 Certified Companies	3	5	6
OHSAS 18001 Certified Companies	3	5	5

Currently, a total of five plantation companies of the sector, namely PT Agro Indomas, PT Agro Bukit, PT Rim Capital, PT Agro Wana Lestari and PT Karya Makmur Sejahtera in Central Kalimantan, Indonesia are 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.

PROGRAMME FOR POLLUTION CONTROL, EVALUATION, AND RATING (PROPER)

The annual Environmental Performance Rating, also known as Programme for Pollution Control, Evaluation and Rating (PROPER), developed by the Indonesian Ministry of Environment in 1995 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 into their production process. In 2010 PROPER was introduced to the palm oil industry to encourage compliance by companies which operate mills within their plantations.

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 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.

	2011	2012	2013	2014	2015
Sungai Purun Mill	Green	Green	Blue	Blue	Blue
Terawan Mill	Green	Blue	Blue	Blue	Blue
Sungai Binti Mill	-	-	Blue	Blue	Blue

Awards & Accolades

Our commitment to sustainability has been well recognized by concerned stakeholders over the years as shown through the number of awards and appreciations conferred by government agencies and partner organizations.

SPU	Award	Conferred by
2016		
Goodhope Asia Holdings	100 Most Impactful CSR Leaders for Lukita Wardhani, CSR Manager Regional	World CSR Day, Mumbai Feb 2016
2015		
PT Agro Indomas, Central Kalimantan	Blue Rating for Terawan Mill in PROPER Award	Ministry of Environment and Forestry
	Blue Rating for Sungai Purun Mill in PROPER Award	Ministry of Environment and Forestry
PT Agro Bukit, Central Kalimantan	Blue Rating for Sungai Binti Mill in PROPER Award	Ministry of Environment and Forestry
PT Agro Wana Lestari	Zero Accident Award	Bupati Kotawaringin Timur

Industry Associations

As a sustainable corporate, we maintain an active role in Indonesia's sustainability movement, with several members of the plantation sector's sustainability team volunteering their expertise and time to organizations such as the RSPO and other NGOs.

- Mr. Edi Suhardi, Director Sustainability, serves on the Board of Governors of RSPO representing the Indonesian Growers, and also as leader of the Indonesian Grower Caucus (IGC), an organization that aims to address the challenges faced by the palm oil sector in Indonesia.
- Mrs. Lukita Wardhani, CSR Manager, serves as a member of the Human Rights Working Group, member of the Advisory Board of Dispute Settlement Facility (DSF) and member of the Complaints Panel of the RSPO.
- Mr. Wilton Simanjuntak, RSPO Manager, serves as a member of RSPO National Interpretation Task Force.
- Mr. Abrar Ramlan, Assistant Manager Conservation & GHG and Mr. Irvan Nurmansyah, Assistant Conservation, serve as members of the High Conservation Value (HCV) Network.

Sustainability Report

Balancing Business Operations with Environmental Conservation

The Group is committed to minimizing adverse environmental impact from our business operations. We recognize 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 must be conducted. We have identified that the greatest impact of our business operations to the environment is from our plantations sector. Thus, due consideration is given to the means by which this impact may be reduced and managed by implementing monitoring, assessment, and research & development activities as part of our operational activities.

ENVIRONMENTAL MANAGEMENT FOCUS AREAS

Environmental management within our plantations and milling operations focuses on two key areas:

(1) Maintaining and managing High Conservation Value (HCV) areas and their biodiversity, while ensuring the conditions of conservation areas remain intact and re-designated as no-development areas.

(2) Striving for eco-efficiency or "increase productivity with less resource use and minimum waste" through the 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.

ENVIRONMENTAL POLICY

We also have in place a comprehensive Environmental Policy that enables us to consistently implement our environmental best practices in our diverse plantation locations, in a streamlined manner.

As our operations are mainly based in Indonesia, we adhere to the country's laws and regulations, while also adopting voluntary standards and policies. This is a challenging task as there is a diverse range of regulations from the different government departments, which are constantly evolving.

However, adopting the principles and criteria of the RSPO, the only international multi-stakeholder organization that provides a standard set of guidelines for the palm oil industry, has enabled us to consistently maintain our commitment towards environmental conservation.

BIODIVERSITY CONSERVATION

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 plantations company. Indonesia has a rich and immensely varied biodiversity and we recognize the importance of protecting these ecosystems and habitats of rare and endangered species.

Our priorities include preserving and maintaining river bank integrity, ecosystem vitality as well as 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 recognized more than 500 species of flora and 251 species of wildlife within the demarcated HCV areas. Some of these flora and fauna are also listed in the International Union for Conservation of Nature (IUCN) red list and identified by the Indonesian Government for their status of being endangered, scarce and unique.

We also work with conservation and law enforcement agencies to educate local communities on the importance of safeguarding the biodiversity in the region.

REHABILITATION AND WILD-RELEASE OF ORANGUTANS

We are committed towards the preservation of orangutans, categorized as an endangered species in Indonesia. Since January 2012, we have been providing financial support to the Borneo Orangutan Survival Foundation (BOSF) towards the protection, care, conservation, translocation and rehabilitation of orangutans, with the final goal of reintroducing them to their natural habitat. The agreement signed with BOSF was to fund 64 Orangutans up to 2015, and we have since extended the agreement by another 3 years until 2018.

In 2011, Goodhope also signed a MoU with the Orangutan Foundation International (OFI)'s Orangutan Care Center and Quarantine (OCCQ) facility in Pankalungbun, towards assisting with the adoption of ten orangutans and to fund their research on orangutan food by constructing a herbarium for the organization. This is the only such research center available in the region, and we continue to support the OCCQ by funding the employment of a botanist for the herbarium.

PROTECTING HIGH CONSERVATION VALUE (HCV) AREAS

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

As a responsible palm oil grower, the Group's plantations sector is dedicated to identify, reserve, and protect designated HCV areas within our plantations.

Processes are in place to identify HCV areas within our plantations prior to undertaking land development. Consequent to the recent introduction by the RSPO to identify and conserve designated High Carbon Stock (HCS) areas, we have initiated the process of assessing the same prior to land development.

During the HCV area identification process, we focus on five significant areas for conservation:

- Low Sand, Swampy & Conservation areas
- Riparian zones
- Sandy & Wet areas
- Ravine Rocky & Hilly areas
- Mangrove areas

As at 31st March 2016, we manage 20,794.61 Ha as HCV areas, across our 16 plantation locations. As per the laws of the Indonesian Government, HCV areas are carved out from the land titles or Hak Guna Usaha (HGU) – the "right to cultivate" – given to a private company. Therefore areas under HCV could get reduced with our conversion of current land permit into land title (HGU).

Of the Group's total HCV areas, 46.47% falls under the riparian category, 29.99% under steep slope areas and nearly 23.54% under protected forest and mangrove areas.

In Papua, of the initial identified HCV area of 7,956 Ha, nearly 60% was taken back by the Government following the HGU. Hence we now only have 2,194 Ha as HCV under our titled lands. However, we continue our commitment to protect HCV areas, irrespective of whether they fall under our titled lands and HGU, or not.

To ensure that the communities surrounding our plantation locations as well as our employees recognize demarcated HCV areas, we have placed signboards and markings for clear identification.

CONSERVATION FOR AREAS WITH CULTURAL SIGNIFICANCE

Some communities surrounding our plantations have a deep rooted belief in environmental conservation. Having understood their customs and traditions, the sector has put in place the following initiatives to promote conservation of these areas, and ensure that they are easily distinguished and recognized:

- Placing signboards identifying these as designated conservation areas
- Collaborating with local sub-district authorities to campaign and educate staff and local community on the importance of conservation and biodiversity
- Setting up a dedicated Conservation Team to monitor our performance and efforts towards conservation management. This team regularly monitors the designated areas to ensure there is no encroachment, and also reviews and monitors the biodiversity in these areas
- Undertaking advocacy efforts with the local customary board, local regency office and the Bupati in Central Kalimantan since 2011, to ratify these areas as customary forest

WATER MANAGEMENT

Water is a critical aspect of the Group's plantation operations. Our plantations are 100% rainwater fed. We use water from reservoirs constructed and maintained by us, and from waterways for our nurseries, office and housing needs, but our primary use is for our mills to process Fresh Fruit Bunches (FFB). During the milling process approximately 50% of the water evaporates in the steam boilers whilst the balance will be treated, reused and returned to our plantations as fertilizer.

Due to the critical need for water, several initiatives are undertaken towards its conservation and management. These include:

- Recycling waste water, which is then utilized for cleaning purposes
- Safeguarding waterways during plantation development in order to minimize the overflow of hazardous chemicals and effluents
- Providing designated areas as washing rooms in order to clean and wash Personal Protection Equipment (PPE) used by employees
- Improving water retention systems in plantations
- Monitoring and providing clean water to local communities and workers

SOIL FERTILITY MANAGEMENT AND CONSERVATION

The Group's plantation sector implements a stringent soil conservation policy, aimed at maintaining and enhancing soil fertility while reducing the risks of soil degradation posed by our business operations.

Before undertaking the development of our plantations, we carefully identify and keep undisturbed 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. On plantation areas identified as "moderate slope areas", we build

Sustainability Report

terraces and drainage systems to minimize soil erosion and the leaking of fertilizers and pesticides into water bodies. We also maintain buffers along riparian zones to protect river banks and maintain water quality.

For new development areas, we mechanically clear land and harness the organic content within fallen and decomposing biomass, such as pruned fronds, Empty Fruit Bunches (EFB) and Palm Oil Mill Effluents (POME) and use them as fertilizer. This enables us to reduce inorganic fertilizer usage when undertaking new plantings. 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 palms to produce the best possible yields, while ensuring minimal harm to the environment.

Before beginning the planting process and even during the immature phase of oil palms, we plant legume cover crops of fast growing Nitrogen fixing plants, such as mucuna bracteata to conserve and improve soil fertility and fix atmospheric Nitrogen for the trees, in addition to its direct benefit of minimizing soil erosion and suppressing weed generation.

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 plantations. Oil palm pests include rats, rhinoceros beetles, bunch moths and bagworms. The sector adopts the IPM approach in managing pests across all plantation locations, in order to reduce the risk of harming these ecosystems through the use of chemicals or pesticides. As a practice, we only use pesticides which are registered with and permitted by the Ministry of Agriculture.

WASTE MANAGEMENT

Our 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), fibres and shells that are produced as a result of crude palm oil (CPO) production.

EFB composting was introduced to our plantations in 2014. As a general practice, EFB is used as mulch for our oil palms, while we also use POME as a natural fertilizer. By introducing this composting system, we are now able to compost EFB along with POME thus enabling both by-products to undergo treatment at the same time, leading to greater efficiencies and environmental related benefits.

The solid waste produced by our mills, known as boiler ash, is recycled as a compact material for building roads.

Reduce-Reuse-Recycle Initiative

Common types of waste from our offices and housing complexes such as plastics, refuse and paper are disposed in an environmentally friendly manner, using segregation bins for easy recycling. A "Waste Bank" system has been launched in our plantations in the Central Kalimantan region, where villagers and workers are able to collect recyclable waste in a designated area. This also gives an opportunity for participants of the programme to make additional income by selling the waste to waste collectors at pre-set prices.

Following the success of the programme in PT Agro Indomas and PT Agro Bukit, plans are underway to replicate it in PT Agro Wana Lestari, PT Karya Makmur Sejahtera and also in villages surrounding our plantation locations in the upcoming year.

Managing Hazardous Waste

All hazardous and toxic waste is stored and handled as per the permitted limit set-out by the Ministry of Environment of Indonesia. As a standard procedure, we temporarily store the hazardous and toxic waste in secure and designated areas within our premises before it is transferred by licensed collectors, to be disposed of/recycled in a safe and secure manner.

ENERGY CONSUMPTION

The plantation sector's operations are dependent on the use of fossil fuels such as diesel, which is used to operate heavy equipment and vehicles as well as to ignite boilers.

However, wherever possible we also use biomass fuel, which is used to generate power for our boilers. This is produced from recycled waste materials from our milling operations, such as fibres and shells.

AIR EMISSIONS

The two most common occurrences of air pollution are during the new development stage and mature stage when mill operations commence. Smoke and dust emission from boilers are the main concern due to the combustion of solid waste materials. Policies and procedures are in place to ensure selection of the best technology in order to reduce the level of air emission. Regular maintenance is mandatory to optimize boiler performance and reduce the emission levels.

Regular environmental quality assurance and monitoring at both mills and plantations is carried out, both by sustainability teams and independent parties for areas such as air emissions, air ambience and noise levels. We are determined to maintain compliance and ensure all environmental indicators are below the Indonesian Government-set thresholds.

The sector maintains a strict zero-burning policy during the land clearing process. Instead, we mechanically clear land in preparation for new plantings and harness the organic contents within fallen, decomposing biomass to replenish plantation soil. Our zero-burning policy is communicated to both employees and contractors and any non-compliance can result in termination of employment or contracts.

FIRE PREVENTION AND PRECAUTIONS

Palm plantations in Indonesia often experience severe droughts through the periods of July to October, creating the potential for forest and land fires. In anticipation, a number of efforts to prevent and mitigate fire threats are implemented through the introduction of early detection and warning mechanisms augmented with fire awareness and trainings which also involve local communities from neighboring villages.

Other fire control measures include establishing fire towers, erecting warning signboards, providing fire extinguishers and periodic inspections of equipment and regular patrols to identify and mitigate potential fire threats. Positive results from these measures were observed with no significant fire incidents occurring in our plantations in the last few years.

Since 2007, we have been working with "Mangala Agni", which operates under the Directorate General of Forest Protection and Nature Conservation (PHKA), to conduct annual fire trainings for our employees and the local communities in Central Kalimantan.

Educating and training local communities regarding the danger of land fires also assists to minimize the risk of fires caused as a result of human negligence.

Beverage Sector

Certifications & Standards

The sector's Environment Management System and Occupational Health & Safety Management System were certified for ISO 14001: 2004 and OHSAS 18001: 2007 respectively, in February 2015. At present, an Integrated Management System has been developed in line with ISO 22000 standards.

Greener Production Process

WASTE MINIMIZATION

The sector is committed towards a zero-waste policy. Regular waste audits and adopting the 3R system (Reduce, Re-use & Recycle) promote operational efficiency and a more environmentally-friendly production process. Waste disposal points are identified and measures taken to reduce and re-use waste wherever possible. An efficient collection and distribution system ensures a streamlined recycling process for the remaining waste.

REDUCING THE CARBON FOOTPRINT

The sector continues to monitor its carbon footprint, setting footprint reduction targets, and taking necessary action in order to achieve this.

Environment, Health & Safety Training for Employees

The sector continues to give emphasis to employee-oriented Environment, Health & Safety programmes, and some of the salient training activities conducted in the year under review are as follows:

- In the year under review, a series of training programmes were conducted for all contract staff to enhance their knowledge on Environment, Health & Safety.
- A two-day training workshop was conducted in December 2015 at Kanneliya Forest Reserve, for the cross-functional EHS (Environment, Health & Safety) team, covering aspects of environment management, aspect impact studying and carbon footprint calculation.
- A training programme was conducted for employees on protecting the Kelani River, in collaboration with the National Water Supply and Drainage Board, to coincide with World Water Day in March 2016.

Employees engaged in outdoor training activities at Kanneliya Forest Reserve

Sustainability Report

INVESTING IN PEOPLE: REINFORCING THE FOUNDATION ON WHICH TO BUILD AND GROW

The Group believes that the success of its organization depends on the success of its people. With around 15,000 employees in our operating countries, the Group's reach is global. To benefit from this diversity and spread, we continuously align our people processes to reinforce the right foundation upon which to build and grow.

We are committed to being a responsible employer by ensuring the rights of our employees. Considerable effort is made towards creating an effective and sustainable employee value proposition in line with our stated vision of 'being the employer of choice to current and future employees'.

As a Group whose business is spread across the South East Asian region, we value the diversity of individuals and cultures, and believe that this in itself creates a learning and tolerant culture. All employment decisions are strictly based on business needs and requirements. Employees are given opportunities to grow and prosper on their individual capabilities and merit. We continue to provide appropriate learning and development opportunities to our employees, understand their aspirations, uphold and protect their rights, and take care of their welfare by providing a safe and friendly working environment.

Corporate Values and Behaviour of People

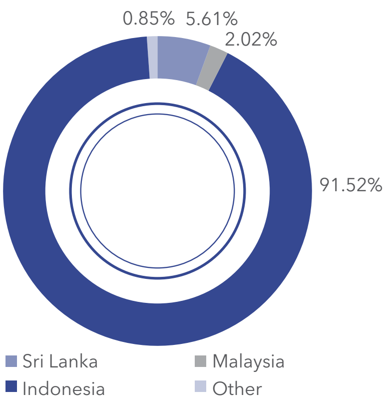
The values of performance, sharing of knowledge and passion are integral to our business success. We focus on behaviours that set standards against which all employees are measured. The six behaviours are customer excellence, drive for results, collaboration, integrity, develop yourself and others, and change/ inspirational leadership. Together, these values and behaviours form an intrinsic part of our culture and identity.

Investing in Today and Tomorrow

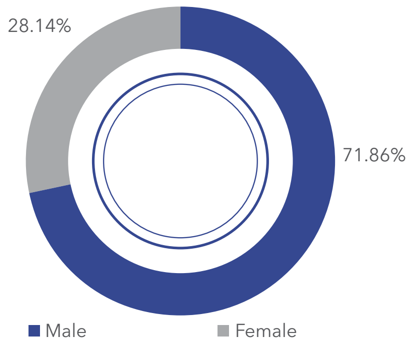
Sound people processes cultivate the right climate for employees to thrive and contribute to achieving organisational objectives and also attracts and recruits, manages and rewards performance, develops and engages talent.

We believe that diversity and inclusion are business imperatives to increase the right talent pool for sustainable performance. While we have a very diverse workforce, particularly in terms of nationality, it recognizes the need to address its people policies for inclusivity.

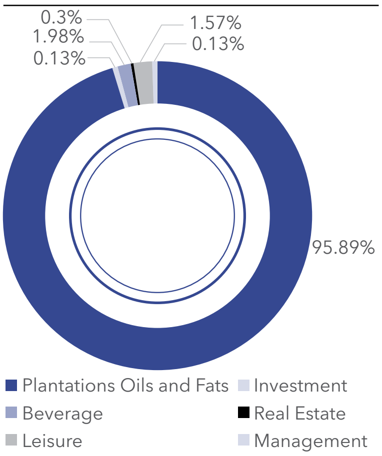
Total Workforce by Country



Gender Diversity



Employees by Sector



Sector	Executive Directors	Managers	Executives	Non-Executives	Employees by Sector for 2016
Plantations, Oils and Fats	18	390	698	13408	14514
Investment	1	5	12	1	19
Beverage	3	67	80	88	238
Real Estate	1	1	6	11	19
Leisure	0	13	30	257	300
Management	3	12	23	8	46
Total	26	488	849	13773	15136

Training and Development
Given that leaders shape an organization, excellence in leadership is a must. To foster development and networking opportunities, almost all managers participated in executive education programmes in 2015. Recognizing that challenges faced by leaders today requires a different mind-set, we have given opportunities to its future leaders to participate in leadership training with leading academic institutions to explore concepts such as self-awareness, authority, mindful leadership, resilience, and system dynamics.

Recognizing Employees' Voice
The relationship between management and its people is based on active dialogue based on open door policy. A key factor in engagement is listening to needs and acting on feedback. Numerous engagement surveys have been conducted, leading to various company initiatives in response.

Reward and Recognition
Human resource policies and practices maintain internal and external equity in people wages and salaries and demonstrates transparency and fairness. The rewards are based on performance and external equity is derived from periodic market surveys conducted by professional local and international organizations of repute.

Annually the company felicitates employees who have served the company more than 25 years.

Health and Safety
We take care of our employees, recognizing its strategic business importance and our practices go over and beyond minimum compliances and standards of respective countries of business presence. We provide a safe working environment both physical and mental with best practices on par with respective global standards.

Health medical facilities to staff and their immediate families with a comprehensive out-door and in-door cover coupled with the services of two visiting doctors ensures their well-being. Both preventive and corrective medical care is offered to employees of our businesses with residential workforce, through well-appointed hospital and medical staff.

Work- life Balance
We ensure right environment and facilitation for affiliation and socialization of staff. Human resource calendar includes staff outing, annual staff party, staff children's art competition and exhibition and opportunities to participate in external competitive sports and recreational activities. Participation in these events helps build camaraderie among staff.

BEVERAGE SECTOR

HR faculty of the beverage sector, having captured the employee voice has now embarked on enhancing its' functionalities to raise its' level as a strategic business partner.

Consolidating the Performance Based Reward Scheme
Inculcation of performance based culture built on variable reward schemes have received acceptance of the employees. The "Quick Win" incentive scheme has benefited both the employee and the company due to the appreciable gain sharing incentive scheme.

Training and Development
Company continues its effort in developing the next generation of leaders, offering an array of exposure in both local and international learning experiences.

In order to assess the training needs, company makes the best use of

Culmination of work hard play hard culture

Warm gesture of gratitude and appreciation

One family, one journey

Sustainability Report

performance appraisals and an array of other techniques like assessment centres to keep the training and development in line with the business requirements.

The nurturing and retaining of talent, is well harnessed by the opportunities available through International Carlsberg Network for secondments. The company has embarked on a Management Trainee Programme this year to scout for future talent offering rewarding careers to selected candidates.

Integrated Online Human Resource Management System

The Human Resource Management System is now in full implementation. The company has benefited by inculcating an egalitarian working environment and harmonious industrial relations due to these efforts.

Work - life Balance

Company believes in work-life balance as a value, and therefore the Children's English language learning programme, Children's Art Competition, Lion Family Day and Employee Annual Trip keep a good balance of solidarity at work and socializing.

Capturing Employees' Voice

Company used the diagnostic tool of HayGroup of international reputation, to capture the voice of the employees and analyse the same to improve organizational effectiveness.

Health and Safety

A certificate training programme was conducted to enhance the knowledge of all forklift drivers on safety and defensive driving. Practical assessment session was also done to evaluate the performance of drivers.

PLANTATIONS SECTOR

In line with the Sector's Human capital vision of being the employer of choice to both current and future employees, the Human Resources architecture of the Plantations Sector strives to create an effective and sustainable employee value proposition.

Responsible Employment Practices

Equal Opportunities

We offer equal opportunities for all, irrespective of factors such as race, gender, ethnic group, religious beliefs, and national or social origin.

By virtue of the industry, though we value diversity, there are certain occupations where we experience a large proportion of male workers. However across the sector, we continue to maintain a healthy gender diversity in line with industry standards.

Cheers to "Quick Win"

Harnessing young talent

Employee awareness is strategic

Cultural Diversity

The majority of the Sector's plantations are based in Indonesia, which is a nation of multi ethnicities and cultures. As good practice, we try to employ locals at each of our plantation locations; and as such our employee base is made up of people from diverse ethnic groups and cultural beliefs.

Our Sector Human Resource policies ensure that the diversity of our employees' beliefs and cultures are both respected and preserved.

Freedom of Association

The Sector supports employees' freedom of association. Employees are free to form unions as a channel to communicate with the management on issues, expectations and aspirations. In one of our oldest plantation locations, we have one labour union of which 2,381 of our employees are members. Over the years we have established and maintained good relationships with the Union and its representatives.

Bipartite Communication Forum (LKS Bipartite)

LKS Bipartite is established by the Sector in compliance with the Manpower Law no.13 of year 2004 article 107. This Bipartite Agreement is regulated by the Manpower Ministry Decree no.32 of year 2008. The LKS Bipartite is a means of communication between the Sector leadership, the location-based operational management teams and employees towards achieving and maintaining a common platform for effective communication, transparency and creating a conducive work environment.

Forced and Child Labour

In accordance with international standards and national labour laws and regulations, the Sector does not tolerate forced labour or the employment of children under the age of 18 years. The Sector's regulations and Standards of Business Conduct (SBC) clearly states that it will not recruit employees below the age of 18 years. We also ensure that all our employees clearly understand their rights and obligations. Since 2007, we have campaigned and promoted the fight against child labour across all our plantation locations.

However, in order to facilitate the 'practical work experience' requirement of students studying in our Senior High School, the Sector has in place internship programs spanning 1 to 4 months under a special agreement to incorporate these students as interns in areas such as office administration, agro-technology, agronomy and plantation operations.

We have implemented several initiatives to promote the abolition of child labour in our plantation operating locations including the advocacy for children to undergo 12 years of education until the age of 18, which is well above the mandatory education age as stipulated by Indonesian law.

Further, we advocate the 'Abolition of Child Labour' with our suppliers and contractors. Accordingly we have inserted relevant Human Rights clauses in standard contracts and agreements that we enter into with third parties. Currently our third party contracts are monitored by our Estate Managers and Human Resource staff. In the coming year we plan to launch a more comprehensive procedure for third party screening and monitoring to ensure due emphasis is placed by them regarding this aspect. Going forward we plan to apply this policy to all major third parties that the Sector deals with on a continuous basis.

Further, our policies are clearly communicated to and adhered by all HR personnel in all our plantations companies.

Employee Rewards

Remuneration, Rewards and Benefits

Employees receive remuneration and benefits aligned to their work responsibilities and competency levels. Employees' rewards are also based on their level of performance, achievement and the contribution made to meeting Sector and Entity level strategic priorities. We do not discriminate between genders and both male and female employees' remuneration is based on the above mentioned factors.

We are also particular to match our remuneration to meet statutory requirements. For example, the Indonesian government sets wage rates annually for workers for the different regions of Indonesia. Over the years the trend has been an increasing wage rate for all regions with the region of Jakarta being at the upper level and the Sintang region being at the bottom level. The remuneration paid to our workers is aligned to these standards.

Employee Benefits

All employees, irrespective of their category of employment, receive benefits that are required by the Employment Act and any other laws and regulations.

Employees also have variable components in their remuneration which are linked to individual and Sector performance. We also provide additional benefits to our employees, and the benefits received by permanent employees differ from that received by non-permanent employees.

Sustainability Report

Living Environment

We aim to provide a safe and healthy living environment for our employees and their families living in our plantations. Currently, the following services and amenities are provided to our employees:

a. Housing facility with provision to electricity, clean water and semi furnished house and vehicle ownership scheme

b. Religious facilities such as mosques, churches and temples

c. Supporting facilities such as medical clinic, sports fields, gathering hall, schools, daycare centers

Human Capital Management

Learning and Development

The Sector places a high degree of importance on the learning and development initiatives that are available to all employees. To facilitate this process, we have established the "Goodhope Academy for Management Excellence" (GAME) under whose banner we run multiple training facilities across the Sector's operating locations.

Accordingly, the Learning & Development team conducts comprehensive development interventions for different levels of employees based on the "3E" model of Education, Experience and Exposure. In line with this, many structured classroom sessions have been initiated for developing skills and technical competencies based on identified learning needs of our 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 employee performance levels. These in turn are used to improve and enhance future training sessions.

Furthering our efforts towards fostering a learning culture, we have developed comprehensive training modules for Agriculture and Engineering based learnings. These modules known as Core Agricultural Programme (CAP) and Core Engineering Programme (CEP) were developed by our own expert managers and are used to improve knowledge and educate other employees.

We endeavour to provide opportunities for employees to reach their career aspirations by inculcating a conducive learning environment together with global business exposures. We strive to create agility, pro-activeness and dynamic teams to drive our business growth, empowering them with a state-of the art, systems driven workspace equipped with the business intelligence tools and processes that build leaders of tomorrow.

At entry levels, we also provide structured on-the-job training and working experience with cutting-edge ERP systems and integrated IT solutions, which offers the ideal capability development and exposure required to meet the aspirations of today's talented professionals.

Employee wellbeing is a primary concern

Succession Management
We have in place 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 carry out a structured process to assess and identify our succession pool, to ensure the presence of a healthy job coverage for all critical positions.

Performance Management
The sector continues to optimize performance standards of individuals, cross-functional teams, departments and companies through its integrated performance management systems deployed across all operating locations. This system enables cascading of key result areas to all 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. This results in improvements to the quality of results achieved by employees on an on-going basis. Assessments are conducted on a bi-annual basis for all employees in executive and management categories.

Occupational Health & Safety
We are committed to provide a safe and healthy work environment that ensures the protection of our workers, family members, villagers and others who might be affected by the workplace environment.

To monitor the safety of our employees, we adopt a world-renowned Safety Index to benchmark our performance to industry standards.

To ensure employees' participation in their own safety, clear guidelines are provided and sign-boards are put-up in strategic locations as a reminder to both employees and visitors. Regular trainings are conducted to keep all employees abreast of new developments and new procedures to be implemented and followed. It is mandatory for employees to use Personal Protective Equipment (PPE) when working in or visiting our plantations and mills. Safety Officers are appointed and periodic audits and monitoring is undertaken to ensure that safety policies are adhered to by all.

Value Added Statement

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

For the year ended 31st March	2016		2015		2014		2013		2012	
Revenue	85,570,280		88,546,659		76,617,967		76,162,126		66,079,268	
Other income	312,726		358,911		486,522		416,110		562,392	
	85,883,006		88,905,570		77,104,489		76,578,236		66,641,660	
Cost of materials and services purchased from outside	(45,093,670)		(51,323,968)		(41,974,515)		(41,740,985)		(32,526,413)	
Value Added	40,789,336		37,581,602		35,129,974		34,837,251		34,115,247	
		%		%		%		%		%
Distributed as follows										
To Employees as remuneration and other benefits	8,069,775	20	7,386,312	20	7,372,768	20.99	6,582,914	19	5,276,276	15
To Governments as taxation/excise	20,524,332	50	17,080,669	45	13,634,532	39	12,488,515	36	9,215,232	27
- Sri Lanka										
- Overseas	941,189	2	1,521,085	4	1,234,454	4	1,732,190	5	2,272,139	7
To Providers of capital										
as interest on loans	3,022,802	7	2,476,181	7	2,073,516	6	1,496,146	4	2,335,777	7
as non controlling interest	3,115,072	8	3,728,316	10	4,167,120	12	5,061,334	15	5,627,102	16
as dividend to shareholders (Company)	306,000	1	306,000	1	392,774	1	392,774	1	392,774	1
Retained in the business										
as depreciation	3,660,746	9	3,232,634	9	2,848,113	8	2,882,210	8	2,386,493	7
as retained profits	1,149,420	3	1,850,404	5	3,406,697	10	4,201,168	12	6,609,454	19
	40,789,336	100	37,581,602	100	35,129,974	100	34,837,251	100	34,115,247	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	2016	2015	2014	2013	2012
Value Added Tax /Good and Services Tax	175,944	2,711,205	3,229,842	2,794,957	2,204,416
Social Responsibility Levy/Nation Building . Levy included under net sales above	44,112	398,185	516,290	431,469	337,641
Excise Duty & Import duty included under net sales above	20,208,675	16,273,162	12,294,313	11,309,633	7,758,627
	20,428,731	19,382,552	16,040,445	14,536,059	10,300,684
Income Tax	271,545	409,322	823,929	1,118,964	639,404
Total Taxes paid to the Government of Sri Lanka	20,700,276	19,791,874	16,864,374	15,655,023	10,940,088

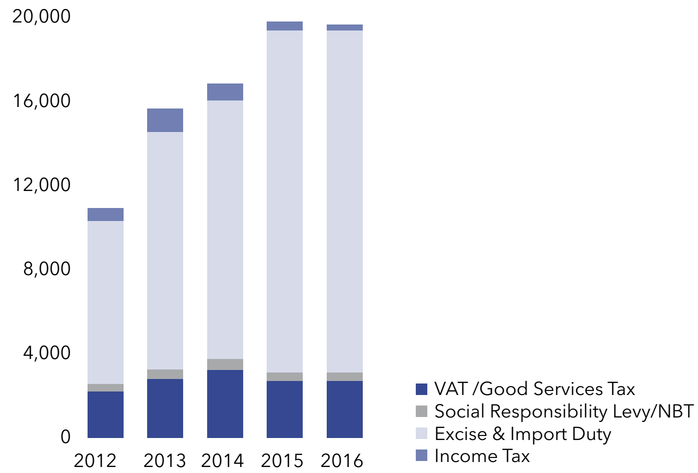
Value added is the wealth created by providing products and services in both domestic and international markets, less the cost of providing such products / services. The value added is allocated among the employees, Governments, providers of capital and the balance is retained in the business for expansion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

Profit After Tax by Business Segment

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 and import duty.

The portion of value added distributed to the government of Sri Lanka increased from 45% in the financial year 2015 to 50% in the financial year 2016.

Taxation paid to Sri Lankan Government (Rs Mn)



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 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.

ERM Process

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.

Board of Directors	→	• Responsible for approval of ERM framework • Set risk appetite threshold • Approve Business Plans • Review reports – Risk Dash Board & summary of risk register
Audit Committee	→	• Considers adequacy of risk management and internal control framework • Reviews risk management reports, Dashboard/Risk register • Reviews reports from internal and external auditors
Management Team	→	• Defines and sets Risk appetite and considers new and emerging risks • Develops/monitors suitable action plans to mitigate/manage risks • Considers actions to improve risk management process • Provides representation on compliances.
Risk owners	→	• Responsible for day to day monitoring / supervision of risk and risk mitigation actions • Required to evaluate status of risk and effectiveness of risk mitigation action plans

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	Impact	Risk Responses and Strategies
Commodity Price Risk	Oil & Fats sector is susceptible to fluctuations in global Crude Palm Oil (CPO) prices for which we have minimal control being a price taker. Continued stagnant growth in world economies has affected consumption globally including in the world's largest buyers of CPO being China and India. Lower crude oil price regimes during the last 12 months have also diminished the demand for palm oil-based biofuels. The substitute soybean has also experienced a good harvest impacting demand for palm oil and increasing volatility in CPO prices. While CPO's prices are expected to stabilize due to the previous El Nino impact of 2015/16, it has a detrimental effect on volume of production and is likely to impact the segment profitability and liquidity. However, some positive impact can be expected from price increased due to the corresponding low production volumes. 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 the price volatility and cash flows by entering in to forward sales contracts • Oils & Fats Segment seek to maintain a back to back cover on raw material purchases to minimise the price volatilities and transfer the price fluctuations to the customer 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.

Risk Management

Risk	Impact	Risk Responses and Strategies
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. - 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	Timely plantation development in Indonesia can be impacted due to multiple & ambiguous land claims, difficulties in procuring contractors and poor infrastructure in remote locations. Lack of available funds caused by depressing palm oil prices has had a major impact on plantation development. Project delays may result in significant increases in development costs, subsequent overhead costs and loss of land to third parties as well as social issues from local smallholders (Plasma) who expect development of land at a faster pace.	- Anticipate & proactively resolve social issues affecting land release and multiple land claims. - Ensure that necessary permits and licenses are acquired in a timely manner to complete the developments. - Look to match the capex funding to cover the total funding duration up to reaching maturity stage. - Employ a bigger pool of experienced contractors to ensure that disruptions to development projects are minimised

Risk	Impact	Risk Responses and Strategies
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. Additionally, the Indonesian government is under pressure from other international governments and NGO's to curtail deforestation and use of land for plantations. At the same time, Indonesia is also looking to increase value addition within the country as well as to make these asset ownership more wide based and inclusive to more of its Indonesian citizens.	- 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 relationships with key personnel - Have in place a plan to complete the land compensation within the stipulated time
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 - Identify and assess the key staff members crucial for successful operations. - Identify gaps in skills and capabilities of key roles and implement development programs to facilitate career progression and succession planning - Invest in organization-wide training and development to enhance capability levels and maintain motivation of the 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. - Continue to monitor the market volatilities to anticipate and exploit the favourable movements - 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 - Develop infrastructure to minimise damages due to perils. - Business Continuity Plan - Cover perils through adequate insurance

Risk Management

Risk	Impact	Risk Responses and Strategies
Liquidity Risk	The risk that the sector cannot easily meet its operational and financial obligations can result in 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. • 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.
Financial Leverage and Cash Flow Risk	Oil & fats sector is impacted by its high financial leverage on the backdrop of 2 years of continued low prices and lower volumes. The plantation segments previous land developments requires maintenance. With the downturn in the industry, GAHL's external bank funding needs to be serviced. Additionally, the segment has obtained supplier credit facilities to maintain its development. Additionally, global banks have been impacted by the lower commodity prices across these industries and are looking to reduce their exposure to these industries such as crude oil, coal and agri businesses. The segment will require managing its capital repayment given the current down turn in the operating cash generation.	- Manage bank funding facilities and service of the borrowing facilities - Manage costs and future developments in the back-drop of restricted funding availability.

Risk	Impact	Risk Responses and Strategies
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 carryout regular review on internal control systems and processes and recommends process improvements if shortcomings are noted.
Legal and Regulatory Compliance Risk	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.

Risk Management

Risk	Impact	Risk Responses and Strategies
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 business.	- Employees are communicated the right vaues 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 ongoing. - The extrensive compliance process also ensures that the Group does not take the risk of process failure that will lead to reputation risk. - Maintaining good relatioships with all stakeholders further helps manage any crisis situations that can damagereputation.

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)

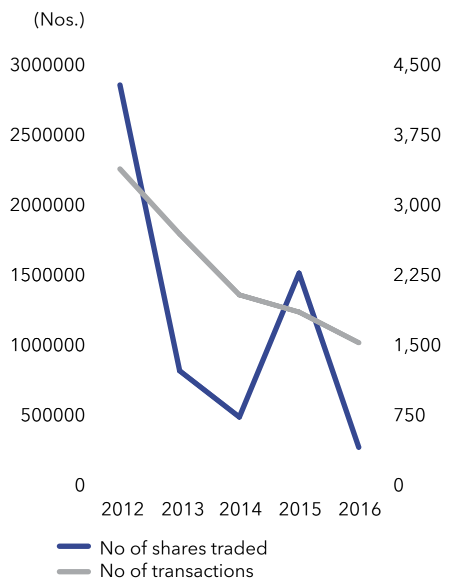
2 MARKET CAPITALISATION AND MARKET PRICE

Market Capitalization of the Company's share, which is the number of ordinary share in issues multiplied by the market value of a share, was Rs. 35,700 Mn as at 31st March 2016. (Rs. Rs. 69,156 Mn as at 31st March 2015)

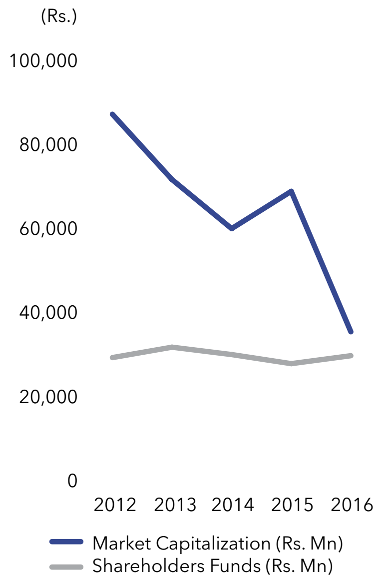
The Information on Market prices are set out below :

	2016	Q4	Q3	Q2	Q1	2015
Share Information						
Market value per share (Rs.)	350	350	511	640	665	678
Highest price (Rs.)	720	517	640	720	700	750
Lowest price (Rs.)	340	430	480	631	651	540
Trading Statistics						
No of transactions	1,535	549	452	338	196	991
No of shares traded	277,533	176,735	19,344	75,880	5,574	1,519,755
Value of all shares Traded (Rs. Mn)	125	62	10	49	4	1,863
Market Capitalization (Rs. Mn)	35,700	35,700	52,122	65,280	67,830	69,156
Enterprise Value (Rs. Mn)	141,885	141,885	162,095	168,237	171,392	171,056

Share Trading



Shareholders Funds & Market Capitalization



Information to Shareholders & Investors

3 SHAREHOLDER BASE

The total number of shareholders as at 31st March 2016 was 1,793 compared to the 1,782 as at 31st March 2015. The number of ordinary shares held by non-residents as at 31st March 2016 was 21,638,481 which amounts to 21.22% of the total number of ordinary shares.

4 DISTRIBUTION AND COMPOSITION OF SHAREHOLDERS

The Information on Market prices are set out below :

Distribution of Shares		Residents No. of Share holders	Residents No. of Shares	Residents %	Non-Residents No. of Share holders	Non-Residents No. of Shares	Non-Residents %	Total No. of Share holders	Total No. of Shares	Total %
1	1,000	1,540	183,917	0.18	16	4,907	0.01	1,556	188,824	0.19
1,001	10,000	146	378,463	0.37	7	25,981	0.03	153	404,444	0.40
10,001	100,000	37	1,237,579	1.21	13	467,474	0.46	50	1,705,053	1.67
100,001	1,000,000	10	2,283,098	2.24	10	3,825,619	3.75	20	6,108,717	5.99
Above	1,000,000	12	76,278,462	74.78	2	17,314,500	16.97	14	93,592,962	91.75
Total		1,745	80,361,519	78.78	48	21,638,481	21.22	1,793	102,000,000	100

5 COMPOSITION OF SHAREHOLDERS

Distribution of Shares	31st March, 2016			31st March, 2015		
Ordinary Shares	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individuals	1,663	5,479,013	5.37	1,662	5,404,795	5.30
Institutions	130	96,520,987	94.63	120	96,595,205	94.70
Total	1,793	102,000,000	100	1,782	102,000,000	100
Residents	1,745	80,361,519	78.78	1,735	80,334,726	78.76
Non Residents	48	21,638,481	21.22	47	21,665,274	21.24
Total	1,793	102,000,000	100	1,782	102,000,000	100

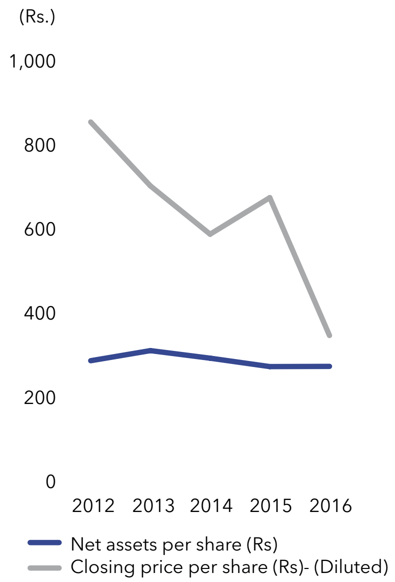
6 PUBLIC HOLDING

Percentage of ordinary shares held by the public as at 31st March 2016 was 23.04% and the number of public shareholders was 1,777.

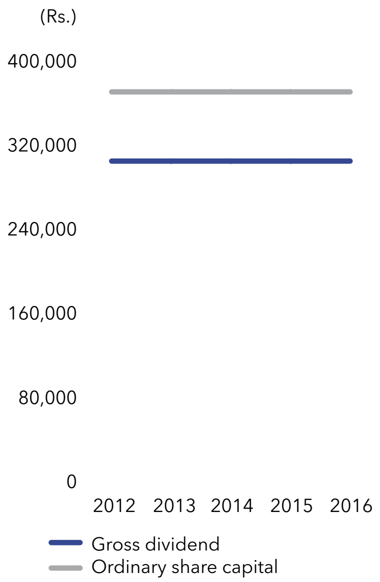
7 INFORMATION ON RATIOS

Distribution of Shares Ordinary Shares	2016	2015
EPS (Rs.)	13.84	20.71
Dividend Payout Ratio (%)	258.62	73.74
Price Earnings Ratio (Times)	25.29	32.74
Dividend Yeld (%)	0.86	0.44
Market Value Added (Rs. Mn)	111,881	142,945

Shareholders Funds & Market Capitalization



Gross dividend and Ordinary share capital



8 MATERIAL FORESEEABLE RISK FACTORS

(As per rule no. 7.6 (VI) of the Listing Rules of the Colombo Stock Exchange)

Information pertaining to the material foreseeable risk factors, that require disclosures as per the Rule No. 7.6 (vi) of the Listing Rules of the CSE are discussed in the Section on 'managing Risk at Bukit Darah PLC' on Pages 66 to 72.

9 MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS PERTAINING TO THE COMPANY

(As per Rule No. 7.6 (VII) of the Listing Rules of the Colombo Stock Exchange) There were no material issues pertaining to employees and industrial relations pertaining to the company that occurred during the year under review which require disclosure.

10 INFORMATION ON DIVIDENDS

The details of the dividends paid are as follows:

For the year ended 31st March	2016		2015	
Ordinary Shares	**Per share Rs**	**Amount Rs'000**	**Per share Rs**	**Amount Rs'000**
Dividends Paid	3.00	306,000	3.00	306,000
	3.00	306,000	3.00	306,000
Preference Shares				
Dividends Paid	23.95	44,057	23.95	44,057
	23.95	44,057	23.95	44,057
Preference Shares				
Annual Dividend	0.08	145	0.08	145
	0.08	145	0.08	145

Information to Shareholders & Investors

11 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

12 DIVIDENDS SINCE

Year ended 31st March	DPS (Rs.)	Dividends (Rs.'000)
2012	2.50	255,000
2013	3.00	306,000
2014	3.00	306,000
2015	3.00	306,000
2016	3.00	306,000

13 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
2016	102,000,000

14 HISTORY OF SCRIP ISSUES

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

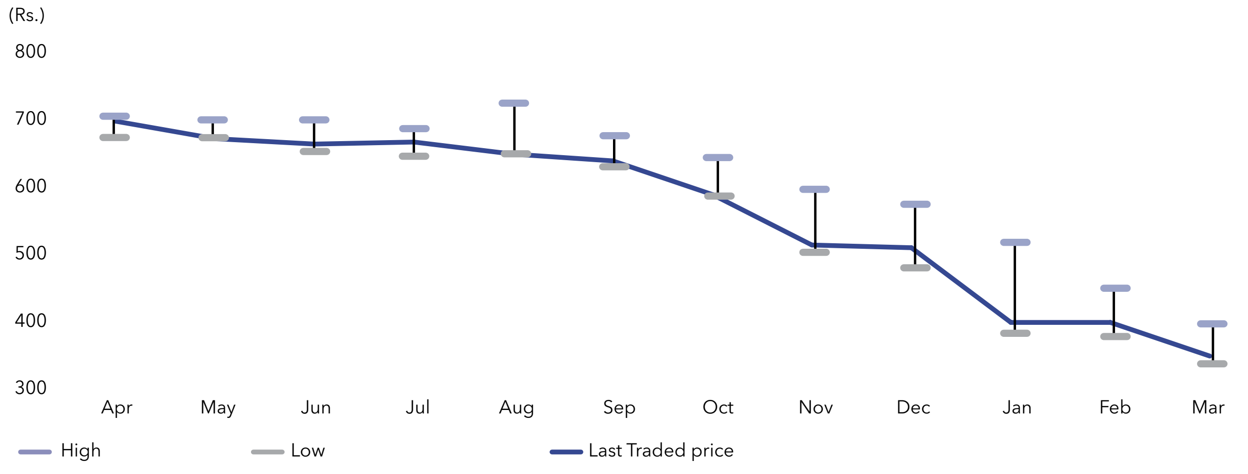
15 INFORMATION ON MOVEMENT IN NO OF SHARE

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

16 SHARE PRICE TREND OVER LAST FIVE YEARS

Year ended 31st March	2012	2013	2014	2015	2016
Highest Price (Rs.)	1,145	950	755	750	720
Lowest Price (Rs.)	809	652	538	540	340
Last Traded Price (Rs.)	858	706	591	678	350

Share Price Trend over the Last Financial Year

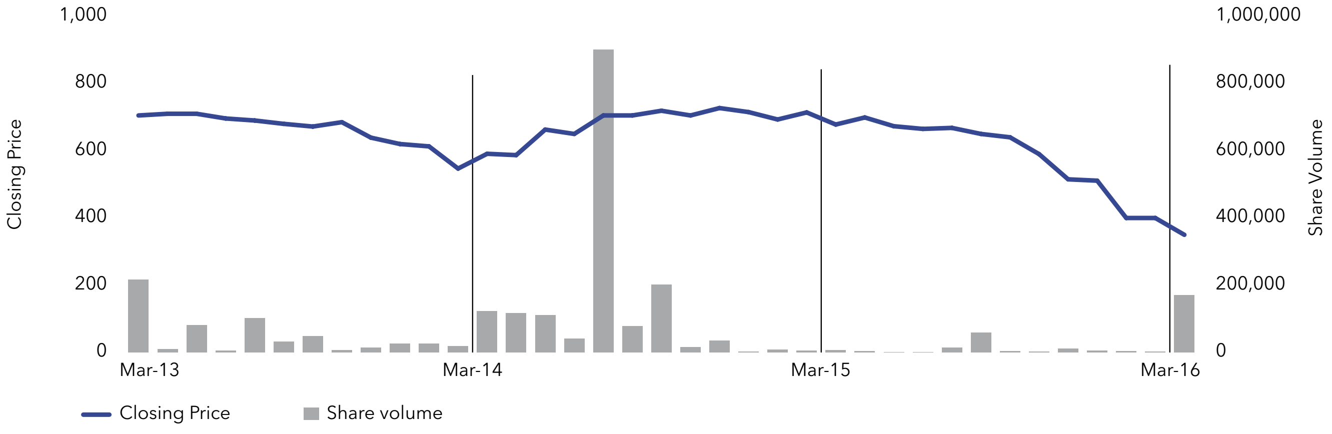


17 INFORMATION ON SHAREHOLDERS FUNDS AND MARKET CAPITALIZATION

As at 31st March	2012	2013	2014	2015	2016
Shareholders' Funds (Rs. Mn)	29,557	32,033	30,278	28,112	30,004
Market Capitalization (Rs. Mn)	87,516	71,961	60,272	69,156	35,700
Market Capitalization as % of CSE Mkt. Captl. (%)	4.35	3.26	2.41	2.39	1.33

18 PRICE AND SHARE VOLUME CHART

Price & Share Volume Chart



Information to Shareholders & Investors

19 FIVE YEAR SUMMARY - GROUP

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

For the year ended/As at 31st March	2016	2015	2014	2013	2012
OPERATING RESULTS					
Revenue	85,570,280	88,546,659	76,542,788	76,160,413	66,078,183
Profit from operations	9,399,773	13,446,974	13,207,726	11,027,656	14,294,103
Finance expenses	3,022,802	2,476,181	2,073,516	1,496,146	2,335,777
Profit before taxation from continuing operations	6,963,299	8,282,042	11,133,371	13,627,257	17,695,891
Income tax expenses	2,541,418	2,549,422	3,259,870	3,982,666	4,308,795
Profit for the year	4,570,492	5,884,720	7,873,501	9,644,591	13,387,096
Profit attributable to the non controlling interest	3,115,072	3,728,316	4,598,484	5,365,882	6,644,704
Profit attributable to the owners of the company	1,455,420	2,156,404	3,275,017	4,278,709	6,742,392
CAPITAL EMPLOYED					
Stated capital	412,635	412,635	412,635	412,635	412,635
Reserves	29,591,586	27,699,054	29,865,750	31,619,702	29,178,718
	30,004,221	28,111,689	30,278,385	32,032,337	29,591,353
Non -controlling interest	38,052,640	35,065,642	36,190,123	34,841,670	31,523,467
Investment through subsidiaries	(10,688)	(10,688)	(10,688)	(10,688)	(10,688)
Short - term and long - term borrowings	75,797,441	75,980,241	64,587,871	52,234,376	37,664,912
	143,843,614	139,146,884	131,045,691	119,097,695	98,769,044
ASSETS EMPLOYED					
Non - current assets	146,805,946	133,886,870	122,264,097	112,681,124	94,029,100
Current assets	30,464,254	30,518,929	35,721,078	26,628,667	23,051,017
	177,270,200	164,405,799	157,985,175	139,309,791	117,080,117
Current liabilities - excluding borrowings	(19,473,222)	(13,590,878)	(16,526,064)	(10,818,192)	(11,266,986)
Other financial current liabilities	(63,559)	(55,818)	(50,492)	(28,077)	(25,492)
Deferred liabilities	(13,889,805)	(11,612,219)	(10,362,928)	(9,365,827)	(7,018,595)
	143,843,614	139,146,884	131,045,691	119,097,695	98,769,044
CASH FLOW STATEMENTS					
Net cash inflows from operating activities	12,605,257	4,856,514	13,500,715	4,557,119	12,502,140
Net cash used in investing activities	(8,823,402)	(21,876,166)	(15,187,257)	(19,256,593)	(17,586,408)
Net cash generated from/(used in) financing activities	(6,236,436)	10,114,854	12,922,344	2,441,358	(3,877,384)
Net (decrease)/increase in cash & cash equivalents	(2,454,580)	(6,904,799)	11,235,802	(12,258,116)	(8,961,652)

For the year ended/As at 31st March	2016	2015	2014	2013	2012
OPERATIONAL RATIOS					
Return on ordinary shareholders' funds (%)	4.85	7.66	10.67	13.24	22.69
Equity to total assets (%)	38.39	38.43	42.07	48.00	52.20
Revenue growth (%)	(3.36)	15.68	0.50	15.26	83.51
Asset growth (%)	7.82	4.06	13.41	18.99	51.60
Revenue to capital employed (times)	0.59	0.64	0.58	0.64	0.67
No. of employees	15,136	15,954	15,580	15,097	14,453
Revenue per employee (Rs.'000)	5,653	5,550	4,913	5,045	4,572
DEBT & GEARING RATIOS					
Interest cover (times)	3.11	5.43	6.37	7.37	6.12
Total debts	75,797,441	75,980,241	64,587,871	52,234,376	37,664,912
Net debts	68,131,397	66,834,591	47,357,114	44,300,854	28,846,373
Debt equity ratio (%)	111.37	120.27	97.17	78.11	61.63
Gearing ratio (%)	52.69	54.60	49.29	43.89	38.18
Debt/total assets (%)	42.76	46.22	40.88	37.50	32.17
Current ratio (times)	0.62	0.79	0.84	0.79	1.00
INVESTOR RATIOS					
Dividend cover (times)	4.61	6.90	10.56	13.84	20.14
Dividends per share (Rs.)	3.00	3.00	3.00	3.00	2.50
Market value per share (Rs.)	350	678	591	706.00	858.00
Market capitalization (Rs.' Mn)	35,700	69,156	60,272	71,961	87,516
Earnings per share (Rs.)	13.84	20.71	31.67	41.51	50.36
Price earnings ratio (times)	25.30	32.74	18.66	17.01	17.04
Net assets per ordinary share (Rs.)	293.76	275.21	296.45	313.64	289.71

Information to Shareholders & Investors

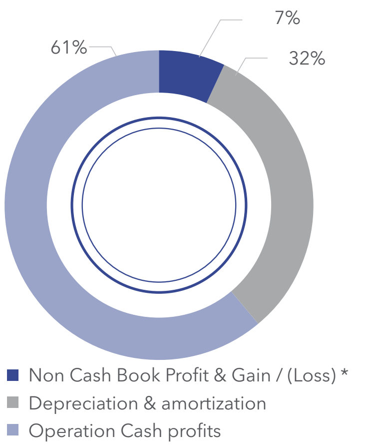
(Amounts expressed in Sri Lankan Rs.'000)

20 GROUP QUARTERLY RESULTS - STATEMENT OF INCOME

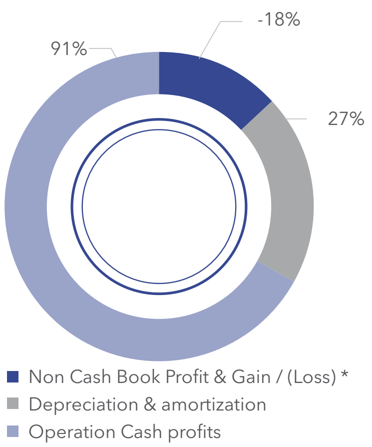
For the year ended 31st March	1st Quarter	%	2nd Quarter	%
Revenue	23,493,297	27	21,116,597	25
Segment results	3,338,608	36	2,275,076	24
Foreign exchange gains/(losses)	(478,555)	190	(2,256,226)	897
Impairment of business assets				
Change in fair value of biological assets	(392,786)	(58)	(370,052)	(55)
Change in fair value of investment properties	-	-	-	-
Profit from operations	2,467,267	25	(351,202)	(4)
Net finance expenses	(783,445)	26	(829,242)	27
Share of net result of joint ventures	469	10	1,277	27
Profit before Income tax expenses	1,684,291	24	(1,179,167)	(17)
Income tax expenses	(480,469)	19	130,915	(5)
Profit for the period	1,203,822	27	(1,048,252)	(24)
Discontinued operation				
Net impact from discontinued operation, net of tax				
Profit for the year				
Profit attributable to				
Owners of the Company	375,275	26	(1,002,421)	(69)
Non controlling interest	828,547	27	(45,831)	(1)
	1,203,822	26	(1,048,252)	(23)
Earnings per share (Rs.)	3.68		(10.26)	
Net assets per share (Rs.)	274.27		240.17	
Market value per share (Rs.)	665.00		640.00	
Net profit on segmental basis				
Investment holdings	(31,319)	17	(19,813)	11
Portfolio & asset management	243,439	44	469,481	85
Oil palm plantations	1,317,509	76	525,100	30
Oils & fats	(68,914)	10	(111,289)	16
Beverage	592,104	29	706,608	34
Real estate	23,973	27	31,857	36
Leisure	19,521	18	17,381	16
Management services	(21,150)	49	(41,299)	95
Segment operating profit	2,075,163	57	1,578,026	43
Change in fair value of investment properties	-	-	-	-
Foreign exchange gains/(losses)	(478,555)	190	(2,256,226)	897
Change in fair value of biological assets	(392,786)	(58)	(370,052)	(55)
	1,203,822	-	(1,048,252)	-

3rd Quarter	%	4th Quarter	%	FY 2016	%
20,591,691	24	20,368,695	24	85,570,280	100
1,175,174	13	2,610,915	28	9,399,773	100
1,681,529	(669)	801,816	(319)	(251,436)	100
		(336,233)		(336,233)	
1,661,410	245	(221,031)	(33)	677,541	100
-	-	491,647	100	491,647	100
4,518,113	45	3,347,114	34	9,981,292	100
(654,573)	22	(755,542)	25	(3,022,802)	100
487	10	2,576	54	4,809	100
3,864,027	55	2,594,148	37	6,963,299	100
(1,267,512)	50	(924,352)	36	(2,541,418)	100
2,596,515	59	1,669,796	38	4,421,881	100
				148,611	
				4,570,492	
1,238,787	85	843,779	58	1,455,420	100
1,357,728	44	974,628	31	3,115,072	100
2,596,515	57	1,818,407	40	4,570,492	100
12.14		8.27		13.84	
269.55		294.16		294.16	
511.00		350.00		350.00	
(51,288)	28	(79,521)	44	(181,941)	100
92,020	17	(255,051)	(46)	549,889	100
(1,004,845)	(58)	902,539	52	1,740,303	100
(254,436)	38	(242,648)	36	(677,287)	100
406,026	20	364,447	18	2,069,185	100
19,273	22	14,079	16	89,182	100
32,651	31	37,293	35	106,846	100
14,175	(33)	4,837	(11)	(43,437)	100
(746,424)	(20)	745,975	20	3,652,740	100
-	-	491,647	100	491,647	100
1,681,529	(669)	801,816	(319)	(251,436)	100
1,661,410	245	(221,031)	(33)	677,541	100
2,596,515	-	1,818,407	-	4,570,492	-

Group profit allocation 2016



Group profit allocation 2015



*(Change in fair value of investment properties+ Foreign exchange loss + Change in fair value of Biological Assets)

Financial Calendar

Financial Year end	31st March 2016

Announcement of results

1st Quarter ended 30th June 2015	14th August 2015
2nd Quarter ended 30th September 2015	13th November 2015
3rd Quarter ended 31st December 2015	12th February 2016
4th Quarter ended 31st March 2016	31st May 2016
Notice of Annual General Meeting	24th June 2016
100th Annual General Meeting	29th July 2016

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

The Board of Directors of Bukit Darah PLC have pleasure in presenting to the shareholders their Report together with the Audited Financial Statements for the year ended 31st March 2016.

The details set out herein provide the pertinent information required by the Companies Act, No. 7 of 2007, Listing Rules of the Colombo Stock Exchange and recommended best accounting practices. The Annual Report was approved by the Directors on 24th June 2016.

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 Plantation, Oils & Fats, Beverage, Portfolio and Asset Management, Real Estate and Leisure Sectors and Management Services.

The principal activities of the subsidiaries and joint venture are set out in the Business Review section of this Annual Report.

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 15 to 17 and Sector Reviews on pages 21 to 27 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 126 to 133.

FINANCIAL STATEMENTS

The Financial Statements of the Group and the Company have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and comply with the requirements of the Companies Act, No. 07 of 2007.

The aforementioned Financial Statements for the year ended 31st March 2016, duly signed by the Director Finance (Carson Management Services (Private) Limited together with two Directors, of the Company are given on page 101 which form an integral part of this Annual Report of the Board of Directors.

SIGNIFICANT ACCOUNTING POLICIES

Details of accounting policies have been discussed in note 4 of the financial statements. There have been no significant changes in the accounting policies adopted by the Group during the year under review.

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.194 Mn (2015 - Rs. 493 Mn), whilst group revenue amounted to Rs. 85,570 Mn (2015 - Rs. 88,546 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 Rs.162.5 Mn (2015 - Rs.462 Mn) whilst the Group profit attributable to equity holders of the parent for the year was Rs.1,455 Mn (2015 - Rs.2,156 Mn). Results of the Company and of the Group are given in the statement of income.

Detailed description of the results and appropriations are given below.

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

For the year ended 31st March	Group 2016 Rs.000	Group 2015 Rs.000	Company 2016 Rs.000	Company 2015 Rs.000
Results from operating activities	9,272,535	12,865,894	164,374	465,795
Foreign exchange losses	(251,436)	(2,460,669)	-	-
Net finance cost	(3,022,802)	(2,476,181)	-	-
Share of net results of joint venture	4,809	(461)	-	-
Change in fair value of biological assets	677,541	(108,866)	-	-
Change in fair value of investment properties	491,647	265,756	-	-
Changes in fair value of financial assets held for trading	(208,995)	196,569	-	132
Profit before tax accruing to the company and subsidiaries	6,963,299	8,282,042	164,374	465,927
Provision for taxation	(2,541,418)	(2,549,222)	(1,815)	(3,500)
Profit after tax from continuing operations	4,421,881	5,732,620	162,559	462,427
Net impact from discontinuing operations, net of tax	148,611	152,100	-	-
Profits for the year	4,570,492	5,884,720	162,559	462,427
Profit attributable to non controlling interest	(3,115,072)	(3,728,316)	-	-
Profit attributable to owners of the company	1,455,420	2,156,404	162,559	462,427
Other adjustments	35,443	5,294	9,467	-
Balance brought forward from the previous year	31,191,405	29,379,911	6,845,682	6,733,457
Amount available for appropriation	32,682,268	31,541,607	7,017,708	7,195,884
Dividend				
Preference Share dividend				
Annual Dividend	(145)	(145)	(145)	(145)
8% Participating Cumulative Preference dividend paid - 2016 - Rs. 23.95 (2015 - 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	32,332,066	31,191,405	6,667,506	6,845,682

Reserves
A summary of the Group's reserves is given below:

As at 31st March	Group 2016 Rs.000	Group 2015 Rs.000	Company 2016 Rs.000	Company 2015 Rs.000
Capital Reserve	2,424,392	2,202,190	40,000	40,000
Revenue Reserve	27,167,194	25,496,864	6,667,506	6,845,682
Total	29,591,586	27,699,054	6,707,506	6,885,682

The movements are shown in the Statements of Changes in Equity given on page 102 to 103 the Annual Report.

Capital Expenditure

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

For the year ended 31st March	2016 Rs.000	2015 Rs.000
Portfolio and Asset Management		
Property, plant & equipment	3,392	1,274
Oil Palm Plantations		
Property, plant & equipment	3,257,628	7,243,495
Biological assets	4,172,208	5,904,029
Intangible assets	308,796	1,078,039
Oils & Fats		
Property, plant & equipment	271,505	503,396
Intangible assets	112,223	31,366
Beverage		
Property, plant & equipment	1,596,939	3,219,666
Trade Mark	-	4,000,000
Intangible assets	318	2,702
Real Estate		
Property, plant & equipment	11,738	6,592
Investments Properties	20,566	24,082
Leisure		
Property, plant & equipment	80,148	26,206
Management Services		
Property, plant & equipment	9,040	59,835
Intangible assets	-	4,033
	9,844,501	22,104,714

Value of the Investment Portfolio

The market value/valuation of the Group's investment portfolio as at 31st March, 2016 was Rs.11,494 Mn (2015 - Rs.11,915 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 2016. The carrying value of investment property of the Group is Rs.2,800 Mn (2015 - Rs.2,356 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 20 and 23 to the financial statements.

Details of Group properties as at 31 March 2016 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 20(c) to the financial statements.

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 99 to 224 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 the Financial Reporting is given on page 94 which forms an integral part of this 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

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

been entered in the Interests Register during the year under review. The Interests Register is available for inspection as required under the Companies Act.

DIRECTORS' BENEFITS

The details of the Directors' fees and emoluments including post-employment benefits, for the financial year ended 31st of March 2016 are given in note 16(d) and note 52 to the Financial Statements as per the requirements of Section 168 (1) (f) the Companies Act, No. 07 of 2007.

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

Further, no remuneration is paid to Non- Executive Directors other than the fees paid for the attendance of each Director at Board and sub-committee meetings.The particulars of those entries are set out on page 140 and 224 of the Financial Statements, which forms an integral part of the Annual Report of the Board of Directors.

DIRECTORS' INTEREST IN CONTRACTS AND SHARES AS AT THE REPORTING DATE

Directors' interests in contracts of the Company are disclosed in Note 51 to the Financial Statements and have been declared at Meetings of the Board of 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 shares issued by the Company.

	No of Ordinary Shares	
Directors	31.03.2016	31.03.2015
Mr. H. Selvanathan (Chairman)	153,112	153,111
Mr. M. Selvanathan	44,214	44,179
Mr. I. Paulraj	1,127	1,127
Mr. D. C. R. Gunawardena	-	-
Mr. P.C.P. Tissera	-	-
Mr. L. R. De Lanerolle	3,074	3,074
Mr. S.K. Shah	-	-
Mr. M. Dayananda - ***Appointed w.e.f 15th August 2015***	-	-
8% Participating Cumulative Preference Shares		
Mr. H. Selvanathan (Chairman)	345,130	345,130
Mr. M. Selvanathan	824,231	824,231

Directors shareholdings in group quoted companies.

	No of Ordinary Shares	
SUBSIDIARIES	31.03.2016	31.03.2015
Carson Cumberbatch PLC		
Mr. H. Selvanathan	76,852	42,318
Mr. M. Selvanathan	1,805,146	32,962
Mr. I. Paulraj	129	129
Mr. P.C .P. Tissera	12	12
Mr. L. R. De Lanerolle	4,051	4,051
M/s. M. Selvanathan & H. Selvanathan	449,820	449,820
Ceylon Guardian Investment Trust PLC		
Mr. I. Paulraj	257	255
Mr. D.C.R. Gunawardena	257	255
Ceylon Investment PLC		
Mr. I. Paulraj	257	255
Mr. D.C.R. Gunawardena	257	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

SUBSIDIARIES	No of Ordinary Shares 31.03.2016	31.03.2015
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	37,650	41,000
Mr. S.K. Shah	9,300	9,300
Guardian Capital Partners PLC		
Mr. H. Selvanathan	1,261	25
Mr. M. Selvanathan	63,409	-
Mr.I. Paulraj	200	200
Mr. D.C.R. Gunawardena	25	25

DIRECTORS

The names of the Directors who served during the year are given under Corporate Information provided in page No. 20 of the Annual Report.

Appointment of Directors

Mr. Mahendra Dayananda was appointed as a Non-Executive/ Independent Director of the Company w.e.f 15th August 2015.

Directors to retire by rotation

In terms of Articles 82 and 83 of the Articles of Association of the Company, Mr. H. 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. M. Dayananda retires from the Board and being eligible offers himself for re-election.

Appointment of Directors who are over 70 years of age

Upon the recommendation of the Nomination Committee of the Company and the Board, it is recommended that Messrs. I. Paulraj, L. R. De Lanerolle and M. Dayananda 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.7 of 2007 shall not be applicable to the said Directors.

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 year and their brief profiles are given on pages 37 to 38 of the Annual Report.

Name of the Director	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. L. R. De Lanerolle	-	√	√
Mr. S.K. Shah	√	-	-
Mr. M. Dayananda - Appointed w.e.f 15/8/2015		√	√

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 2016, in order to enable the Board of Directors to determine the Independence/ Non-Independence of each of the Non-Executive Directors, in terms of Rule 7.10.3(a) of the Listing Rules of the CSE.

Directors' Meeting Attendance

Six Board Meetings were convened during the financial year and the attendance of the Directors were as follows;

Directors	Meetings attended (out of 6)
Mr. H. Selvanathan (Chairman)	6
Mr. M. Selvanathan	6
Mr. I. Paulraj	6
Mr. D. C. R. Gunawardena	6
Mr. P.C.P. Tissera	6
Mr. L. R. De Lanerolle	6
Mr. S.K. Shah	6
Mr. M. Dayananda - Appointed w.e.f 15/8/2015	4

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

Board Evaluation
The 'Board Evaluation Form' of the Company focusses on the following areas;

- Core Board Responsibilities
- Board Meetings
- Committee Meetings (any/all sub-committees)
- Relationship with Management
- Individual Self – assessments
- Stakeholder and Shareholder communication/relationship
- Suggestion/comments

The comments made by the Directors in the Board Evaluation Form are collected by the Nomination Committee of the Company and the results and proposed action are reported to the Board of Directors. The suggestions and recommendations made by the Directors are being reviewed and implemented by the Company.

Board Sub - Committees
The Board, while assuming the overall responsibility and accountability for the management of the Company, has also appointed Board sub-committees to ensure more effective control over certain affairs of the Company, conforming to the Corporate Governance Standards of the Listing Rules of the CSE and industry best practices. Accordingly, the following Board sub-committees have been constituted by the Board.

- Remuneration Committee
- Audit Committee
- Nomination Committee
- Related Party Transactions Review Committee

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

Remuneration Committee Members	Executive	Non-Executive	Independent
Mr. M. Dayananda (Chairman) – Appointed w.e.f 15/8/2015	-	√	√
Mr. D.C.R. Gunawardena	-	√	-
Mr. L.R.De Lanerolle	-	√	√

* Mr. I. Paulraj, resigned as Chairman of the Remuneration Committee w.e.f 15/8/2015

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.

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

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

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

The Remuneration Committee meets at least twice a year.

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 16 (d) on page 140 of the Annual Report. Executive Directors are not compensated for their role on the Board.

Audit Committee
As per Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange, 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. M. Dayananda- Appointed w.e.f 15/8/2015	-	√	√
Mr. D. C. R. Gunawardena	-	√	-

* Mr. I. Paulraj resigned as a member of the Audit Committee w.e.f 15/8/2015

The Audit Committee Report is given on pages 96 to 97 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 within group companies 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 and the group companies. Based on the recommendation of the Nomination Committee, the respective Board approves the new appointments of Executive and Non-Executive Directors to their Boards.

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 the members in attendance.

Related Party Transactions Review Committee

The Company formed a 'Related Party Transactions Review Committee' with effect from 1st January 2016 in terms of Rule 9.2 of the Listing Rules of the Colombo Stock Exchange.

Related Party Transactions Review Committee Members	Executive	Non-Executive	Independent
Mr. L.R.De Lanerolle (Chairman)	-	√	√
Mr. M. Dayananda	-	√	√
Mr. D.C.R. Gunawardena	-	√	-
Mr. H. Selvanathan	√	-	-
Mr. M. Selvanathan	√	-	-

The Related Party Transactions Review Committee Report is given on page 95 of this Annual Report.

Declaration

The Directors have made self-declarations for the purpose of identifying parties related to them. The said declarations were noted at the First Related Party Transactions Review Committee Meeting.

The Company is in compliance with Rule 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions, during the financial year.

Non-Recurrent Related Party Transactions

There were no Non-Recurrent Related Party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per audited Financial Statements of 31st March 2016, which required additional disclosures in the Annual Report of 2015/16 under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Recurrent Related Party Transactions

All the Recurrent Related Party transactions which in aggregate value exceeds 10% of the revenue of the Company as per 31st March 2016 audited Financial Statements are disclosed under Note 51 on page 224 to the Financial Statements, as required by Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

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

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 Management 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 fulfillment of governance requirements.

INDEPENDENT AUDITORS

Company

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

A sum of Rs.335,000/- was paid to them by the Company as audit fees for the year ended 31st March 2016 (2015- Rs.313,500/-) In addition , they were paid Rs.425,000/- by the Company as fees for non-audit related services.

The retiring Auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Auditors 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 Auditor, its effectiveness and its relationship with the group, including the scope of audit and non-audit fees paid to the Auditor.

Group

The group works with firms of Chartered Accountants in Sri Lanka and abroad, namely, KPMG and Ernst & Young. Details of audit fees are set out in Note 16 (d) of the financial statements.

Further details on the work of the Auditor and the Audit Committee are set out in the Audit Committee Report.

Independence of Auditors

Based on the declaration provided by Messrs. KPMG Charted Accountants, and to the extent that the Directors are aware, the Auditors do not have any relationship with (other than that of the Auditor), or interest in, the Group and the Company, which in our judgment may reasonably be thought to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), applicable on the date of this Annual Report.

Independent Auditor's Report

The Financial Statements of the Company and the consolidated Financial Statements of the Group for the year ended 31st of March 2016 have been audited by Messrs. KPMG a firm of Chartered Accountants and their report on the Financial Statements, as required by Section 168 (1) (c) of the Companies Act, No 07 of 2007, which forms an integral part of the Annual Report of the Board of Directors, is given on page 98.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

De-Listing of Equity One PLC

On 2nd November 2015 the Board of Directors of Equity One PLC announced its decision to de-list the shares of the company from the official list of the Colombo Stock Exchange (CSE), subject to obtaining shareholders and regulatory approval, in light of the minimum public float rules stipulated by the Securities & Exchange Commission (SEC).

Accordingly, the special resolution to de-list the shares of Equity One PLC from the official list of the Colombo Stock Exchange was passed at the Extraordinary General Meeting of the Company, held on the 30th of November 2015, with more than 75% of the shareholders present at the meeting voting in favour of the said Resolution.

Upon obtaining shareholder approval, an application for de-listing was made to the Securities & Exchange Commission of Sri Lanka on the 11th of December 2015 for approval of the same and having had many correspondence, the said subsidiary is awaiting a final decision from SEC as of 24th June 2016.

Reclassification of Companies from the Main Board to Diri Savi Board
The Ordinary shares of Pegasus Hotels of Ceylon PLC were transferred from the Colombo Stock Exchange Main Board to the Diri Savi Board with effect from 4th September 2015.

The Ordinary shares of Ceylon Beverage Holdings PLC were transferred from the Main Board to the Diri Savi Board with effect from 19th January 2016.

Joint Venture Agreement
Guardian Capital Partners PLC (WAPO) entered into a Joint Venture Agreement with Small Enterprise Assistance Funds (SEAF, a company registered in the State of New York, USA) on 28th April 2016. The Joint Venture Agreement was entered in order to form a JV Company in an overseas jurisdiction to carry on a fund management business to manage and invest in Private Equity projects in Sri Lanka. Guardian Capital Partners PLC will hold 41.7% and Small Enterprise Assistance Funds will hold 58.3% in the joint venture management company initially. Guardian Capital Partners PLC's participation in this venture is subject to obtaining all relevant regulatory and shareholder approvals in Sri Lanka.

PROPOSED SALE OF ESTATES OWNED BY THE FOUR MALAYSIAN PLANTATION COMPANIES

Sale of Property

- Further to the market disclosure dated 01st December 2015 in which the Selinsing PLC and Good Hope PLC gave notice of an action plan that included, if feasible, the sale of the plantation in Malaysia. The said Companies received offers from 2 non-related companies incorporated in Malaysia to purchase the Overseas Plantation assets of the said companies (consisting of the Property Plant and Equipment and the Biological Assets) as follows;

Good Hope PLC – Rs.6,429/50Mn (RM 175Mn)

Selinsing PLC – Rs. 2,020/70Mn (RM 55Mn)

The Board of Directors of the above companies after careful evaluation and consideration have executed conditional Sale and Purchase Agreements (SPA) with the buyers to sell the Plantation at the prices as mentioned above which is subject to conditions such as;

(a) receipt of shareholder approval

(b) relevant approval from the regularity bodies in Malaysia, and

(c) approval from the Central Bank of Sri Lanka within stipulated timelines.

Shareholder approval for the sale of the plantation property of the above companies (above (a)) was obtained at the Extraordinary General Meetings held on 26th May 2016.

Since the execution of the SPA is conditional upon fulfilment of (b) and (c) as noted above, the assets continue to be carried in the books of the Companies using the valuation basis/ method consistent with that of the previous years.

- Pursuant to the approval of the shareholders obtained at the Extraordinary General Meetings of Indo – Malay PLC and Shalimar (Malay) PLC held on 26th May 2016 for the sale of the estate of the said Companies, the Board of Directors of the respective Companies after careful evaluation have executed Sale and Purchase Agreements (SPAs) on 15th June 2016 with Euro-Asia Brand Holding Company Sdn Bhd, a non –related party and a subsidiary of Hap Seng Consolidated Berhad to sell the Estates of the Companies at a price as stated below, subject to fulfillment of certain condition precedents as set out in the SPAs.

Indo – Malay PLC - RM 107,205,600/-

Shalimar (Malay) PLC - RM 121,543,528/40

CORPORATE SOCIAL RESPONSIBILITIES

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 2016 was 15,136 (31st March 2015 – 15,954.). The Company had no employees as at 31st March 2016 (2015 - Nil).

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 19 to the financial statements.

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

SOLVENCY TEST
Solvency test was performed for the First Interim Dividend for the financial year ended 31st March 2016 as required under 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 M/s KPMG.

STATED CAPITAL
The Stated Capital of the Company as at 31st March 2016 was Rs.412,634,771/- consisting of 102,000,000 Ordinary shares and 1,839,568, 8% Participating Cumulative Preference Shares. There was no change in the Stated Capital of the Company during the year.

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 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, tables a report on the compliance at the quarterly meetings of the Audit Committee Board.

GOING CONCERN
The Directors after making necessary inquiries and reviews including reviews of the budget for the ensuing year capital expenditure requirements, future prospects and risks, cash flow and such other matters required to be addressed in the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka are satisfied that the company has adequate resources to continue operations into the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

EVENTS AFTER THE REPORTING DATE
The events after the reporting date are given in Note 50, to the financial statements

CONTINGENT LIABILITIES AND CAPITAL COMMITMENT
The commitments made on account of capital expenditure and contingent liabilities as at 31st March 2016 are given in note 49 and note 50(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.

DONATIONS
The Group made donations amounting to Rs.44.29 Mn. During the year under review (2015 - Rs.49.86 Mn). Company – Nil. (2015- Rs. 0.5 Mn)

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 49(f) on pages 219 to 222 of the Annual Report.

SHARE INFORMATION
Information relating to earnings, dividends, net assets and market price per share is given on pages 73 to 81 of the Annual Report. Information on share trading is given on page 73 of the Annual Report.

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

The Board of Directors have approved the Financial Statements of the Company together with the Reviews which form part of the Annual Report on 24th June 2016. The appropriate number of copies of the Annual Report will be submitted to the Colombo Stock Exchange, the Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar General of Companies, within applicable time frames.

MAJOR SHAREHOLDERS

Twenty Major Shareholders - Ordinary Shares

No. of Shares as at 31st March	2016	%	2015	%
Rubber Investment Trust Limited A/C No.03	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.	8,357,904	8.19	8,357,876	8.19
Goodhope Holdings(Pvt) Limited.	8,149,039	7.99	8,148,997	7.99
Newgreens Limited	7,905,000	7.75	7,905,000	7.75
Interkrish Investment Company (Pvt) Limited.	7,314,903	7.17	7,314,895	7.17
Krish Investment Company (Pvt) Ltd.	7,304,150	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.	4,392,480	4.31	4,392,433	4.31
Wardley Investments (Pvt) Limited	4,312,856	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	2,857,872	2.80
S Kanapathy Chetty (Private) Limited.	2,139,922	2.10	2,139,922	2.10
Ceylon Finance and Securities (Private) Ltd	1,006,085	0.99	1,006,085	0.99
Thurston Investments Limited	929,815	0.91	929,815	0.91
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	491,203	0.48	489,919	0.48
	97,601,176	95.70	97,599,712	95.70

ANNUAL GENERAL MEETING

The 100th Annual General Meeting of the Company will be held on Friday, 29th July 2016 at 3.30 p.m at the 'Earls Court', Cinnamon Lakeside Colombo, No. 115, Sir Chittampalam A. Gardiner Mawatha, Colombo 2, Sri Lanka.

The Notice of the Annual General Meeting, setting out the business which will be transacted thereat is on page 232 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 (Private) Limited
Secretaries

Colombo
24th June 2016

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

24th June 2016

Report of the Related Party Transactions Review Committee

The Related Party Transactions Review Committee (RPTRC) of the Company was constituted on 1st January 2016.

Composition of the Committee

The Members of the RPTRC are as follows :

1. Mr.L.R. De Lanerolle (Chairman) -Non-Executive/Independent Director
2. Mr.M. Dayananda-Non-Executive/ Independent Director
3. Mr.D.C.R. Gunawardena - Non-Executive Director
4. Mr.H. Selvanathan - Executive Director
5. Mr.M. Selvanathan - Executive Director

Purpose of the Committee

The objective of the RPTRC is to review all Related Party Transactions (RPTs) of the Company, other than those exempted by the 'Related Party Transactions Compliance Code', prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

Policies and procedures

- The RPTRC reviews all the Related Party Transactions of the Company and where the Committee decides that the approval of the Board of Directors of the Company is necessary to approve a Related Party Transaction, such Board approval is obtained prior to entering into the relevant Related Party Transaction.
- When reviewing a transaction, the RPTRC would decide whether the proposed transaction is carried out on an arm's length basis irrespective of whether recurrent or non-recurrent in nature.
- Reviewing and approval would be either by meeting of members (subject to quorum being present) or by circulation.
- In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the RPTRC will take into account, among other factors it deems appropriate, whether the proposed RPTs pose a conflict of interest to the Directors.

The self-declarations from the Directors and Key Management Personnel are obtained for the purpose of identifying parties related to them. Further, the guidelines which senior management must follow in routing Related Party Transactions to the relevant forum, including transaction threshold values and pricing where applicable, have been documented even in the case of once approved recurrent transactions which are of operational nature, which as per the RPT code need not be repeatedly approved if within the broad thresholds.

The RPTRC in discharging its function has introduced processes and periodic reporting by the relevant entities with a view to ensuring that:

- there is compliance with the Code;
- shareholder interests are protected; and
- fairness and transparency are maintained.

The Committee has a criteria for designating Key Management Personnel (KMP). Further, processes have been introduced to obtain annual disclosures from all KMPs so designated.

The Committee held its First Meeting on 9th March 2016 with all Members in attendance. The Related Party Transactions of the Company for the period 1st January 2016 to 31st March 2016 have been reviewed by the Members of the RPTRC and the comments and observations of the Committee have been communicated to the Board of Directors of the Company.

(Sgd.)
L.R. De Lanerolle
Chairman – Related Party Transactions Review Committee
Bukit Darah PLC

Colombo
24th June 2016

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.Mahendra Dayananda *	Non-Executive, Independent

*Appointed to the Audit Committee with effect from 15th August 2015.

Mr. Israel Paulraj resigned from the Audit Committee with effect from 15th August 2015.

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.Mahendra Dayananda is a Non-Executive/Independent Director of Bukit Darah PLC, Pegasus Hotels of Ceylon PLC and Nestle Lanka PLC and was a Non-Executive Director of Delmege Ltd. An expert on economic issues, he was until recently the Chairman of the Sri Lanka Business Development Centre.

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 04 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 four)
Mr.Ralph De Lanerolle (Chairman)	04
Mr.Chandima Gunawardena	04
Mr.Mahendra Dayananda *	02
Mr.Israel Paulraj **	02

*Appointed to the Audit Committee with effect from 15th August 2015

**Resigned from the Audit Committee with effect from 15th August 2015

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 2015/2016 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 2016 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 2017, subject to the approval of the shareholders at the Annual General Meeting.

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

Colombo
24th June 2016

Independent Auditors' Report

KPMG
(Chartered Accountants)
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BUKIT DARAH PLC

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, 2016, and the statement of income, statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information set out on pages 99 to 224 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, 2016, 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, 2016, 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
24 June 2016

Statement of Income

(Amounts expressed in Sri Lankan Rs.'000)

		Group			Company		
For the year ended 31st March	Note	2016	2015	Change %	2016	2015	Change %
Continuing operation							
Revenue	7	85,570,280	88,546,659	(3)	193,977	492,892	(61)
Direct operating expenses	9	(62,764,379)	(62,638,256)	-	-	-	-
Gross profit		22,805,901	25,908,403	(12)	193,977	492,892	(61)
Change in fair value of investment properties	23	491,647	265,756	85	-	-	-
Change in fair value of biological assets	21	677,541	(108,866)	(722)	-	-	-
Gain on fair value of financial assets held for trading		(208,995)	196,569	(206)	-	132	(100)
Other income	10	312,726	661,730	(53)	-	-	-
Distribution expenses		(5,699,973)	(5,840,330)	(2)	-	-	-
Administrative expenses		(7,440,780)	(6,879,709)	8	(29,603)	(27,097)	9
Other operating expenses	11	(369,106)	(259,879)	42	-	-	-
Impairment of business assets	12	(336,233)	(384,511)	(13)	-	-	-
Expenses relating to new investments	13	-	(339,810)	(100)	-	-	-
Foreign exchange losses	14	(251,436)	(2,460,669)	(90)	-	-	-
Profit from operations		9,981,292	10,758,684	(7)	164,374	465,927	(65)
Net finance cost	15	(3,022,802)	(2,476,181)	22	-	-	-
Share of net result of joint venture	27	4,809	(461)	(1,143)	-	-	-
Profit before Income tax expenses	16	6,963,299	8,282,042	(16)	164,374	465,927	(65)
Income tax expenses							
Current taxation	17	(1,212,734)	(1,930,407)	(37)	(1,815)	(3,500)	(48)
Deferred taxation	17	(1,328,684)	(619,015)	115	-	-	-
		(2,541,418)	(2,549,422)	-	(1,815)	(3,500)	-
Profits from continuing operations	7	4,421,881	5,732,620	(23)	162,559	462,427	(65)
Discontinued operation							
Profit from discontinued operation, net of tax	8	148,611	152,100	(2)	-	-	-
Profits for the year		4,570,492	5,884,720	(22)	162,559	462,427	(65)
Profit Attributable to:							
Owners of the Company	7	1,455,420	2,156,404	(33)	162,559	462,427	(65)
Non controlling interest	7	3,115,072	3,728,316	(16)	-	-	-
		4,570,492	5,884,720	(22)	162,559	462,427	(65)
Earnings per ordinary share (Rs.)	18	13.84	20.71	(33)	1.16	4.10	(72)
Earnings per ordinary share - Continuing operations (Rs.)	18	13.00	19.85	(35)	1.16	4.10	(72)
Dividend per ordinary share (Rs.)	19	3.00	3.00	-	3.00	3.00	-

The Notes from pages 106 to 224 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of other Comprehensive Income

(Amounts expressed in Sri Lankan Rs.'000)

	Group		Company	
For the year ended 31st March	2016	2015	2016	2015
Profit for the year	4,570,492	5,884,720	162,559	462,427
Other Comprehensive Income				
Items that may be reclassified subsequently to profit or loss:				
Net change in fair value of available-for-sale financial assets	(883,015)	961,804	-	-
Transfer of realised gain on available-for-sale financial assets	(580,138)	(1,009,320)	-	-
Exchange differences on translation of foreign operations	1,830,941	(7,024,312)	-	-
Items that will not be reclassified subsequently to profit or loss:				
Revaluation Surplus on land and buildings	906,976	-	-	-
Deferred tax benefits / (expenses) on revaluation surplus	(75,583)	-	-	-
Actuarial (losses) /gains on employee benefits	515,587	(38,443)	-	-
Deferred tax benefits / (expenses) on actuarial gain / (losses)	(130,858)	6,073	-	-
Other comprehensive income / (expenses) for the year, net of tax	1,583,910	(7,104,198)	-	-
Total comprehensive income/(expenses) for the year	6,154,402	(1,219,478)	162,559	462,427
Attributable to:				
Owners of the Company	2,460,460	(1,795,388)	162,559	462,427
Non controlling interest	3,693,942	575,910	-	-
	6,154,402	(1,219,478)	162,559	462,427

The Notes from pages 106 to 224 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		2016	2015	2016	2015
ASSETS					
Non - Current Assets					
Property, plant & equipment	20	60,473,145	58,198,456	-	-
Biological assets	21	54,803,115	47,034,490	-	-
Prepaid lease payment for land	22	4,836,795	4,466,870	-	-
Investment properties	23	2,800,231	2,355,945	-	-
Intangible assets	24	6,802,348	6,991,118	-	-
Investments in subsidiaries	25	-	-	7,139,062	7,139,062
Investments in joint ventures	27	31,677	25,913	-	-
Available-for-sale financial assets	28	8,624,675	9,093,007	-	-
Deferred tax assets	17	3,587,766	2,756,688	-	-
Other financial receivables	30	136,678	122,545	-	-
Other non financial receivables	30	4,709,516	2,841,838	-	-
Total non - current assets		146,805,946	133,886,870	7,139,062	7,139,062
Current Assets					
Inventories	29	6,754,740	7,665,078	-	-
Trade receivables	30	3,602,440	4,491,999	-	-
Other financial receivables	30	689,021	699,608	-	-
Other non financial receivables	30	5,269,644	5,076,741	2,722	1,349
Current tax recoverable		45,487	83,207	-	-
Financial assets held for trading	31	2,869,272	2,822,368	-	110,132
Derivative financial instrument	32	67,910	42,383	-	-
Cash and cash equivalents	33	7,666,044	9,145,650	49,174	122,394
		26,964,558	30,027,034	51,896	233,875
Assets held for sale	34	3,499,696	491,895	-	-
Total current asset		30,464,254	30,518,929	51,896	233,875
Total assets		177,270,200	164,405,799	7,190,958	7,372,937
EQUITY AND LIABILITIES					
EQUITY					
Stated capital	35	412,635	412,635	412,635	412,635
Capital reserves	36	2,424,392	2,202,190	40,000	40,000
Revenue reserves	37	27,167,194	25,496,864	6,667,506	6,845,682
Equity attributable to owners of the Company		30,004,221	28,111,689	7,120,141	7,298,317
Non-controlling interest	26	38,052,640	35,065,642	-	-
Total equity		68,056,861	63,177,331	7,120,141	7,298,317
Investment through subsidiary	38	(10,688)	(10,688)	-	-
		68,046,173	63,166,643	7,120,141	7,298,317
LIABILITIES					
Non - Current Liabilities					
Loans and borrowings	39	42,488,753	46,533,446	-	-
Debenture	40	3,798,200	4,597,600	-	-
Other financial payables	41	63,559	55,818	-	-
Other non financial liabilities	42	1,079,813	1,254,959	-	-
Deferred tax liabilities	17	12,809,992	10,357,260	-	-
Total non - current liabilities		60,240,317	62,799,083	-	-
Current Liabilities					
Trade payables	41	3,974,740	4,763,259	-	-
Other financial payables	41	14,690,922	8,559,397	70,727	74,355
Current tax liabilities		624,123	268,222	89	265
Derivative financial instrument	32	36,342	-	-	-
Loans and borrowings	39	28,551,789	24,517,231	-	-
Debenture	40	958,699	331,964	-	-
		48,836,615	38,440,073	70,817	74,620
Liabilities associated with assets held for sale	34	147,095	-	-	-
Total current liabilities		48,983,710	38,440,073	70,817	74,620
Total liabilities		109,224,027	101,239,156	70,817	74,620
Total equity and liabilities		177,270,200	164,405,799	7,190,958	7,372,937
Net assets per ordinary share	43	293.76	275.21	69.41	71.15

The Notes from pages 106 to 224 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 (Pvt) Ltd

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were approved by the Board on 24th June 2016.

(Sgd.)
M. Selvanathan
Director

(Sgd.)
H. Selvanathan
Chairman

Statement of Changes in Equity

(Amounts expressed in Sri Lankan Rs.'000)

	Stated Capital	
	Ordinary Share	Preference Share
Group		
Balance as at 31st March, 2014	371,880	40,755
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	-	-
Total transactions with owners of the Company	-	-
Balance as at 31st March 2015	371,880	40,755
Super Gain Tax for the year of assessment 2013/14 (Note 48)	-	-
Balance as at 01st April 2015 (Super gain tax adjusted)	371,880	40,755
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	-	-
Forfeiture of unclaimed Dividends	-	-
Dividend paid	-	-
Dividend paid to Non controlling shareholders	-	-
Transfer and other reserve adjustments	-	-
Movements due to changes in equity	-	-
Total transactions with owners of the Company	-	-
Balance as at 31st March 2016	371,880	40,755
Company		
Balance As at 31st March' 2014	371,880	40,755
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
Super gain tax for the year of assessment 2013/14 (Note 48)	-	-
Balance as at 01st April 2015 (Super gain tax adjusted)	371,880	40,755
Total Comprehensive Income		
Profit for the year	-	-
Transaction with owners of the Company, recognised directly in equity		
Forfeiture of unclaimed dividends	-	-
Dividend paid	-	-
Balance As at 31st March' 2016	371,880	40,755

Figures in brackets indicate deductions.

Capital Reserve			Revenue Reserve					
Capital Redemption Reserve	Other Capital Reserve	Currency Translation Reserve	Revenue Reserve	Available for Sale Financial Assets Reserve	Retained Earnings	Attributable to Owners of the Company	Non-Controlling Interest	Total Equity
40,000	2,148,938	(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)
-	13,252	(57,233)	10,939	(6,976)	365,247	325,229	(584,872)	(259,643)
-	13,252	(57,233)	10,939	(6,976)	(331,291)	(371,309)	(1,700,390)	(2,071,699)
40,000	2,162,190	(6,653,135)	65,012	893,582	31,191,405	28,111,688	35,065,642	63,177,331
-	-	-	-	-	(165,890)	(165,890)	(347,472)	(513,362)
40,000	2,162,190	(6,653,135)	65,012	893,582	31,025,515	27,945,798	34,718,170	62,663,969
-	-	-	-	-	1,455,420	1,455,420	3,115,072	4,570,492
-	227,279	941,504	-	(380,120)	216,377	1,005,040	578,870	1,583,910
-	227,279	941,504	-	(380,120)	1,671,797	2,460,460	3,693,942	6,154,402
-	-	-	-	-	-	-	27,150	27,150
-	-	-	-	-	-	-	91,104	91,104
-	-	-	-	-	(28,401)	(28,401)	(22,891)	(51,292)
-	-	-	-	-	14,308	14,308	6,552	20,860
-	-	-	-	-	(350,202)	(350,202)	-	(350,202)
-	-	-	-	-	-	-	(623,274)	(623,274)
-	3,269	-	(23,532)	(7,834)	(55,622)	(83,719)	113,947	30,228
-	(8,346)	(566)	217	-	54,671	45,976	47,940	93,916
-	(5,077)	(566)	(23,315)	(7,834)	(365,246)	(402,038)	(359,472)	(761,510)
40,000	2,384,392	(5,712,197)	41,697	505,628	32,332,066	30,004,220	38,052,640	68,056,861
40,000	-	-	-	-	6,733,457	7,186,092	-	7,186,092
-	-	-	-	-	462,427	462,427	-	462,427
-	-	-	-	-	(350,202)	(350,202)	-	(350,202)
40,000	-	-	-	-	6,845,682	7,298,317	-	7,298,317
-	-	-	-	-	(2,340)	(2,340)		(2,340)
40,000	-	-	-	-	6,843,342	7,295,977	-	7,295,977
-	-	-	-	-	162,559	162,559	-	162,559
-	-	-	-	-	11,807	11,807	-	11,807
-	-	-	-	-	(350,202)	(350,202)	-	(350,202)
40,000	-	-	-	-	6,667,506	7,120,141	-	7,120,141

Statement of Cash Flow

(Amounts expressed in Sri Lankan Rs.'000)

	Group		Company	
For the year ended 31st March	2016	2015	2016	2015
Cash Flows from Operating Activities				
Profit before income tax expenses from continuing operations	6,963,299	8,282,042	164,374	465,927
Profit before income tax expenses from discontinuing operations	189,036	206,777		
	7,152,335	8,488,819	164,374	465,927
Adjustments for:				
Foreign exchange loss	251,436	2,460,669	-	-
Change in fair value of biological assets	(679,017)	104,702	-	-
Gain from changes in fair value of investment properties	(491,647)	(265,756)	-	-
Mark to market value adjustments - Unrealized	208,995	(196,569)	-	(132)
Unwinding of discount on compensation receivable	(14,133)	(12,639)	-	-
Amortised costs	16,983	594,395	-	-
Impairment of business assets/new investments	336,233	724,321	-	-
Share of net result of joint venture	(4,809)	461	-	-
Depreciation on property, plant & equipment	3,418,096	2,995,610	-	-
Amortization of intangible assets/prepaid lease payment	242,650	237,024	-	-
Provision for retiring gratuity	305,399	345,830	-	-
Finance expenses	3,022,802	2,476,181	-	-
Profit on disposal of property, plant & equipment	(5,967)	(22,022)	-	-
Deposit liability write back	-	(231,875)	-	-
Negative goodwill on consolidation	-	(70,944)	-	-
Loss on Liquidation of investments	-	2,402	-	-
	6,607,021	9,141,790	-	(132)
Operating profit before working capital changes	13,759,356	17,630,609	164,374	465,795
(Increase)/Decrease in inventories	910,338	246,552	-	-
(Increase)/Decrease in trade and other receivables	408,250	(226,834)	(1,373)	(1,299)
Increase/(Decrease) in trade and other payables	5,245,530	(2,957,247)	(2,094)	3,673
	20,323,474	14,693,080	160,907	468,169
Net cash movement in investments	(1,346,403)	(2,401,420)	110,130	(110,000)
Cash generated from operations	18,977,071	12,291,660	271,037	358,169
Interest paid	(4,589,969)	(4,867,877)	-	-
Income tax paid	(1,214,411)	(2,513,524)	(1,991)	(2,154)
Super gain tax paid	(513,362)	-	(2,338)	-
Gratuity paid	(54,072)	(53,745)	-	-
Net cash generated from operating activities	12,605,257	4,856,514	266,708	356,015

	Group		Company	
For the year ended 31st March	2016	2015	2016	2015
Cash Flows from Investing Activities				
Payments for property, plant & equipment/Investment property	(4,646,076)	(9,577,017)	-	-
Payments for biological assets	(3,111,117)	(4,521,442)	-	-
Payments for intangible assets/prepaid lease payments	(421,336)	(5,116,139)	-	-
Payments for acquisition of additional interest in subsidiaries	(66,066)	(1,093,163)	-	-
Payments for investment in subsidiary companies	(515,858)	(1,131,309)	-	-
Movement in non current VAT and other receivables	(20,978)	(24,887)	-	-
Movement in plasma investment	(468,738)	(1,160,333)	-	
Proceeds from disposal of long - term investments in subsidiaries	37,601	-	-	-
Proceeds from disposal of property, plant & equipment	100,442	649,411	-	-
Proceeds from disposal of assets held for sales	178,576	-	-	-
Deposits received	145,255	104,436	-	-
Deposits refunded	(35,107)	(5,723)	-	-
Net cash used in investing activities	(8,823,402)	(21,876,166)	-	-
Cash Flows from Financing Activities				
Proceeds from long - term loans	2,597,915	16,811,778	-	-
Proceeds from debenture issue	-	2,000,000	-	-
Payments for borrowings	(7,561,453)	(7,315,208)	-	-
Payments for debenture	(201,200)	(201,200)	-	-
Payment of finance lease creditors	(195,504)	(96,563)	-	-
Dividend paid to non -controlling shareholders by subsidiaries	(617,086)	(829,708)	-	-
Dividend paid by the Company	(259,108)	(254,245)	(339,928)	(335,128)
Net cash generated from/(used in) financing activities	(6,236,436)	10,114,854	(339,928)	(335,128)
Net increase/(decrease) in cash & cash equivalents	(2,454,580)	(6,904,798)	(73,220)	20,887
Cash & cash equivalents at the beginning of the year	(8,097,671)	(1,192,872)	122,394	101,507
Cash & cash equivalents at the end of the year (Note 33b)	(10,552,251)	(8,097,671)	49,174	122,394

The Notes from pages 106 to 224 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 2016 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 54 subsidiaries and 1 jointly controlled entity set out in Note 25 and 27 on pages 168 to 174 in 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 15,136 (2015 – 15,954) employees at the end of the financial year. The Company had no employees as at the reporting date (2015 - 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 income, statement of other comprehensive income, statement of changes in equity and statement of 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 24th June 2016.

(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;
- Land and buildings are measured at revalued amounts;
- Defined benefit obligation are measured at its present value, based on an actuarial valuation as explained in Note 43.

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 recognized 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 recognized in the consolidated financial statements is included in the following notes;

Judgments

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 tax assets
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 utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future cash inflows based on expected revenues from existing orders and contracts for the next 5 years.

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised on the unused tax losses.

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.

v. Determination of functional currency
The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the capital structure of the company.

vi. Fair value of freehold land
Where the fair value of freehold land recorded on the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of freehold land. The valuation of freehold land is described in more detail in Note 20.

The Management has engaged an independent valuer to ascertain the fair value of freehold land. As the fair value exceeded the carrying value of freehold land, no impairment charge was required.

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

Notes to the Financial Statements

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 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 price 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 assets 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

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.

(a) Basis of consolidation and business combinations

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2016. 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, variable returns from its involvements 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 arrangements with the other vote holders of the investee
- Right arising from other contractual arrangements
- The Group's voting right and potential voting right

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 in 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 derecognizes the related assets (including goodwill), liabilities, non- controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized 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 recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized 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 recognized in profit or loss or as a change to OCI. If the contingent consideration is not within the scope of LKAS 39, it is ensured 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 recognized for non-controlling interests, and any previous interest held, over the net identifiable 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 recognized 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 recognized 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 recognize 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 derecognizes 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 recognized 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.

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:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Subsequently that retained interest is accounted for as an equity-accounted investee (Note 27) or as an available-for-sale financial asset (Note 28) 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 investee
The Group's interest in equity – accounted investee comprise 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

Notes to the Financial Statements

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 recognized 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 intragroup 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 unrealized gains, but only to the extent that there is no evidence of impairment.

vii. 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
Sri Lanka Fund	Subsidiary	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 investment (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 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 reattributed 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 or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss 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 at 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.

Notes to the Financial Statements

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.

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 recognized 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 28.

An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favorable 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 recognized

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 recognized 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.

Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

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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 cost directly attributable to bringing the assets to a working condition for their intended use;
- When the group has an obligation to remove the assets 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
- Capitalized borrowing cost;

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 3 to 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 recognized in other comprehensive income and accounted in equity under revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognized as an expense. In these circumstances, the increase is recognized 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 recognized 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 recognized 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 - 42
Buildings - Freehold	20 - 42
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 recognized 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 42(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
Goodwill
Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see (Note 24).

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 capitalized 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 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

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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.

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

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
Except for goodwill and brand intangible assets are amortised on a straight-line basis and brand 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 value 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 values. 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 recognized 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 recognized 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 recognized 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 recognized 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 of 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 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 acturial 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 recognize an unfunded retirement benefits liability, relating to the settlement of termination, gratuity, compensation and other benefits set forth in Labor 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 Acturial gain or losses

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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 recognized 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 recognized because it cannot be measured reliably. The Group does not recognize 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 recognize 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 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 recognizes 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 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-lined 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 recognized 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 fulfillment if the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use assets (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 recognized 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

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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 recognized 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 recognized 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 recognized at the contractual rates as labor 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 recognized 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 recognized on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognized 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.

(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 investment 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.

Notes to the Financial Statements

(r) Assets held for sale and discontinued operations

i. 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;

- Represent a separation 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.

(s) 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.

(t) 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.

(u) Events after the Reporting Period

All material and important events which occur after the Balance Sheet date have been considered and disclosed in Note 51.

(v) Dividends on ordinary Shares

Dividends on ordinary shares are recognized 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.

(w) 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 assets 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 2016.

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 after1 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.

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

iii SLFRS 14 –Regulatory Deferral Accounts
(SLFRS 14) – Effective date 1st January 2016. The standard is not expected to have any material impact on the Financial Statements of the Group.

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

iv 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.

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

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

7 REVENUE

(i) Revenue Analysis

	Group		Company	
For the year ended 31st March	2016	2015	2016	2015
Gross Revenue	88,281,485	91,257,864	193,977	492,892
Taxes to the Government of Sri Lanka	(2,711,205)	(2,711,205)	-	-
Net Revenue	85,570,280	88,546,659	193,977	492,892
Goods and Services analysis				
Sale of Goods	84,848,546	88,376,733	-	-
Services				
Investment income	2,759,632	4,742,301	193,977	492,892
Property rental income	233,509	210,753	-	-
Commission, support services fees & royalty fees	3,895,541	3,860,557	-	-
Hospitality services	582,993	510,308	-	-
	7,471,675	9,323,919	193,977	492,892
Net revenue before intra - group transactions	92,320,221	97,700,652	193,977	492,892
Less: Intra - group transactions	(6,749,941)	(9,153,993)	-	-
Net Revenue	85,570,280	88,546,659	193,977	492,892

A detailed analysis of Group Revenue highlighting the contribution from different segments is given under 'Segmental Information' in Note 7 (iii) & (iv) (page 126 to 133) to the financial statements.

(ii) Segmental Information

For management purposes the Group's primary segment reporting format is business 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
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
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
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 holdings and portfolio and assets management, production & sale of Beer, Import and distribution of alcoholic beverage, 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:

Investment Holdings	-	corporate customers
Portfolio and Asset Management	-	corporate customers, retail customers
Oil Palm Plantations	-	corporate customers
Oils & Fats	-	corporate customers, retail customers
Beverage	-	wholesale & retail customers
Real Estate	-	corporate customers
Leisure	-	corporate customers, retail customers
Management Services	-	corporate customers

Notes to the Financial Statements

(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 Holding		Portfolio & Asset Management		Oil Palm Plantations		Oils & Fats	
For the year ended 31st March	2016	2015	2016	2015	2016	2015	2016	2015
Total revenue	687,278	1,277,905	1,603,741	2,468,025	23,164,325	30,383,134	28,484,433	29,818,500
Intra segment revenue	(179,412)	(269,119)	(422,220)	(401,102)	(3,305,145)	(5,418,966)	(493,257)	(270,275)
Segment revenue	507,866	1,008,786	1,181,521	2,066,923	19,859,180	24,964,168	27,991,176	29,548,225
Inter segment revenue	(493,288)	(995,752)	(62,001)	(62,078)	(760,138)	(722,204)	(332,704)	(363,219)
Revenue	14,578	13,034	1,119,520	2,004,845	19,099,042	24,241,964	27,658,472	29,185,006
Segment results	(91,121)	(70,016)	671,570	2,004,913	4,603,812	8,204,991	7,224	(150,718)
Foreign exchange (losses)/gains	(4,902)	10,080	89	10	(71,273)	(2,324,530)	(190,000)	(117,562)
Change in fair value of biological assets	-	-	-	-	677,541	(108,866)	-	-
Change in fair value of investment properties	-	-	-	-	-	-	-	-
Impairment of business assets	-	-	(95,232)	(81,727)	-	-	(241,001)	-
	(96,023)	(59,936)	576,427	1,923,196	5,210,080	5,771,595	(423,777)	(268,280)
Net Finance cost	(82,284)	(62,465)	2	1,199	(1,398,463)	(1,308,960)	(550,454)	(501,148)
Share of net result of joint venture	-	-	4,809	(461)	-	-	-	-
Profit /(loss) before Income tax expenses	(178,307)	(122,401)	581,238	1,923,934	3,811,617	4,462,635	(974,231)	(769,428)
Income tax expenses								
Current taxation	(8,536)	(9,415)	(31,260)	(62,550)	(940,190)	(1,517,201)	(2,874)	(5,854)
Deferred taxation	-	-	-	(2,016)	(673,467)	36,526	109,818	156,185
	(8,536)	(9,415)	(31,260)	(64,566)	(1,613,657)	(1,480,675)	106,944	150,331
Profit/ (loss) from continuing operations	(186,843)	(131,816)	549,978	1,859,368	2,197,960	2,981,960	(867,287)	(619,097)
Discontinued operation								
Net impact from discontinued operation, net of tax	-	-	-	-	148,611	152,100	-	-
Profits /(loss) for the year	(186,843)	(131,816)	549,978	1,859,368	2,346,571	3,134,060	(867,287)	(619,097)
Attributable to:								
Owners of the Company	(97,845)	(69,239)	146,886	464,824	1,275,441	1,675,092	(620,058)	(387,437)
Non controlling interest	(88,998)	(62,577)	403,092	1,394,544	1,071,130	1,458,968	(247,229)	(231,660)
	(186,843)	(131,816)	549,978	1,859,368	2,346,571	3,134,060	(867,287)	(619,097)
Earnings/(loss) per ordinary share (Rs.)	(1.39)	(1.11)	1.44	4.56	12.50	16.42	(6.08)	(3.80)
(b) Other Information								
Total cost incurred during the year to acquire Property, plant & equipment, Biological assets/Investments properties	-	-	3,392	1,274	7,429,836	13,147,526	271,505	503,396
Intangible assets (including land rights)	-	-	-	-	308,796	1,078,038	112,223	31,366
Depreciation	-	-	3,095	2,844	2,063,940	1,799,678	432,586	510,943
Amortization of intangible assets (including land rights)		-	-	1,827	229,670	218,988	56,589	56,588
Salaries, fees, wages and related expenses	15,870	15,100	76,916	64,444	5,541,997	5,217,824	932,310	916,563
Defined benefit plan expenses/ Gratuity	-	-	2,544	2,495	269,671	308,746	-	1,421

Beverage		Real Estate		Leisure		Management Services		Group	
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
37,178,997	32,701,979	233,509	210,753	582,993	510,495	384,945	329,861	92,320,221	97,700,652
(300,507)	(306,384)	-	-	-	-	-	-	(4,700,541)	(6,665,846)
36,878,490	32,395,595	233,509	210,753	582,993	510,495	384,945	329,861	87,619,680	91,034,806
-	-	(18,792)	(16,991)	-	-	(382,477)	(327,903)	(2,049,400)	(2,488,147)
36,878,490	32,395,595	214,717	193,762	582,993	510,495	2,468	1,958	85,570,280	88,546,659
4,006,239	3,261,448	141,130	130,902	99,747	79,565	(38,828)	(14,111)	9,399,773	13,446,974
14,375	(28,933)	-	-	275	266	-	-	(251,436)	(2,460,669)
-	-	-	-	-	-	-	-	677,541	(108,866)
-	-	491,647	265,756	-	-	-	-	491,647	265,756
-	(302,784)	-	-	-	-	-	-	(336,233)	(384,511)
4,020,614	2,929,731	632,777	396,658	100,022	79,831	(38,828)	(14,111)	9,981,292	10,758,684
(1,008,841)	(619,982)	(2,977)	(3,330)	20,104	18,389	111	116	(3,022,802)	(2,476,181)
-	-	-	-	-	-	-	-	4,809	(461)
3,011,773	2,309,749	629,800	393,328	120,126	98,220	(38,717)	(13,995)	6,963,299	8,282,042
(195,440)	(297,495)	(21,826)	(20,426)	(7,888)	(8,655)	(4,720)	(8,810)	(1,212,734)	(1,930,407)
(732,773)	(796,072)	(27,145)	(7,820)	(5,117)	(5,818)	-	-	(1,328,684)	(619,015)
(928,213)	(1,093,567)	(48,971)	(28,246)	(13,005)	(14,473)	(4,720)	(8,810)	(2,541,418)	(2,549,422)
2,083,560	1,216,182	580,829	365,082	107,121	83,747	(43,437)	(22,805)	4,421,881	5,732,620
-	-	-	-	-	-	-	-	148,611	152,100
2,083,560	1,216,182	580,829	365,082	107,121	83,747	(43,437)	(22,805)	4,570,492	5,884,720
475,081	290,444	249,316	155,010	46,441	38,128	(19,842)	(10,417)	1,455,420	2,156,404
1,608,479	925,738	331,513	210,072	60,680	45,619	(23,595)	(12,388)	3,115,072	3,728,316
2,083,560	1,216,182	580,829	365,082	107,121	83,747	(43,437)	(22,805)	4,570,492	5,884,720
4.66	2.85	2.44	1.52	0.46	0.37	(0.19)	(0.10)	13.84	20.71
1,596,939	3,219,666	32,304	30,675	80,148	26,206	9,040	59,835	9,423,164	16,988,578
318	4,002,702	-	-	-	-	-	4,033	421,337	5,116,139
1,044,065	754,614	6,462	3,938	49,090	43,103	28,128	36,487	3,627,366	3,151,607
59,576	58,841	-	-	-	-	268	361	346,103	336,605
782,348	481,093	43,050	37,012	120,943	121,532	250,942	186,414	7,764,376	7,040,482
20,978	20,315	768	790	3,203	3,191	8,235	8,872	305,399	345,830

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

7 REVENUE (Contd.)

iii Segmental Information - The Primary Segments (Business Segments) (Contd.)

(c) Segments Assets/ Liabilities are as follows:

	Investment Holding		Portfolio & Asset Management		Oil Palm Plantations		Oils & Fats	
As at 31st March	2016	2015	2016	2015	2016	2015	2016	2015
SEGMENT ASSETS								
Non - Current Assets								
Property, plant & equipment/Investment properties /Prepaid lease assets/ Biological Assets	-	-	8,813	8,517	92,653,319	83,878,547	9,332,074	9,288,800
Intangible assets	-	-	84,791	84,791	686,942	647,294	1,709,389	1,885,909
Available-for-sale financial assets / Investments in Joint Venture	56,914	51,882	8,599,438	9,067,038	-	-	-	-
Deferred tax assets	-	-	-	-	3,396,186	2,756,688	-	-
Other financial receivables	-	-	-	-	-	-	-	-
Other non financial receivables	-	-	-	-	4,709,516	2,841,838	-	-
Total non - current assets	56,914	51,882	8,693,042	9,160,346	101,445,963	90,124,367	11,041,463	11,174,709
Current Assets								
Inventories	-	-	-	-	1,215,540	1,831,520	2,811,072	2,991,599
Trade debtors and other financial assets	2,078	-	53,678	215,395	505,179	670,207	2,118,137	2,842,361
Other non financial receivables	10,346	9,183	34,244	45,593	2,689,957	3,433,115	1,681,597	836,310
Financial assets held for trading	22,079	132,361	2,661,627	2,684,696	-	-	5,420	5,311
Cash and cash equivalents	69,893	128,472	1,076,528	1,786,046	2,252,104	4,092,321	433,202	614,514
Total current assets	104,396	270,016	3,826,077	4,731,730	6,662,780	10,027,163	7,049,428	7,290,095
Assets held for sales	-	-	-	-	3,494,496	-	-	-
	104,396	270,016	3,826,077	4,731,730	10,157,276	10,027,163	7.049,428	7,290,095
Total segmental assets	161,310	321,898	12,519,119	13,892,076	111,603,239	100,151,530	18,090,891	18,464,804
SEGMENT LIABILITIES								
Non - Current Liabilities								
Loans and borrowings	-	-	-	-	35,041,760	38,871,451	4,050,522	4,494,633
Other financial payables	-	-	-	-	-	-	-	-
Other non financial liabilities	-	-	9,528	10,034	879,883	1,076,527	9,986	8,203
Deferred tax liabilities	-	-	-	-	9,238,022	7,648,507	275,853	447,475
Total non - current liabilities	-	-	9,528	10,034	45,159,665	47,596,485	4,336,361	4,950,311
Current Liabilities								
Trade and other financial liabilities	209,801	205,069	226,935	397,565	12,226,211	6,804,913	3,162,370	2,835,804
Loans and borrowings	1,237,168	1,061,717	13,049	2,556	14,138,290	10,496,733	7,933,261	7,004,767
Total current liabilities	1,446,969	1,266,786	239,984	400,121	26,364,501	17,301,646	11,095,631	9,840,571
Liabilities associated with assets held for sales	-	-	-	-	147,095	-	-	-
	1,446,969	1,266,786	239,984	400,121	26,511,596	17,301,646	11,095,631	9,840,571
Total segmental liabilities	1,446,969	1,266,786	249,512	410,155	71,524,166	71,671,261	15,431,992	14,790,882

Beverage		Real Estate		Leisure		Management Services		Group	
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
16,497,836	14,930,708	3,127,736	2,678,174	1,230,276	1,188,693	63,232	82,322	122,913,286	112,055,761
4,306,936	4,358,564	12,799	12,799	-	-	1,491	1,761	6,802,348	6,991,118
-	-	-	-	-	-	-	-	8,656,352	9,118,920
191,580	-	-	-	-	-	-	-	3,587,766	2,756,688
-	-	-	-	136,678	122,545	-	-	136,678	122,545
-	-	-	-	-	-	-	-	4,709,516	2,841,838
20,996,352	19,289,272	3,140,535	2,690,973	1,366,954	1,311,238	64,723	84,083	146,805,946	133,886,870
2,711,871	2,828,805	-	-	16,158	13,060	99	93	6,754,740	7,665,078
1,605,572	1,442,614	24,194	17,328	50,049	45,929	484	155	4,359,371	5,233,990
789,823	730,654	61,211	52,663	7,346	4,482	40,607	47,948	5,315,131	5,159,948
-	-	-	-	180,146	-	-	-	2,869,272	2,822,368
3,767,618	2,326,081	10,538	28,937	35,978	136,765	20,183	32,514	7,666,044	9,145,650
8,874,884	7,328,154	95,943	98,928	289,677	200,236	61,373	80,710	26,964,558	30,027,034
5,200	491,895	-	-	-	-	-	-	3,499,696	491,895
8,880,084	7,820,049	95,943	98,928	289,677	200,236	61,373	80,710	30,464,254	30,518,929
29,876,436	26,617,426	3,236,478	2,789,901	1,656,631	1,511,474	126,096	164,793	177,270,200	164,405,799
7,194,671	7,764,962	-	-	-	-	-	-	46,286,953	51,131,046
-	-	63,559	55,818	-	-	-	-	63,559	55,818
109,811	102,642	4,267	5,238	16,450	12,495	49,888	39,820	1,079,813	1,254,959
3,077,116	2,074,378	179,487	152,341	39,514	34,559	-	-	12,809,992	10,357,260
10,381,598	9,941,982	247,313	213,397	55,964	47,054	49,888	39,820	60,240,317	62,799,083
3,196,934	3,032,265	124,406	161,754	119,611	93,665	59,859	59,843	19,326,127	13,590,878
6,186,920	6,283,422	-	-	1,800	-	-	-	29,510,488	24,849,195
9,383,854	9,315,687	124,406	161,754	121,411	93,665	59,859	59,843	48,836,615	38,440,073
-	-	-	-	-	-	-	-	147,095	-
9,383,854	9,315,687	124,406	161,754	121,411	93,665	59,859	59,843	48,983,710	38,440,073
19,765,452	19,257,669	371,719	375,151	177,375	140,719	109,747	99,663	109,224,027	101,239,156

Notes to the Financial Statements

(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	2016	2015	2016	2015
Revenue	38,858,421	35,172,106	20,699,429	22,672,685
Segment results	4,951,319	5,459,429	453,255	608,867
Foreign exchange (losses) /gains	39,467	(15,866)	14,469	59,270
Change in fair value of biological assets	-	-	37,246	6,089
Change in fair value of investment properties	491,647	265,756	-	-
Impairment of business assets	(95,232)	(384,511)	-	-
Profit /(loss) from operations	5,387,201	5,324,808	504,970	674,226
Net finance cost	(1,072,950)	(662,907)	(481,173)	(451,193)
Share of net result of joint ventures	4,809	(461)	-	-
Profit /(loss) before Income tax expenses	4,319,060	4,661,440	23,797	223,033
Income tax expenses				
Current taxation	(271,545)	(409,322)	(40,934)	(50,607)
Deferred taxation	(765,036)	(811,727)	66,307	147,692
Profit/(loss) from continuing operations	3,282,479	3,440,391	49,170	320,118
Discontinued operation				
Net impact from discontinued operation, net of tax	-	-	148,611	152,100
Profit/(loss) for the year	3,282,479	3,440,391	197,781	472,218
(b) Other Information				
Total cost incurred during the year to acquire:				
Property plant & equipment/Biological assets	1,736,918	3,432,633	290,511	532,937
Intangible assets (including land rights)	7,798	4,025,840	118,986	16,103
Depreciation	1,190,371	922,723	381,766	411,985
Amortization of Intangible assets (including land rights)	80,739	67,685	43,649	52,255
Salaries, fees, wages and related expenses	1,566,853	1,164,691	918,351	824,592
Defined benefit plan expenses / Gratuity	41,955	40,670	915	900

Indonesia		Singapore		India		Group	
2016	2015	2016	2015	2016	2015	2016	2015
18,693,159	23,448,472	66,917	428,854	7,252,354	6,824,542	85,570,280	88,546,659
4,503,541	8,187,065	(195,839)	(196,319)	(312,503)	(612,068)	9,399,773	13,446,974
(105,140)	(2,397,060)	(16,744)	(7,491)	(183,488)	(99,522)	(251,436)	(2,460,669)
640,295	(114,955)	-	-	-	-	677,541	(108,866)
-	-	-	-	-	-	491,647	265,756
-	-	-	-	(241,001)	-	(336,233)	(384,511)
5,038,696	5,675,050	(212,583)	(203,810)	(736,992)	(711,590)	9,981,292	10,758,684
(1,037,750)	(923,631)	(361,646)	(388,495)	(69,283)	(49,955)	(3,022,802)	(2,476,181)
-	-	-	-	-	-	4,809	(461)
4,000,946	4,751,419	(574,229)	(592,305)	(806,275)	(761,545)	6,963,299	8,282,042
(857,558)	(1,316,048)	(42,697)	(154,430)	-	-	(1,212,734)	(1,930,407)
(678,341)	30,403	10,736	8,561	37,650	6,056	(1,328,684)	(619,015)
2,465,047	3,465,774	(606,190)	(738,174)	(768,625)	(755,489)	4,421,881	5,732,620
-	-	-	-	-	-	148,611	152,100
2,465,047	3,465,774	(606,190)	(738,174)	(768,625)	(755,489)	4,570,492	5,884,720
7,392,874	13,011,532	-	757	2,862	10,719	9,423,164	16,988,578
294,552	1,074,196		-	-	-	421,337	5,116,139
2,033,031	1,796,751	10,778	10,124	11,420	10,024	3,627,366	3,151,607
202,116	197,066	-	-	19,599	19,599	346,103	336,605
5,122,015	4,903,862	18,184	13,907	138,973	133,430	7,764,376	7,040,482
262,529	302,839	-	-	-	1,421	305,399	345,830

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

7 REVENUE (Contd.)

iv Segmental Information - The Secondary Segments (Geographical Segments) (Contd.)

(c) Segments Assets/ Liabilities are as follows:

	Sri Lanka		Malaysia	
As at 31st March	2016	2015	2016	2015
Segment Assets				
Non - Current Assets				
Property, plant & equipment/Investment properties/Prepaid lease assets	21,019,348	19,050,212	10,721,262	13,322,470
Biological assets	-	-	418,916	925,460
Intangible assets	4,542,777	4,608,088	1,709,388	1,639,346
Available-for-sale financial assets / Investments in Joint Venture	8,656,352	9,118,920	-	-
Deferred tax assets	191,580	-	2,329	2,329
Other financial receivables	136,678	122,545	-	-
Other non financial receivables	-	-	-	-
Total non - current asset	34,546,735	32,899,765	12,851,895	15,889,605
Current Assets				
Inventories	2,728,130	2,841,959	2,068,771	2,064,744
Trade debtors and other financial assets	1,847,728	1,780,632	1,933,376	2,574,514
Other non financial receivables	1,090,676	1,013,948	1,638,469	805,512
Financial assets held for trading	2,863,852	2,817,058	-	-
Cash and cash equivalents	5,070,347	4,590,252	656,102	466,718
Total current assets	13,600,733	13,043,849	6,296,718	5,911,488
Assets held for sales	5,200	491,895	3,494,496	-
Total segmental assets	48,152,668	46,435,509	22,643,109	21,801,093
Segment Liabilities				
Non - Current Liabilities				
Loans and borrowings	7,194,671	7,764,962	4,050,523	4,494,633
Other financial payables	63,559	55,818	-	-
Other non financial liabilities	210,185	185,480	4,452	7,220
Deferred tax liabilities	3,296,117	2,261,278	382,940	638,732
Total non - current liabilities	10,764,532	10,267,538	4,437,915	5,140,585
Current Liabilities				
Trade and other payables	4,193,907	4,202,694	2,791,579	2,464,177
Loans and borrowings	7,454,690	7,347,664	5,664,875	4,388,938
Total current liabilities	11,648,597	11,550,358	8,456,454	6,853,115
Liabilities associated with assets held for sales	-	-	147,095	-
Total segmental liabilities	22,413,129	21,817,896	13,041,464	11,993,700

Indonesia		Singapore		India		Group	
2016	2015	2016	2015	2016	2015	2016	2015
35,013,518	31,198,046	17,800	26,738	1,338,243	1,423,805	68,110,171	65,021,271
54,384,199	46,109,030	-	-	-	-	54,803,115	47,034,490
550,183	483,111	-	-	-	260,573	6,802,348	6,991,118
-	-	-	-	-	-	8,656,352	9,118,920
3,332,267	2,707,902	61,590	46,457	-	-	3,587,766	2,756,688
		-	-	-	-	136,678	122,545
4,709,516	2,841,838	-	-	-	-	4,709,516	2,841,838
97,989,683	83,339,927	79,390	73,195	1,338,243	1,684,378	146,805,946	133,886,870
1,211,827	1,829,830	-	-	746,012	928,545	6,754,740	7,665,078
354,477	520,177	5,737	47,676	218,053	310,991	4,359,371	5,233,990
2,516,833	3,192,278	9,206	81,271	59,947	66,939	5,315,131	5,159,948
-	-	-	-	5,420	5,310	2,869,272	2,822,368
1,489,611	2,201,738	406,140	1,605,064	43,844	281,878	7,666,044	9,145,650
5,572,748	7,744,023	421,083	1,734,011	1,073,276	1,593,663	26,964,558	30,027,034
-	-	-	-	-	-	3,499,696	491,895
103,562,431	91,083,950	500,473	1,807,206	2,411,519	3,278,041	177,270,200	164,405,799
19,821,781	22,039,814	15,219,978	16,831,637	-	-	46,286,953	51,131,046
-	-	-	-	-	-	63,559	55,818
855,190	1,054,056	-	-	9,986	8,203	1,079,813	1,254,959
9,130,935	7,419,400	-	-	-	37,850	12,809,992	10,357,260
29,807,906	30,513,270	15,219,978	16,831,637	9,986	46,053	60,240,317	62,799,083
11,223,691	6,128,266	448,073	386,284	668,877	409,457	19,326,127	13,590,878
8,001,899	7,351,562	6,120,606	3,145,174	2,268,418	2,615,857	29,510,488	24,849,195
19,225,590	13,479,828	6,568,679	3,531,458	2,937,295	3,025,314	48,836,615	38,440,073
-	-	-	-	-	-	147,095	-
49,033,496	43,993,098	21,788,657	20,363,095	2,947,281	3,071,367	109,224,027	101,239,156

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

8 DISCONTINUED OPERATION

Four Malaysian planation companies, subsidiaries of the group, made a market disclosure on 1 December 2015 in Colombo Stock Exchange (CSE) of Sri Lanka in which gave a notice of an action plan that included, if feasible, the sale of the plantation in Malaysia subject to certain conditions. Shareholder approval was obtained for the sale of the plantations at an Extra Ordinary General Meeting held on 26 May 2016. As at the reporting date, Good Hope PLC and Selinsing PLC have received offers from non-related third party buyers. Accordingly, the Board of Directors of Malaysian Plantation Companies, after careful evaluation and consideration, have executed conditional Sale and Purchase Agreements (SPAs) to sell the Plantation property of Good Hope PLC for US$44.8 million and Selinsing PLC for US$14.1 million, which is subject to conditions such as obtaining relevant approvals from regulatory bodies in Malaysia and the Central Bank of Sri Lanka.

Non-current assets of Good Hope PLC and Selinsing PLC were classified as held for sale as the management intends to recover the carrying amount principally through a sale transaction rather than through continuing use. The plantation property of such companies in Malaysia (disposal group) is available for immediate sale in its present condition. After careful evaluation, the Board of Directors of such companies consider that the sale of the above property is highly probable and the management is committed to the sale, which is expected to be qualified for recognition as a completed sale within one year from the date of classification as "held for sale".

Accordingly, net book value of Property, Plant & Equipment and Biological Assets have been reclassified and reported as "asset held for sale" under current assets. Further, the related liabilities of the plantation properties of Good Hope PLC and Selinsing PLC are also reclassified as "liabilities associated with asset held for sale" under current liabilities.

No impairment loss has been recognised on reclassification of the asset as at 31 March 2016 as the asset fair value less costs to sell is higher than the carrying value of above property, plant and equipment.

Further, these assets held for sale are presented within the total assets of oil palm plantation segment in Note 7 to the financial statements.

The details of calculation of profit from discontnued operation and the information relating to assets and liabilities of the disposal group that were classified as held for sale as at 31 March 2016 are stated below;

(a) Profit for the year from discontinued operations

For the year ended 31st March	2016	2015
Revenue	338,073	386,965
Direct operating expenses	(113,710)	(122,650)
	224,363	264,315
Other items of income		
Change in fair value of biological assets	1,476	4,164
Other income	28,648	478
Other items of expenses		
Administrative expenses	(65,451)	(62,180)
Profit from operations	189,036	206,777
Net finance cost	-	-
Profit before Income tax expenses	189,036	206,777
Income tax expenses		
Current taxation	(38,416)	(53,338)
Deferred taxation	(2,009)	(1,339)
	(40,425)	(54,677)
Profits from discontinued operations, net of tax	148,611	152,100

(b) The major classes of assets and liabilies of Oil Palm Plantation segement classified as held for sale as at 31st March 2016 are as follows

As at 31st March	2016
ASSETS	
Property, plant & equipment	2,900,070
Biological assets	594,426
	3,494,496
LIABILITIES	
Employee benefits	2,786
Deferred tax liabilities	144,309
	147,095

(c) The net cash flows from discontinued operations

For the year ended 31st March	2016	2015
Net cash inflows from Operating Activities	72,466	136,738
Net cash Inflow/(outflows) from Investing Activities	265,928	(26,528)
Net cash outflows from Financing Activities	(138)	-
Net Cash inflows	338,256	110,210

The capital accretion reserve and the related foreign currency translation reserve of the discontinued operation will be transferred to retained earnings and statement of profit or loss respectively at the time of de-recognition of assets and liabilities of the disposal group.

9 DIRECT OPERATING EXPENSES

	Group	
For the year ended 31st March	2016	2015
ASSETS		
Cost of inventories recognised as expense – physical deliveries	6,470,923	6,617,210
Depreciation and overheads	4,279,582	3,962,681
Harvesting and plantation maintenance	4,487,283	6,202,874
Processing (milling) costs	865,447	1,078,070
Purchase of FFB	1,382,018	1,971,674
Production costs	2,620,536	2,465,378
Feedstock costs	21,884,106	23,691,834
Excise Duty paid to the Government of Sri Lanka	20,208,675	16,273,162
Others	565,809	375,373
	62,764,379	62,638,256

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

10 OTHER INCOME

	Group	
For the year ended 31st March	2016	2015
Profit/(loss) on disposal of fixed assets:		
Beverage	6,984	-
Oil Palm Plantation	(2,732)	22,277
Oil & Fats	110	(14)
Real Estate	788	25
Leisure	812	(344)
Management Services	5	78
	5,967	22,022
Derivative Loss	(35)	(56)
Deposit liability write back	-	231,875
Bargain purchase on acquisition of subsidiary	-	70,944
Sales of sludge Oil	29,497	258,627
Sundry income	277,297	78,318
	312,726	661,730

11 OTHER OPERATING EXPENSES

Other operating expenses mainly consists of power and energy costs and maintenance expenditure of the Beverage sector.

12 IMPAIRMENT OF BUSINESS ASSETS

	Group	
As at 31st March	2016	2015
Goodwill on consolidation (Note a)	138,106	-
Customer relationship (Note a)	102,895	-
Available-for-sale financial assets (Note b)	95,232	81,727
Property, plant & equipment (Note c)	-	117,913
Loss on disposal of old canning plant (Note c)	-	155,527
Inventories (Note c)	-	29,344
	336,233	384,511

(a) During the year management has decided to scale down the operation of Arani Agro Oil Industries (Pvt) Limited (AAOIL). Further this Company reported a negative net asset position as at 31st March 2016. Considering these facts management had decided to fully impair the goodwill and customer relationship assets allocated to AAOIL amounting to Rs. 138Mn & 102Mn respectively.

(b) The impairment loss of (Group) Rs.95.2 Mn 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".

(c) The previous year the Lion Brewery (Ceylon) PLC (LBCPLC) disposed of its old canning line to Wallart Sarl of France and entered in to 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 remained in the books of the LBCPLC and thus classified under Assets held for sale. Accordingly an amount of Rs.155.5 million was recorded as a loss on disposal of the canning line whilst an impairment provision for Rs.89.6 million was recognized for the bottling line.

As at 31st March 2015, the LBC PLC had in its possession spare parts for the old canning & bottling lines to the value of Rs.29.3 million which has been provided for in the profit or loss , as these items are now obsolete.

13 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 21st Aug 2014.

The input VAT of Rs. 480 Mn was to be recovered from the output VAT due on Lion Brewery turnover. However, on the 24th Oct 2014, the Government of Sri Lanka, through its budget exempted beer sales from VAT. As at 24th Oct 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 was made in the accounts for the year ended 31st March 2015.

14 FOREIGN EXCHANGE LOSSES

	Group	
For the year ended 31st March	2016	2015
Net foreign exchange loss on operating activities	(251,436)	(2,460,669)
Foreign exchange losses	(251,436)	(2,460,669)

(a) Investment holding sector

As at 31st March 2016, the Carson Cumberbatch PLC recorded a foreign exchange loss amounting to Rs.4.90 Mn (2015 -Gain of Rs.10.08 Mn), arising mainly from translation of Sterling Pound denominated liability.

b) Oil Palm plantations and Oils and fats segments

The foreign exchange loss relates to the assets, liabilities, income and expenses of the Goodhope Asia Holdings limited and its subsidiaries whose certain transactions and balances are recorded in different currencies other than reporting currency of each such subsidiary.

For the year ended 31st March 2016, the Goodhope Asia Holding Limited group recorded a foreign exchange loss of Rs 261.27 Mn or equivalent to US$ 2.77 Mn (2015 - Rs. 2,441.56 Mn or equivalent to US$ 18.51 Mn). This includes realized exchange loss of US$ 0.14 Mn and unrealized exchange loss of US$ 2.63 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 first nine months period but recovered during the last 3 months ended 31st March 2016.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

14 FOREIGN EXCHANGE LOSSES (Contd.)

The closing exchange rate of IDR against USD as at 31st March, 2016 was IDR 13,276 which is a 1.5% depreciation compared to the closing exchange rate that prevailed as at 31 March, 2015.

(c) Beverage Sector

As at 31st March 2016, the Company's subsidiary, Lion Brewery (Ceylon) PLC and Luxury Brand (Private) Limited recorded a foreign exchange gain of Rs. 14.3 Mn (2015 - loss of Rs.28.93 Mn), arising mainly from revaluation of US Dollar denominated long - term and short term borrowings.

15 NET FINANCE COST

	Group	
For the year ended 31st March	2016	2015
Interest expenses:		
Bank borrowings	4,403,092	4,921,238
Debenture interest	484,063	397,770
Finance lease liabilities	47,081	23,445
	4,934,236	5,342,453
Less: Amount capitalized under		
Property, plant and equipment	(580,220)	(1,264,688)
Biological assets	(748,367)	(1,127,008)
Plasma advances	(267,115)	(189,584)
Total finance costs	3,338,534	2,761,173
Finance income		
Interest income on short term bank deposits	(315,732)	(284,992)
Total Finance income	(315,732)	(284,992)
Net Finance costs	3,022,802	2,476,181

16 PROFIT BEFORE INCOME TAX EXPENSES

	Group		Company	
For the year ended 31st March	2016	2015	2016	2015
Profit before tax has been arrived at after charging				
Depreciation on property, plant and equipment	3,627,366	3,151,607	-	-
Less - Amount capitalised as part of cost of biological assets	(209,270)	(155,997)	-	-
Depreciation on property, plant and equipment -net (Note a)	3,418,096	2,995,610	-	-
Amortization of intangible assets and prepaid lease payment for land	346,103	336,605	-	-
Less - Amount capitalised as part of cost of biological assets	(103,453)	(99,581)	-	-
Net amortization of intangible assets and prepaid lease payment for lands(Note a)	242,650	237,024	-	-
Total depreciation and amortization	3,660,746	3,232,634	-	-
Auditors' remuneration and other professional services (Note b)	78,264	91,534	760	837
Professional services (Note c)	228,380	190,037	1,727	117
Personnel costs (Note d)	8,069,775	7,386,312	390	420
Audit committee fees	3,120	2,100	600	600
Remuneration committee Fees	308	200	81	50
Nomination committee Fees	400	400	100	100
Related Party Transaction Review Committee fees	325	-	100	-
Donations	44,295	49,863	-	500
Royalty paid to the Carlsberg A/S	129,533	123,530	-	-
Research and development costs	57,026	72,488	-	-
(a) Depreciation and amortization are included in the				
income statement under the following heading:				
Direct operating expenses	2,425,744	1,967,499	-	-
Administrative expenses	723,380	1,198,486	-	-
Distribution expenses	511,622	66,650	-	-
	3,660,746	3,232,634	-	-
(b) Auditors' Remuneration and other professional services				
Fees payable to KPMG for the audit of annual accounts of Bukit Darah PLC	335	314	335	314
Fees payable to KPMG for the audit of subsidiaries of Bukit Darah PLC	8,882	6,867	-	-
Fees payable to other Auditors for the audit of subsidiaries of Bukit Darah PLC	60,487	72,554	-	-
Total statutory audit fees	69,704	79,735	335	314
Non audit services				
Advisory/compliance services - (Other Auditors)	1,851	-	-	-
Advisory services - (KPMG Sri Lanka)	922	-	-	
	2,773	-	-	-
Audit related services				
KPMG Sri Lanka	5,509	5,633	425	523
Other Auditors	278	6,166	-	-
	5,787	11,799	425	523
	78,264	91,534	760	837

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

16 PROFIT BEFORE INCOME TAX EXPENSES (Contd.)

	Group		Company	
For the year ended 31st March	2016	2015	2016	2015
(c) Professional Services				
Legal services	39,962	41,993	1,002	15
Valuation services	46,839	29,606	-	-
Consultation fees	14,965	5,907	536	102
Plantation consultant services	106,234	47,757	-	-
Other services	20,379	64,775	189	-
	228,380	190,037	1,727	117
(d) Personnel Costs				
Salaries, fees, wages and other related expenses	7,354,219	6,715,633	390	420
Defined contribution plan expenses - EPF & ETF	410,157	324,849	-	-
Defined benefit plan expenses - Gratuity	305,399	345,830	-	-
	8,069,775	7,386,312	390	420
The above include:				
Directors fees	50,908	44,396	390	420
Directors' emoluments	865,709	894,797	-	-
	916,617	939,193	390	420

(e) The number of employees during the year were:

	Group			
	2016		2015	
	Year end	Average	Year end	Average
Employee by Industry				
Portfolio and assets management	19	19	19	19
Oil palm plantations/ Oils and fats	14,514	14,948	15,382	15,212
Beverage	238	238	238	231
Real Estate	19	19	18	18
Leisure	300	278	255	248
Management services	46	44	42	41
	15,136	15,545	15,954	15,767
Employees by geographical location				
Sri Lanka	849	837	825	801
Malaysia	306	388	470	454
Indonesia	13,852	14,190	14,528	14,382
Singapore	-	-	-	-
India	129	130	131	131
	15,136	15,545	15,954	15,767

There were no employees at Bukit Darah PLC during the year (2015 - Nil).

17 INCOME TAX EXPENSES

For the year ended 31st March	Group 2016	Group 2015	Company 2016	Company 2015
(a) Statement of profit or loss				
(i) Current taxation				
Charge for the year	1,134,380	1,658,434	1,912	3,500
Economic service charge/ write - off	3,038	1,257	-	-
Under / (Over) provision for previous years	2,162	78,481	(97)	-
Dividend tax	73,154	192,235	-	-
	1,212,734	1,930,407	1,815	3,500
(ii) Deferred Taxation				
Origination/(Reversal) of temporary differences in the current year(Note 17 c and d)	1,328,684	619,015	-	-
	1,328,684	619,015	-	-
Total Income tax expense recognised in profits for the year	2,541,418	2,549,422	1,815	3,500
Income tax expenses may be analyzed as follows:				
Current Taxation				
Sri Lanka	271,545	409,322	1,815	3,500
Overseas	941,189	1,521,085	-	-
	1,212,734	1,930,407	1,815	3,500
Deferred Taxation				
Sri Lanka	765,036	811,727	-	-
Overseas	563,648	(192,712)	-	-
	1,328,684	619,015	-	-
Total				
Sri Lanka	1,036,581	1,221,049	1,815	3,500
Overseas	1,504,837	1,328,373	-	-
	2,541,418	2,549,422	1,815	3,500

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. The tax rate used by each entity to arrive at income tax is the inacted or substantially inacted tax rate as at the reporting date.

(b) Deferred income tax related to other comprehensive income				
Re-measurement of gain/(loss) on defined benefit obligation	(130,858)	6,073	-	-
Gain/(Loss) recognized on Revaluation Surplus	(75,583)	-	-	-

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

17 INCOME TAX EXPENSES (Contd.)

	Group			
	Statement of Income		Statement of Financial Position	
For the year ended 31st March	2016	2015	2016	2015
(c) Deferred Tax Assets				
Property plant & equipment	(59)	637	118,061	-
Biological assets	(379,426)	(476,853)	1,022,056	584,709
Intangible assets	(890)	(13,127)	10,125	12,626
Provision for ex-gratia	-	-	227	227
Provision for retirement benefit obligation	60,670	(100,845)	215,994	265,616
Unabsorbed tax losses carried forward	(79,544)	(669,838)	2,221,303	1,904,652
	(399,249)	(1,260,026)	3,587,766	2,767,830
Valuation allowance	(11,208)	-	-	(11,142)
	(410,457)	(1,260,026)	3,587,766	2,756,688
(d) Deferred Tax Liabilities				
Property plant & equipment	1,248,703	741,571	4,646,418	3,146,011
Investment property	4,012	3,250	78,870	52,836
Biological assets	503,923	1,105,819	7,991,303	6,912,029
Provisions	4,363	4,907	-	-
Intangible assets	(29,659)	11,672	206,607	226,094
Finance leases	9,808	13,161	31,103	20,290
	1,741,150	1,880,380	12,954,301	10,357,260
Reclassified as liabilities associated with assets held for sales	(2,009)	(1,339)	(144,309)	-
	1,739,141	1,879,041	12,809,992	10,357,260
Net deferred tax liability	1,328,684	619,015	9,222,226	7,600,572

(e) The Net Movement of the Deferred Tax Liability is as follows - Group

	2016	2015
Balance at the beginning of the year	7,600,572	7,587,102
On consolidation /Adjustments	-	74,467
Provision for the year	1,328,684	619,015
Provision for the year - Reclassified as Liabilities associated with assets held for sale	2,009	1,339
Deferred tax expenses recognised in OCI for Actuarial gain/(loss) on employee benefits	130,853	(6,073)
Deferred tax expenses recognised in OCI for revaluation surplus	75,583	-
Impact of exchange rate changes on conversion	228,829	(675,278)
Reclassified as liabilities associated with assets held for sales	(144,309)	-
Balance at the end of the year	9,222,226	7,600,572

Deferred taxation has been computed on tax rates that have been enacted or substantively enacted at the end of each reporting period.

(f) Recognized deferred tax assets

The recognition of deferred tax assets relating to tax losses carried forward by subsidiaries of the Group have been reassessed by the management at the year end. Accordingly, Rs , 1,627 Mn of unused tax losses of Indonesian subsidiaries for which deferred tax assets had been recognised in previous years were derecognised during the year and charged to the income statement. This is due to the fact that management assesses that the utilisation of such tax losses may not be used to offset taxable profits in the future and there are no other tax planning opportunities or other evidence of recoverability of such tax losses in the near future.

Management believes that sufficient taxable profit will be available to allow the remaining tax losses to be utilised. Accordingly, relevant subsidiaries recognised deferred tax assets relating to the remaining tax losses carried forward.

(g) Unrecognized deferred tax assets

Group

Deferred tax assets have not been recognised for unused tax losses of Rs. 5,325 Mn (2015: Rs . 2,930 Mn) due to the uncertainty of sufficient taxable earnings of relevant entities including the derecognised tax losses of Indonesian Companies explained above.

Subsidiaries falling within the Sri Lankan tax exemption do not need to account for deferred tax as temporary differences do not exist during the tax exemption period. Therefore, deferred tax has not being provided for Agro Harapan Lestari (Private) Limited, AHL Business Solutions (Private) Limited and Goodhope Investments (Private) Limited.

(h) Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2015: 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.

Such temporary differences for which no deferred tax liability has been recognised aggregate to Rs 51,006 Mn (2015: Rs,42,805 Mn).

(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%)

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

17 INCOME TAX EXPENSES (Contd.)

	Group		Company	
For the year ended 31st March	2016	2015	2016	2015
(j) Reconciliation of the Accounting Profit with the Taxable Profit				
Profit before taxation	6,963,299	8,282,042	164,374	465,927
Aggregate tax disallowed expenses	5,024,201	5,561,670	29,603	27,097
Aggregate of deductions claimed	(7,921,612)	(8,877,620)	(3,057)	-
Dividend income	(2,029,516)	(2,939,988)	(184,093)	(478,187)
Exempt profits	(1,249,780)	(1,724,586)	-	-
Adjustments of change in fair value	(853,822)	(370,971)	-	(132)
Impairment of business assets	336,233	384,511	-	-
Operating losses incurred during the year	2,674,987	3,842,126	-	-
Tax adjusted profits	2,943,990	4,157,184	6,827	14,705
Adjustments				
Adjustments due to the consolidation/joint ventures	1,675,292	2,606,057	-	-
Share of net results of Joint venture	(4,809)	461	-	-
Tax losses utilized during the year	(244,745)	(277,627)	-	(2,226)
Taxable income	4,369,728	6,486,075	6,827	12,479
Taxation on Profits				
Taxation at 12% (Note 17 l (iii) & (iv))	29,266	58,240	-	-
Taxation at 28% (Note 17 k (i))	155,973	201,392	1,912	3,500
Taxation at 40% (Note 17 l (v)	103,111	62,245	-	-
10% WHT on Inter company Dividend	73,154	192,235	-	-
Off - Shore profits at varying rates (Note 17 l (ii))	827,801	1,287,966	-	-
Effect of different tax rates in other countries (Note 17 k (ii))	18,229	48,591	-	-
Economic Service Charge - write off / credit (Note 17 m)	3,038	1,257	-	-
Under provision for previous years	2,162	78,481	(97)	-
	1,212,734	1,930,407	1,815	3,500

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	2016	2015	2016	2015
(ii) Analysis of Tax Losses				
Tax losses brought forward	10,669,827	10,800,148	-	2,226
Adjustment on losses	(2,741,282)	(3,644,362)	-	-
Tax losses incurred during the year	2,611,832	3,791,724	-	-
Utilization of tax losses during the year	(244,745)	(277,627)	-	(2,226)
Tax losses carried forward	10,295,632	10,669,827	-	-

Utilization of tax losses in the current year has resulted in tax saving of Rs. 59 Mn (2015 - Rs.65 Mn) 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.

(k) 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 (l) operating in Sri Lanka, are chargeable to income tax at the standard rate of 28% (2015 -28%).

(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;

	2016	2015
Singapore	17%	17%
Indonesia	25%	25%
India	30.9%	30.9%
Malaysia	24%	25%

(l) 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 24% during the year ended 31 March 2016.

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 Subsidiaries 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, Luxary Brand (Pvt) Limited 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.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

17 INCOME TAX EXPENSES (Contd.)

(m) 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.

(n) 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 recognized as a liability as at the reporting date as disclosed in Note 19 to the Financial Statements.

18 EARNINGS PER ORDINARY SHARE

(a) Earnings per share from Continuing and Discontinuing operations

The Group's earnings per ordinary share of Rs.13.84 (2015 - Rs.20.71) and Company's earnings per ordinary share of Rs.1.16 (2015 - Rs.4.10), 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	2016	2015	2016	2015
Amount used as the Numerator				
Profit for the year	4,570,492	5,884,720	162,559	462,427
Dividend on Preference shares	(44,202)	(44,202)	(44,202)	(44,202)
Non controlling interest	(3,115,072)	(3,728,316)	-	-
Net Profit attributable to Ordinary Shareholders	1,411,218	2,112,202	118,357	418,225
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.)	13.84	20.71	1.16	4.10

(b) Earnings per share from Continuing operations

The Group's earnings per ordinary share from continuing operations is of Rs.13.00 (2015 - Rs.19.85) are calculated by dividing the profit from continuing operations 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	2016	2015	2016	2015
Amount used as the Numerator				
Profit for the year from continuing operations	4,421,881	5,732,620	162,559	462,427
Dividend on Preference shares	(44,202)	(44,202)	(44,202)	(44,202)
Non controlling interest from continuing operations	(3,051,541)	(3,663,309)	-	-
Net Profit attributable to Ordinary Shareholders	1,326,138	2,025,108	118,357	418,225
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.)	13.00	19.85	1.16	4.10

(c) Earnings per share from Discontinued operations

The Group's earnings per ordinary share from discontinued operations is of Rs.0.84 (2015 - Rs.0.86) are calculated by dividing the profit from discontinued operations 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	
For the year ended 31st March	2016	2015
Amount used as the Numerator		
Profit for the year from discontinued operations	148,611	152,100
Non controlling interest from discontinued operations	(63,531)	(65,007)
Net Profit attributable to Ordinary Shareholders	85,080	87,093
Number of Ordinary Shares used as the Denominator		
Ordinary shares in issue (No's)	102,000,000	102,000,000
Earnings per Ordinary Share (Rs.)	0.84	0.86

19 DIVIDEND PER ORDINARY SHARE

	Total dividend		Dividend per ordinary share	
For the year ended 31st March	2016	2015	2016	2015
On Ordinary shares				
Dividend paid	306,000	306,000	3.00	3.00
	306,000	306,000	3.00	3.00
On Preference shares				
Dividend paid	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

(Amounts expressed in Sri Lankan Rs.'000)

20 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
(a) Year ended 31st March 2016									
Cost/Valuation	At valuation	At cost							
As at 1st April 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
On Consolidation	-	311,866	-	-	-	-	-	-	311,866
Additions	77,238	2,432,431	308,977	68,797	74,767	44,544	41,678	2,181,959	5,230,391
Revaluation	906,976	-	-	-	-	-	-	-	906,976
Transfers /Adjustments	491,617	562,685	2,210,293	94,135	(150,268)	39,038	238,405	(3,538,034)	(52,129)
Transfers from assets held for sales	-	-	308,119	-	-	-	-	-	308,119
Disposals/Written - off	(132,856)	(13,272)	(124,488)	(115,323)	(94,587)	(28,215)	(162,230)	(71,858)	(742,829)
Exchange translation difference	207,660	1,732,643	880,853	112,478	55,574	25,838	18	28,850	3,043,914
Reclassified as assets held for sale	(2,922,164)	-	(2,608)	(18,907)	(10,344)	-	-	-	(2,954,023)
As at 31st March 2016	11,650,925	27,509,348	29,091,356	2,233,466	1,414,833	981,728	2,870,308	1,739,863	77,491,827
Depreciation/Amortization									
As at 1st April 2015	382,294	2,551,410	5,961,056	1,105,007	837,267	682,120	1,721,932	-	13,241,086
Charge for the year	148,451	818,651	1,685,398	252,895	185,379	123,963	412,629	-	3,627,366
Revaluation	(165,505)	-	-	-	-	-	-	-	(165,505)
Transfers /Adjustments	51,832	42	30,260	16,956	(52,922)	10,323	(1,951)	-	54,540
On disposals/Written - off	4,325	(5,365)	(54,655)	(111,242)	(37,417)	(26,027)	(159,463)	-	(389,844)
Exchange translation difference	12,164	219,020	342,290	66,618	42,701	22,199	-	-	704,992
Reclassified as assets held for sale	(28,200)	-	(2,411)	(14,083)	(9,259)	-	-	-	(53,953)
As at 31st March 2016	405,361	3,583,758	7,961,938	1,316,151	965,749	812,578	1,973,147	-	17,018,682
Net Book Value									
As at 31st March 2016	11,245,564	23,925,590	21,129,418	917,315	449,084	169,150	897,161	1,739,863	60,473,145

	Freehold Land & Buildings	Leasehold Land & Buildings	Plant & Machinery	Motor Vehicles	Office Equipment, Furniture & Fittings	Computers	Returnable Containers	Capital Work - In Progress	Total
(b) 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

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

20 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

(c) Details of Group Freehold Lands Stated at Valuation are Indicated below: Continuing Operations

Property	Method of Valuation	Effective Date of Valuation	Valuer	Land Extent (in Acres)	Carrying Value of Revalued Assets as at 31st March 2016 If carried at Historical Cost	Carrying Value of Revalued Assets as at 31st March 2016
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	31.03.2016	Mr. K. Arthur Perera A.M.I.V.(Sri Lanka) Valuer & Consultant	3.75	141	319,205
Lion Brewery (Ceylon) PLC Biyagama, Sri Lanka	Market/ income Approach	31.03.2016	Mr. K. Arthur Perera A.M.I.V.(Sri Lanka) Valuer & Consultant	30.30	1,145,535	2,024,714
Millers Brewery Limited Padukka, Sri Lanka	Market/ income Approach	30.10.2014	Mr. S. Sivaskantha, F.I.V. (Sri Lanka) professional valuers	23.97	312,349	467,839
Equity Two PLC Colombo 1, Sri Lanka	Market Approach	31.03.2016	Mr. S. Sivaskantha, F.I.V. (Sri Lanka) professional valuers	0.18	128,364	419,928
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.	725.30	600	1,322,543
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.	757.28	22,000	1,359,280
				1,546.24	1,614,239	6,417,841

Property	Method of Valuation	Effective Date of Valuation	Valuer	Land Extent (in Acres)	Carrying Value of Revalued Assets as at 31st March 2016 If carried at Historical Cost	Carrying Value of Revalued Assets as at 31st March 2016
Details of Group Freehold Lands Stated at Valuation are Indicated below: Discontinued Operations						
Good Hope PLC District of Kuala Langat Malaysia	Existing use basis	31.03.2016	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	780.68	58,000	1,307,848
Selinsing PLC District of krian Malaysia	Existing use basis	31.03.2016	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	1,217.84	52,070	1,568,683
				1,998.52	110,070	2,876,531

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

20 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

(c) Details of Group Freehold Lands Stated at Valuation are Indicated below: Continuing Operations (Contd.)

Description	Effective date of valuation	Valuation technique	Significant Unobservable Inputs	Interrelationship between Key Unobservable Inputs and Fair Value Measurements
Land & buildings of Lion Brewery Ceylon PLC	31.03.2016	Land and Building method	"(i) Estimated construction cost per square feet (ii) Percentage of depreciation	Positive correlated sensitivity Negative correlated sensitivity
Land & buildings of Ceylon Beverage Holdings PLC	31.03.2016	Land and Building method	(i) Cost of construction appreciation rate (ii) Building depreciation rate	Positive correlated sensitivity Negative correlated sensitivity
Land & buildings of Millers Brewery Limited	31.03.2016	Land and Building method	(i) Estimated construction cost per square feet (ii) Percentage of depreciation	Positive correlated sensitivity Negative correlated sensitivity
Land & buildings of Pegasus Hotels of 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	31.03.2016	Market/ income Approach	(I) Cost of construction appreciation rate (ii) Building depreciation rate	Positive correlated sensitivity Negative correlated sensitivity
Freehold Land of Good Hopr PLC and Selinsing PLC	31.03.2013	Existing use (oil palm plantation) 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
Freehold Land of Indo Malay PLC and Shalimar Malay PLC	31.03.2013	Existing use (oil palm plantation) 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

(d) Carrying value of Property, plant & equipment

As at 31 st March	2016	2015
At cost	48,729,413	45,080,078
At valuation	11,245,564	12,640,160
On finance lease	498,168	478,218
	60,473,145	58,198,456

(e) Capital work-in-progress consists of :

As at 31 st March	2016	2015
Land Improvements	261,831	54,973
Buildings	245,379	284,920
Plant & Machinery	1,187,011	2,547,018
Others	45,642	252,035
	1,739,863	3,138,946

(f) Fully depreciated assets in use

Property,plant & equipment includes fully depreciated assets having a gross carrying cost of Rs.1,236 Mn (2015- Rs.1,124 Mn)

(g) Revaluation of Freehold Land

(i) in Malaysian Plantation Companies

(a) Revaluation of the freehold land in Malaysia is carried out on an existing use (Oil palm plantation) basis annually in order to ensure that the book value reflects the market value. Any surplus or deficit arising there from is adjusted through the revaluation reserve once in every three years, unless there is a significant change in the valuation in which case it is recognized immediately.

Accordingly the freehold land was revalued in March 2016, by an independent professional valuer W. M. Malik, a member of the Institution of Surveyors, Malaysia, a partner with W. M. Malik & Kamaruzaman. The difference over the carrying value of the freehold land of Rs 40.41 Mn or equivalent US$ 279,000 (2015: US$ nil) has been accounted as revaluation gains.

If the freehold land of the Malaysian companies had been measured using the cost model, the carrying amount would be Rs.110.83 Mn or equivalent to US$766,000 (2015 - Rs.110.92 Mn or equivalent to US$832,000).

(ii) in Brewery Sector Companies

Freehold land and buildings of Lion Brewery (Ceylon) PLC and Millers Brewery Limited were revalued in the books to conform with the market values as at 31st March 2016, which were assessed on a going concern basis by Messrs. Arthur Perera A.M.I.V. (Sri Lanka), independent professional valuer at a value of Rs. 5,571 Mn and the resultant surplus arising therefrom was transferred to the Revaluation Reserves.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

20 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

(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 31st March 2016 was Rs.40.11 Bn or equivalent to US$277,185,000 (2015 Rs.37.02 Bn or equivalent to US$ 277,709,000). 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 31st March 2016, the Group acquired property, plant and equipment with an aggregate cost of Rs.26.19 Mn or equivalent to US$181,000 (2015 Rs.271.71 Mn or equivalent US$2,038,000) by means of finance leases.

The net book value of property, plant and equipment held under finance leases at the reporting date is Rs.498.16 Mn or equivalent to US$ 3,443,000. (2015 Rs.478.21 Mn or equivalent to US$ 3,587,000).

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 31st March 2016, the borrowing cost capitalised to property, plant and equipment was Rs 580 Mn (2015: Rs 1,264 Mn).The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation for the financial year ended 31st March 2016 was 4.15% (2015: 3.92%) which was the effective interest rate of the US doller borrowing.

(k) Assets pledged as security

The carrying value of certain property, plant and equipment of the Group amounting to approximately Rs.37,621 Mn or equivalent to US$260,015,000 (2015 - Rs.34,664 Mn or equivalent to US$ 260,007,000) are pledged as security for bank borrowings.

(l) Land acquisition - Company's subsidiary Pegasus Hotels of Ceylon (PRH)

The Government of Sri Lanka acquired approximately 1,605 perches of land owned by the Pegasus Hotels of Ceylon PLC (PRH) section 38 provision (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 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 20th November 2008, the said land is to be returned to the PRH on the completion of the construction work of the fisheries harbour project.

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 Statement of Financial Position of the PRH. The removal of the said land has been accounted for as a disposal of an asset, at the time of acquisition, in the financial statements of 2008/09.

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. However the requested land will only be provided to Sri Lanka Navy via fresh Supreme Court ruling. Accordingly until the 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. As at the balance sheet date Company is yet to regain title for the said extent of 353.89 perches of land acquired, which could be done only once the Fisheries Harbour Corporation confirms that all construction work relating to the Fisheries Harbour project is completed, through a fresh motion to the Supreme Court.

Accordingly the market value of the said land, (353.89 perches) amounting to Rs.52,950,000/- (2015 - Rs.52,950,000/-) as at the reporting date has not been removed from the property, plant and equipment.

(m) Land compensation received
As disclosed and reported in the Financial Statements of previous years, GoodHope PLC filed a claim in the Shah Alam High Court against the State Governor of Selangor ("Defendant") to recover the outstanding Late Payment Charges amounting to Rs. 45 Mn (RM1,309,080.46) with respect to an acquisition of 24.5 acres of GHPLC's land during the financial year end 31st March 2003, the High Court Judge allowed the claim of GHPLC for late payment charges of Rs. 45 Mn (RM1,309,080.46) with interest thereon at 4 % per annum and costs of Rs 0.28 Mn (RM8,000).

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 Rs 0.34 Mn (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. On 27th May 2015, the Federal Court entered settlement Order for the Defendant to pay a sum of Rs 27.5 Mn (RM 800,000) to the Company on or before 26 June 2015 as full and final settlement of the Order of the High Court. Accordingly, the Defendants made the said payment of Rs 27.5 Mn (RM 800,000) to the Company on 18 June 2015.This matter is now concluded.

21 BIOLOGICAL ASSETS

	Group	
As at 31 st March	2016	2015
Carrying value at beginning of year	47,034,490	46,817,103
Increase due to plantation development costs	4,172,208	5,904,028
(Loss)/ gain arising from changes in fair value (a)	679,017	(104,702)
Exchange translation difference	3,511,826	(5,581,939)
Reclassified as assets held for sale	(594,426)	-
Carrying value at the end of the year	54,803,115	47,034,490
(a) Gain arising from changes in fair value		
Continued operation	677,541	(108,866)
Disontinued operation	1,476	4,169
	679,017	104,702

(b) Analysis of oil palm production
During the financial year, the Group harvested 1,037,335 MT (2015: 1,002,111 MT) of FFB, which had a fair value less estimated point-of-sale costs of approximately Rs.16,666 Mn or equivalent to US$ 119,859,000 (2015 Rs.21,780Mn or equivalent to US$ 166,013,000).

The fair value of FFB was determined with reference to their average market prices during the year.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

21 BIOLOGICAL ASSETS (Contd.)

(c) Analysis of biological assets (Contd.)

At the end of the financial year, the Group's total planted area and related value of mature and immature plantation are as follows:

As at 31 st March	Indonesian Plantation 2016 Hectares	Indonesian Plantation 2015 Hectares	Malaysia Plantation 2016 Hectares	Malaysia Plantation 2015 Hectares	Total 2016 Hectares	Total 2015 Hectares
Area						
Planted Area:						
- Mature	54,183	52,558	572	1,330	54,754	53,888
- Immature	13,917	15,541	7	50	13,924	15,591
	68,099	68,099	579	1,380	68,679	69,479

As at 31 st March	Indonesian Plantation 2016 Hectares	Indonesian Plantation 2015 Hectares	Malaysia Plantation 2016 Hectares	Malaysia Plantation 2015 Hectares	Total 2016 Hectares	Total 2015 Hectares
Value						
Planted Area:						
- Mature	46,379,986	38,037,923	419,022	911,242	46,799,009	38,949,165
- Immature	8,004,106	8,071,059	-	14,265	8,004,106	8,085,325
	54,384,132	46,108,982	418,983	925,507	54,803,115	47,034,490

(d) The carrying value of biological assets of the Group pledged / undertaken as security for the bank borrowings amounted to approximately Rs.52,009 Mn or equivalent to US$ 359,455,000 (2015 Rs.42,993 Mn or equivalent to US$ 322,482,000).

(e) Borrowing cost capitalised to biological assets for the year ended 31st March 2015 amounted to Rs. 748 Mn or equivalent to US $ 5,382,000. (2015 - Rs.1,127 Mn or equivalent to US $ 8,590,000 /-)

(f) 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 2015: 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 13.55% (31st March 2015 - 13.44%) and Malaysian Plantations 8.71% (31st March 2015 8.58%)"	The estimated fair value increases as the estimated discount rate per annum decreases.
FFB average selling price per metric tonne for Indonesian and Malaysian plantations of U$97 to US$102 and US$118 (2015: US$116 to US$121 and US$137) respectively	The estimated fair value increases as the estimated selling price of FFB increases.
Average yield for Indonesian plantations and Malaysian plantations is 6.62 MT to 26.10 MT and 4 MT to 37 MT (2015: 4.40 MT to 28.83 MT and 12 MT to 29 MT) respectively. Yield per hectare is based on year of planting, maturity profile and terrain of the plantation	The estimated fair value increases as the average yield increases.

Sensitivity analysis on the key assumptions used in biological valuation Indonesian plantation as follows:

	Discount Rate		FFB Selling Price		Yield	
As at 31 st March	0.1% increase	0.1% decrease	1% increase	1% decrease	1% increase	1% decrease
2016						
Statement of financial position						
Biological assets	(448,105)	452,590	1,268,642	(1,268,642)	1,126,846	(1,126,846)
Statement of income						
Loss/(gain) arising from changes in fair value of biological asset	(430,638)	434,948	1,219,190	(1,219,190)	1,082,921	(1,082,921)
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

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

21 BIOLOGICAL ASSETS (Contd.)

(f) Analysis of biological assets (Contd.)

Sensitivity analysis on the key assumptions used in biological valuation of Malaysian plantations are as follows:

	Discount Rate		FFB Selling Price		Yield	
As at 31 st March	0.1% increase	0.1% decrease	1% increase	1% decrease	1% increase	1% decrease
2016						
Statement of financial position						
Biological assets	(29,372)	29,806	47,458	(47,458)	41,381	(41,381)
Statement of income						
Loss/(gain) arising from changes in fair value of biological asset	(28,227)	28,644	45,608	(45,608)	39,768	(39,768)
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

(g) The Group is exposed to the following risks relating to its Palm Oil plantations.

(i) 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.

22 PREPAID LEASE PAYMENT FOR LANDS

	Group	
For the year ended 31st March	2016	2015
Cost/Valuation		
Balance as at the beginning of the year	5,037,428	4,566,001
Additions	229,806	1,040,407
Exchange translation difference	364,878	(568,980)
Balance as at end of the year	5,632,112	5,037,428
Accumulated amortization		
Balance as at the beginning of the year	570,558	470,995
Amortization	174,077	162,878
Exchange translation difference	50,682	(63,315)
Balance as at end of the year	795,317	570,558
Net Balance as at the end of the year	4,836,795	4,466,870

(a) Details of leasehold property - Indonesia

Land rights represent amounts paid on obtaining land rights certificate under Hack Guan Usaha (HGU or right to cultivate) and expenses incurred for obtaining operating licenses. The land rights have an average remaining amortisation period of 27 years.

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

There were no land rights of the Group pledged/undertaken to pledge as security for the bank borrowings (2015: Rs 544 Mn or equivalent to US$4,082,000)

(c) Analysis of prepaid lease rights

As at 31 st March	2016	2015
Prepaid lease rights are to be amortised;	177,679	145,453
Not later than one year	710,718	592,207
Later than one year but not later than 5 years	3,948,398	3,729,210
Later than five years	4,836,795	4,466,870

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

23 INVESTMENT PROPERTIES

(a) Investment Properties of the Group comprise of:

Equity One PLC.

Equity Two PLC.

Equity Three (Private) Limited

	Freehold Land		Freehold Building	
For the year ended 31st March	2016	2015	2016	2015
(b) Movements of Investment Properties				
Balance as at the beginning of the year	1,799,447	1,526,543	434,190	447,780
Additions during the year	-		2,056	8,123
Transfer to Property plant equipment's	-	(27,543)	-	-
Transfer	-	(1,941)	-	(9,601)
Adjustments (note e)	(81,000)	-	13,073	-
Gain/(loss) on fair value adjustment (note c)	459,466	302,388	47,292	(12,112)
Balance at end of the year	2,177,913	1,799,447	496,611	434,190
Change in fair value of investment properties				
Equity One PLC.	315,150	202,400	15,667	4,201
Equity Two PLC.	82,718	79,131	7,812	(3,259)
Equity Three (Private) Limited	61,598	20,857	23,813	(13,054)
	459,466	302,388	47,292	(12,112)

(d) Valuation of investment property
The investment properties were revalued on 31st March 2016 based on market approach basis, by Mr. S. Sivaskantha F.I.V (Sri Lanka) of perera Sivaskantha and company, an independent professional valuer.

(e) Vauxhall Lane property owned by the Company's subsidiary Equity One PLC carrying a land extent of 207.05 perches in the books historically contained a 27 perches for road allocation. It was determined during the year that this road allocation did not carry soil rights for the Equity One PLC but only carried right-of-way which is shared with a third party property. Accordingly the valuation assigned to this road allocation was removed from the valuation.

(f) Properties pledged as security
There were no restrictions on title of investment properties as at the reporting date.

				Group	
	Freehold Land	Freehold Building	Other Equipment's	As at 31st March 2016	As at 31st March 2015
	1,442,800	214,729	48475	1,706,004	1,440,115
	447,658	204,602	73168	725,428	631,438
	287,455	77,280	4064	368,799	284,392
	2,177,913	496,611	125,707	2,800,231	2,355,945

	Other equipment's		Capital work in progress		Total	Total
	2016	2015	2016	2015	2016	2015
	108,538	119,327	13,770	-	2,355,945	2,093,650
	32,280	2,189	(13,770)	13,770	20,566	24,082
	-	-	-	-	-	(27,543)
	-	11,542	-	-	-	-
	-	-	-	-	(67,927)	-
	(15,111)	(24,520)	-	-	491,647	265,756
	125,707	108,538	-	13,770	2,800,231	2,355,945
	(3,715)	(11,463)	-	-	327,102	195,138
	(9,723)	(9,723)	-	-	80,807	66,149
	(1,673)	(3,334)	-	-	83,738	4,469
	(15,111)	(24,520)	-	-	491,647	265,756

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

23 INVESTMENT PROPERTIES (Contd.)

(g) Details of Investment Properties - Group

Company	Location	Description
Equity One PLC	Dharmapala Mw., Colombo 07.	Office Space
Equity One PLC	Vauxhall Lane, Colombo 02	Warehouse Space
Equity Two PLC	No 55 Janadhpathi Mawatha, Colombo 1	Office Space
Equity Three (Private) Limited	George R. De Silva Mw., Colombo 13	Office Space

(h) The Group recognized land and building located at 61,Janadhpathi 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	2016	2015
Repair, maintenance, utility and insurance cost	23,924	23,847
Staff costs and other expenses	49,919	42,685
	73,843	66,532

24 INTANGIBLE ASSETS - GROUP

	Goodwill		Computer Software	
For the year ended 31st March	2016	2015	2016	2015
Cost/Valuation				
Balance as at the beginning of the year	1,736,101	1,736,101	1,196,505	1,189,397
Additions	-	-	191,432	74,532
Impairment (note 12)	(138,106)	-	-	-
Transfer / Adjustment	-	-	15,260	6,137
Exchange translation difference	-	-	39,872	(73,561)
	1,597,995	1,736,101	1,443,069	1,196,505
Accumulated Amortization				
Balance as at the beginning of the year	-	-	372,383	282,833
Amortization	-	-	109,622	111,752
Transfer / Adjustment	-	-	(1,486)	(74)
Exchange translation difference	-	-	12,224	(22,128)
	-	-	492,743	372,383
Net Balance as at the end of the year	1,597,995	1,736,101	950,326	824,122

Method of valuation	Net rentable area (In Sq.ft.)	Extent (Hectares)	Historical Cost	Fair Value 31 st March 2016	Fair Value 31 st March 2015
Market approach	44,647	0.238	113,854	1,080,089	787,828
Market approach	32,408	0.455	226,917	626,520	652,287
Market approach	44,046	0.1456	427,629	724,823	631,438
Market approach	31,237	0.208	69,256	368,799	284,392
				2,800,231	2,355,945

Excise License		Brand		Customer relationship		Total	
2016	2015	2016	2015	2016	2015	2016	2015
63,845	60,795	4,038,384	42,795	565,882	565,882	7,600,717	3,594,970
-	1,200	98	4,000,000	-	-	191,530	4,075,732
-	-	-	-	(102,895)	-	(241,001)	-
(4,182)	1,850	(14,739)	-	-	-	(3,661)	7,987
-	-	72	(4,411)	-	-	39,944	(77,972)
59,663	63,845	4,023,815	4,038,384	462,987	565,882	7,587,529	7,600,717
25,010	20,341	-	-	212,206	155,618	609,599	458,792
5,816	5,387	-	-	56,588	56,588	172,026	173,727
(7,182)	(718)	-	-	-	-	(8,668)	(792)
-	-	-	-	-	-	12,224	(22,128)
23,644	25,010	-	-	268,794	212,206	785,181	609,599
36,019	38,835	4,023,815	4,038,384	194,193	353,676	6,802,348	6,991,118

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

24 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 catagarised into respected sectors.

As at 31 st March	2016	2015
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	1,306,951	1,445,057
	1,597,995	1,736,101

During the year management has decided to scale down the operation of AAOIL. Further this Company reported a negative net asset position as at 31st March 2016. Considering these facts management had decided to fully impair the goodwill and customer relationship assets allocated to AAOIL amounting to Rs. 138Mn & 102Mn respectively.

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 covering a ten-year period based on the age profile of the plantations. Management determines the values assigned to each key assumption used in the cash flow projection based on past experience, operational considerations and current business practices common to the oil palm plantation industry. 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 forecasted period are as follows:

	Oil palm Plantation sector	
As at 31 st March	2016	2015
Pre-tax discount rates	12.5% - 14.5%	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

Goodwill related to oils and fats segment were allocated to two CGUs namely Oils & fats -Malaysia and Oils & fats - India. 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 are as follows:

	Oil & Fats sector	
As at 31 st March	2016	2015
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.

Beverage Sector

Goodwill relating to Lion Brewery and Ceylon Brewery is included in Beverage Sector. The value in use is assessed based on the financial budgets prepared by the management and monitoring the net asset position of the entities.

Portfolio and Asset Management Sector

Goodwill relating to Gardian Group is included in this sector. The value in use is assessed based on financial budgets prepared by the management and monitoring the net asset position of the entities.

(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 5 years (2015: 6 years).

All research costs and development costs not eligible for capitalization amounting to Rs.40.32 Mn or equivalent to US$ 290,000 (2015: Rs.59.17 Mn or equivalent to US$ 451,000) have been expensed and are recognized in the Statement of Income.

During the financial year no software and development costs was written off (2015 nil) in the oil palm plantation segment and recognized in Statement of Income.

(c) Brand

The Lion Brewery (Ceylon) PLC acquired brands amounting to Rs. 4 Bn during last financial year through Millers Brewery Limited. Brands are not amortised 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 tested for impairment annually. The Lion Brewery (Ceylon) PLC had computed its recoverable amount of acquired brands by forecasting the annual sales values and discounting such estimated cash flows by its cost of equity. The recoverable amount is then compared with the carrying values to ascertain whether there is any impairment. Based on such assessment the management had concluded that no impairment is required, as at the reporting date.

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(Amounts expressed in Sri Lankan Rs.'000)

24 INTANGIBLE ASSETS - GROUP (Contd.)

(d) Customer relationships

Customer relationships acquired as part of business combination were initially recognized 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 March 2016 is 5 years (2015: 6 years).

The carrying value of customer relationship recognized in respect of Arani Agro Oil Industries Private Limited (AAOIL) was fully impaired during the year considering decision taken by the management to scale down AAOIL's operations in addition to the negative net current assets and negative net asset position reported as at 31st March 2016 as explained under Goodwill Note above. Accordingly, impairment loss of Rs 102 Mn was recognised against customer relationship during the year (2015: Nil).

25 INVESTMENT IN SUBSIDIARIES

	Principal activities	Country of incorporation	Effective equity interest held by the Group % 2016	Effective equity interest held by the Group % 2015	Investment through Group: Cost as at 31st March 2016	Investment through Group: Cost as at 31st March 2015	Direct Investment Company: Cost as at 31st March 2016	Direct Investment Company: Cost as at 31st March 2015
(i) Investments in Ordinary Shares								
Carson Cumberbatch PLC	Investment holdings	Sri Lanka	45.68%	45.68%	221,272	221,272	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	41.10%	42.52%	408,680	422,983	-	-
Selinsing PLC	Oil palm plantation	Sri Lanka	57.65%	57.62%	724,640	720,194	-	-
Good Hope PLC	Oil palm plantation	Sri Lanka	56.64%	56.62%	497,584	494,141	-	-
Indo - Malay PLC	Oil palm plantation	Sri Lanka	54.39%	54.38%	1,369,353	1,367,665	-	-
Shalimar (Malay) PLC	Oil palm plantation	Sri Lanka	59.00%	59.00%	616,029	616,029	-	-
Ceylon Guardian Investment Trust PLC	Portfolio and Asset Management	Sri Lanka	31.66%	31.66%	705,251	594,989	-	-
Ceylon Investment PLC	Portfolio and Asset Management	Sri Lanka	20.37%	20.37%	460,880	402,892	-	-
Guardian Capital Partners PLC	Portfolio and Asset Management	Sri Lanka	27.61%	27.61%	446,267	446,267	-	-
Ceylon Beverage Holdings PLC	Beverage	Sri Lanka	34.42%	34.29%	719,260	662,771	-	-
Lion Brewery (Ceylon) PLC	Beverage	Sri Lanka	22.75%	22.68%	2,167,984	2,167,984	112,292	112,292
Total investment in Subsidiaries - quoted							691,655	691,655

	Principal activities	Country of incorporation	Effective equity interest held by the Group %		Investment through Group		Direct Investment Company	
					Cost as at 31st March	Cost as at 31st March	Cost as at 31st March	Cost as at 31st March
			2016	2015	2016	2015	2016	2015
(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%	22.68%	1,150,000	1,150,000	-	-
Millers Brewery Ltd	Beverage	Sri Lanka	22.68%	22.68%	1,150,000	1,150,000	-	-
Goodhope Investments Ltd	Business outsourcing	Sri Lanka	59.91%	59.91%	15,000	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	Caymans Islands	22.14%	22.51%	224,560	224,560	-	-
Riverside Resorts (Pvt) Ltd	Leisure	Sri Lanka	23.30%	23.30%	26,000	26,000	-	-
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	58.32%	58.30%	2,665,105	2,665,105	-	-
PT Agro Indomas	Oil palm plantation	Indonesia	55.16%	55.15%	2,300,042	2,300,042	-	-
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	1,127,370	-	-
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	-	-
PT Batus 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	325,595	-	-
PT Siriwana Adi Pereksa	Oil palm plantation	Indonesia	56. 92%	56.92%	136,839	136,839	-	-
PT Agro Bina Lestari	Oil palm plantation	Indonesia	56.92%	-	257,929	-	-	-
PT Agro Surya Madiri	Oil palm plantation	Indonesia	56.92%	-	257,929	-	-	-
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	59.91%	59.91%	119,152	119,152	-	-

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(Amounts expressed in Sri Lankan Rs.'000)

25 INVESTMENT IN SUBSIDIARIES (Contd.)

	Principal activities	Country of incorporation	Effective equity interest held by the Group %		Investment through Group		Direct Investment Company	
					Cost as at 31st March	Cost as at 31st March	Cost as at 31st March	Cost as at 31st March
			2016	2015	2016	2015	2016	2015
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 Vegitable 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	41.10%	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	34.42%	34.29%	250,000	250,000	-	-
Retail Spaces (Private) Limited	Beverage	Sri Lanka	34.42%	34.29%	-	-	-	-
Luxury Brands (Private) Limited	Beverage	Sri Lanka	34.42%	34.29%	-	-	-	-
							6,447,407	6,447,407
(iii) Investments in Unquoted Deferred Shares								
Ceylon Guardian Investment Trust PLC					126,863	115,384	-	-
Total Investment in Subsidiaries - Unquoted							6,447,407	6,447,407
Total Investment in Subsidiaries							7,139,062	7,139,062

(a) Acquisition of subsidiaries - For the year ended 31st March 2016
Acquisition of PT Agro Surya Mandiri and PT Agro Bina Lestari

On 31st March 2016, the Group acquired 56.92% equity interest in PT Agro Surya Mandiri ("PTASM") & PT Agro Bina Lestari ("PTABL"), companies incorporated in Indonesia, for a purchase consideration of Rs 515.85 Mn or equivalent US$1,790,000 each. The Group has acquired these companies as part of its plantation business expansion plan.

The following represents the fair values of the identifiable assets and liabilities of the subsidiary acquired as at the date of acquisition.

	PTASM 2016	PTABL 2016	Total 2016
ASSETS			
Property, Plant & Equipment	155,933	155,933	311,866
Trade and other receivables	115,470	115,470	230,940
Cash and cash equivalents	101	101	202
Total assets	271,504	271,504	543,008
Total Liabilities	-	-	-
Net identifiable assets	271,504	271,504	543,008
Less: Non-controlling interest	(116,979)	(116,979)	(233,958)
Identifiable net assets acquired	137,571	137,571	275,142
Consideration for acquisition of non -controlling interest	103,505	103,505	207,009
Total consideration on acquisition	258,030	258,030	516,060
The effects of acquisition on cash flow is as follows:			
Consideration settled in cash			516,060
Less: Cash and cash equivalents of subsidiary acquired			(202)
Acquisition of subsidiaries net of cash			515,858

No revenue has been recorded since the date of acquisition whilst a loss of Rs.16,000/- was recorded both companies for the period ending 31st March 2016 since the date of the acquisition.

(b) Disposal of interest in subsidiaries without loss of control
During the year the Group disposed the interest in the following subsidiary without loss of control.

Immediate holding company	Name of subsidiary	Disposal of interest %	Proportion of ownership interest after disposal %	Consideration	Book value	Decrease in equity attributable to the owners of company
Carson Cumberbatch PLC	Pegasus Hotels of Ceylon PLC	1.42%	41.10%	37,601	14,303	20,484

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(Amounts expressed in Sri Lankan Rs.'000)

25 INVESTMENT IN SUBSIDIARIES (Contd.)

(c) Acquisition from non-controlling interests

During the year, 2015/16 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	0.17	96.21	4,446
Goodhope Asia Holdings Ltd	Good Hope PLC	0.05	94.53	3,443
Goodhope Asia Holdings Ltd	Indo - Malay PLC	0.34	90.78	1,688
Carson Cumberbatch PLC	The Ceylon Beverage Holdings PLC	0.31	75.37	56,489

(d) Acquisition 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.

	2016
ASSETS	
Property, Plant & Equipment	1,352,086
Trade and other receivables	32,497
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	(702,798)
Identifiable net assets acquired	601,094
Less: Bargain purchase on acquisition of subsidiary	(70,944)
Consideration for acquisition of non -controlling interest	619,850
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.

	2016
The effects of acquisition on cash flow is as follows:	
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

(e) Acquisition from 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	0.01	96.04	14,834
Goodhope Asia Holdings Ltd	Good Hope PLC	0.25	94.48	2,045
Goodhope Asia Holdings Ltd	Indo - Malay PLC	0.03	90.44	37,567
Goodhope Asia Holdings Ltd	Shalimar (Malay) PLC	0.15	96.71	269,361
Carson Cumberbatch PLC	Ceylon Beverage Holdings PLC	0.13	75.06	586,935
Carson Cumberbatch PLC	Lion Brewery (Ceylon) PLC	0.15	58.76	182,421

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26 NON CONTROLLING INTEREST

(a) Summary of Non-controlling interest

Balance as at 31st March	2016	2015
Balance as at 01st April	35,065,642	36,190,123
Super gain tax adjustments	(347,472)	-
Total comprehensive income	3,693,942	575,910
Acquisition of Subsidiaries	27,150	169,667
Ordinary dividend paid to the non-controlling shareholders	(623,274)	(829,708)
Other adjustments	236,652	(1,040,350)
Balance as at 31st March	38,052,640	35,065,642

(b) Following table summarises the information relating to its non-controlling interest in Carson Cumberbatch PLC.

Although Bukit Dhara 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 in computed based on the Carson Cumberbatch PLC consolidated financial statements and its has not considered the direct investment made by the Bukit Darah PLC in Carson Cumberbatch PLC's Subsidiaries.

(a) The financial information of the consolidation of Carson Cumberbatch PLC together with NCI is given below.

	Carson Cumberbatch PLC - Group	
Description & name's of the Sub Groups	2016	2015
Summarised statement of Income		
Revenue	85,653,970	88,625,807
Profit before Income tax expenses	7,100,466	8,375,195
Income tax expenses	(2,539,083)	(2,545,401)
Net profit for the period	4,709,994	5,981,894
Other comprehensive income	1,583,910	(7,104,198)
Total comprehensive income	6,293,904	(1,122,304)
Net profit attributable to NCI	3,652,608	4,523,242
Other comprehensive income attributable to NCI	1,275,217	(5,491,664)
Total comprehensive income attributable to NCI	4,927,825	(968,422)
Summarised statement of Financial Position		
Non-current assets	147,788,414	134,832,752
Current assets	30,412,358	30,285,055
Non-current liabilities	60,240,317	62,799,083
Current liabilities	48,912,890	38,365,453
Net assets attributable to NCI	37,506,637	34,739,416
Summarised Cashflow Informations		
Cash flows from operating activities	12,605,513	5,053,389
Cash flows from investing activities	(8,823,402)	(21,876,166)
Cash flows from financing activities	(6,163,471)	9,897,091
Net increase in cash and cash equivalents	(2,381,360)	(6,925,686)
Dividends paid to NCI during the year	(414,603)	(719,266)
Effective ownership interests held by NCI %	54.32%	54.32%

27 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

Guardian Acuity Asset Management Limited, is a company incorporated in Sri Lanka, to set up and carry out Unit Trust Management activities licensed by Securities and Exchange Commission of Sri Lanka, and governed by a Joint Venture agreement between Acuity Partners (Private) Limited and Ceylon Guardian Investment Trust PLC. Ceylon Guardian Investment Trust PLC and Acuity Partners (Pvt) Limited holds 50% each of the issued share capital in the said company.

(b) Movements of Investments in Joint venture Companies

	Group	
As at 31 st March	2016	2015
Shares at cost	35,000	35,000
Share of post -acquisition reserve	(3,323)	(9,087)
Balance as at the end of the year	31,677	25,913

(c) Measurement of Joint venture Companies - Group

	Group				
As at 31st March	No. of shares 2016	Carrying Value 2016	Cost 2016	Carrying Value 2015	Cost 2015
(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		(3,323)	-	(9,087)	-
Investments in Joint Venture Company (Equity Basis)	-	31,677	35,000	25,913	35,000

Notes to the Financial Statements

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27 INVESTMENTS IN JOINT VENTURE (Contd.)

(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 31st March	2016	2015	2016	2015	2016	2015
Joint Venture Company						
Guardian Acuity Assets Management Ltd	33,549	15,925	9,618	(922)	4,809	(461)
	33,549	15,925	9,618	(922)	4,809	(461)

As at 31st March	2016	2015
Non - Current assets	24,611	23,235
Current assets	9,611	4,182
Total assets	34,221	27,417
Non-Current Liabilities	322	187
Current liabilities	2,223	1,317
Total liabilities	2,544	1,504
Net assets	31,677	25,913

28 AVAILABLE-FOR-SALE FINANCIAL ASSETS

(a) Summary of Available-for-Sale Financial Assets - Group

		Group	
As at 31 st March		2016	2015
Investment in equity securities			
Quoted equity instruments	28. b (I)	8,294,938	8,790,222
Unquoted equity instruments	28.b (II)	84,100	70,506
Private Equity (unlisted) instruments	28. b (III)	125,261	115,005
Total investment in equity securities		8,504,299	8,975,733
Investment in debentures			
Unquoted	28. b (IV)	5	5
Total Investment in debentures		5	5
Investment in units trusts			
Unquoted	28. b (V)	120,370	117,268
Total investment in units trusts		120,370	117,268
Total investments in available for sale financial assets		8,624,675	9,093,007

Movement in Available for sale financial assets - Group

For the year ended	Fair Value as at 1st April 2015	Additions	Disposals	Impairment	Fair Value Adjustments	Fair Value as at 31st March 2016
Total Investment in equity securities	8,975,733	2,038,183	(1,530,466)	(95,232)	(883,917)	8,504,301
Investment in debentures	5	-	-	-	-	5
Investment in Unit Trusts	117,268	2,198	-	-	904	120,370
	9,093,007	2,040,381	(1,530,466)	(95,232)	(883,015)	8,624,675

For the year ended	Fair Value as at 1st April 2014	Additions	Disposals	Impairment	Fair Value Adjustments	Fair Value as at 31st March 2015
Total Investment in equity securities	7,838,642	2,525,672	(2,257,111)	(81,727)	950,258	8,975,733
Investment in debentures	5	-	-	-	-	5
Investment in Unit Trusts	120,500	4,875	(19,653)	-	11,546	117,268
	7,959,148	2,530,547	(2,276,764)	(81,727)	961,804	9,093,007

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 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 valuation carried out by investment managers, Guardian Fund Management Limited.

Due to significant / prolonged decline in fair value of identified equity securities in available for sale financial assets below its cost, an impairment loss amounted to Rs. 95.2 Mn has been recognised against profit or loss for the year (2015 - 81.7 Mn) as required by LKAS – 39 "Financial Instruments; recognition and measurement". LKAS – 39 also requires to recognise fair value gains and losses arising from assets classified as available for sale, other than impairment losses, in other comprehensive income. Accordingly, a loss of Rs.883.0 Mn and a gain of Rs. 961.8 Mn have been recognised in financial years 2016 and 2015 respectively.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

28 AVAILABLE-FOR-SALE FINANCIAL ASSETS (Contd.)

(b) Measurement of Available for sale financial Assets - Group

As at 31st March	No of Shares 2016	Cost 2016	Fair value 2016	No. of Shares 2015	Cost 2015	Fair value 2015
(i) Investment in equity securities - Quoted						
Banks, Finance and Insurance						
Central finance Company PLC	2,140,279	431,231	449,459	2,488,874	501,454	622,467
Commercial Bank of Ceylon PLC	6,648,695	627,512	834,411	5,096,451	365,216	842,953
Ceylinco Insurance PLC - Non Voting	241,266	163,028	188,670	-	-	-
DFCC Bank PLC	-	-	-	50,000	10,618	10,140
Hatton National Bank PLC	3,286,216	664,549	654,943	2,994,843	601,532	664,855
Hatton National Bank Non Voting	2,389,425	422,803	408,592	1,057,721	186,911	174,524
HNB Assurance PLC	2,000,000	106,360	108,000	2,000,000	106,360	170,000
Nations Trust Bank PLC	-	-	-	6,666,280	427,518	667,295
People's Leasing and Finance Company PLC	6,873,974	122,335	109,984	5,893,731	102,767	130,251
Peoples Insurance PLC	6,219,800	93,297	105,115	-	-	-
Sampath Bank PLC	3,729,716	860,128	842,916	2,993,345	692,193	754,622
Seylan Bank PLC	703,790	63,582	60,526	-	-	-
Seylan Bank PLC Non Voting	355,035	23,273	22,367	-	-	-
		3,578,098	3,784,983		2,994,569	4,037,108
Beverage, Food & Tobacco						
Cargills (Ceylon) PLC	4,267,300	126,648	640,095	4,367,300	129,616	598,320
Distilleries Company of Sri Lanka PLC	3,558,749	841,976	733,814	2,669,722	627,700	642,068
		968,624	1,373,909		757,316	1,240,388
Construction & Engineering						
Access Engineering PLC	6,475,619	210,199	134,693	6,475,619	210,199	124,332
		210,199	134,693		210,199	124,332
Diversified Holdings						
Aitken Spence PLC	3,348,000	336,851	246,078	3,348,000	336,851	333,126
Expolanka Holdings PLC	6,845,150	41,483	47,916	6,845,150	41,483	58,183
Hemas Holdings PLC	1,138,685	89,590	91,778	-	-	-
John Keells Holdings PLC	7,244,217	316,883	1,072,144	7,684,878	383,870	1,532,365
Softlogic Holdings PLC	5,144,707	79,405	68,425	-	-	-
		864,212	1,526,341		762,204	1,923,674

As at 31st March	No of Shares 2016	Cost 2016	Fair value 2016	No. of Shares 2015	Cost 2015	Fair value 2015
Footwear and Textiles						
Hayleys Fabric PLC	22,149,122	260,382	398,684	28,793,905	338,497	509,652
		260,382	398,684		338,497	509,652
Health care						
Ceylon Hospitals PLC (Durdans)	831,749	65,167	74,857	831,749	65,167	94,736
		65,167	74,857		65,167	94,736
Hotels & Travels						
Aitken Spence Hotels Holdings PLC	4,826,890	310,812	255,825	3,315,388	218,424	222,131
Serendib Hotels PLC	1,110,814	39,314	30,547	1,110,814	39,314	31,103
		350,126	286,372		257,738	253,234
Motors						
Diesel and Motor Engineering PLC	140,429	70,187	77,194	140,429	70,187	88,470
		70,187	77,194		70,187	88,470
Telecommunication						
Dialog Axiata PLC	60,536,931	612,270	617,475	49,898,072	467,608	518,628
		612,270	617,475		467,608	518,628
Manufacturing						
Tokyo Cement	552,166	20,496	20,430	-	-	-
		20,496	20,430		-	-
Total Investment in equity securities -Quoted		6,999,761	8,294,938		5,923,485	8,790,222

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

28 AVAILABLE-FOR-SALE FINANCIAL ASSETS (Contd.)

(b) Measurement of Available for sale financial Assets - Group (Contd.)

As at 31st March	No of Shares 2016	Cost 2016	Fair value 2016	No. of Shares 2015	Cost 2015	Fair value 2015
(ii) Investments in equity securities - Unquoted						
ACW Insurance (Private) Limited	449,999	1,869	-	449,999	1,869	-
Asia Pacific Golf Course Limited	10	-	-	10	-	-
Ceybank Asset Management Ltd	360,001	3,600	56,914	360,001	3,600	51,882
DFCC Vardhana Bank	-	-	-	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
Lanka Communication Services Limited	1,428,496	15,714	27,166	1,428,496	15,714	15,714
Produce Transport Limited	1	-	-	1	-	-
Serendib Agro Products Limited	2,500	-	-	2,500	2	-
Total Investment in equity securities -Unquoted		21,203	84,100		24,095	70,506
(iii) Investment in equity securities - Private equity (unlisted)						
Hsenid Business Solutions (Pvt) Ltd.	163,419	40,005	40,005	163,419	40,005	40,005
Kashmi Singapore PTE. LTD	417	10,256	10,256	-	-	-
LVL Energy Fund Limited	9,375,000	75,000	75,000	9,375,000	75,000	75,000
Total investment in private Equity		125,261	125,261		115,005	115,005
(iv) Investment in 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 2016	Cost 2016	Fair value 2016	No. of Shares 2015	Cost 2015	Fair value 2015
(vi) Investment in Unit Trusts						
Guardian Acquity Equity Fund	2,500,000	25,000	38,275	2,500,000	25,000	40,850
Guardian Acquity Fixed Income Fund	6,464,196	65,461	82,095	6,279,202	63,263	76,418
Total investment in unit trust		90,461	120,370		88,263	117,268
Total Unquoted Investments		236,931	329,737	-	227,369	302,785
Total available for sale financial assets		7,236,692	8,624,675		6,150,854	9,093,007

(c) Valuation techniques and significant unobservable input

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 Input	Ranges	Weighted average	Inter - relationship between key unobservable inputs and fair value measurement. The esimated fair value would increase if.
Private equity (unlisted)	Discounted cash flows:	Revenue CAGR Exit multiple :	13%-25% 5-8	16% 7	Increase Increase
	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.	*P/E- Price to earnings ratio (times) *EV/EBIT - Enterprise value to earnings before interest and tax			
		Discount Rate	15.5%-20%	17.10%	Decrease

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

29 INVENTORIES

	Group	
For the year ended	2016	2015
Raw materials	2,973,224	3,143,265
Work-in-progress	228,220	338,521
Goods in Transit	116,170	27,174
Finished goods	3,493,745	4,240,996
	6,811,359	7,749,956
Provision for inventory (Note a)	(56,619)	(84,878)
Balance as at the end of the year	6,754,740	7,665,078
a. Provision for inventory		
Balance as at the beginning of the year	84,878	42,952
Provisions during the year	11,310	72,546
Reversals during the year	(39,569)	(30,620)
Balance as at the end of the year	56,619	84,878

Assets pledged as security

The Group has pledged inventories amounting to approximately Rs.3,730 Mn or equivalent to US$ 25,780,000 (2015: Rs.4,210 Mn or equivalent to US$ 31,584,000) as security for bank borrowings.

30 TRADE AND OTHER FINANCIAL RECEIVABLES AND OTHER NON - FINANCIAL RECEIVABLES

	Group		Company	
As at 31st March	2016	2015	2016	2015
Financial Assets				
Non Current				
Other financial receivables				
Land compensation receivable (Note d)	136,678	122,545	-	-
	136,678	122,545	-	-
Current				
Trade receivables				
Trade receivables (net of provisions)	3,602,440	4,491,999	-	-
	3,602,440	4,491,999	-	-
Other financial receivables				
Other receivables	674,711	679,847	-	-
Loans given to employees	14,310	19,761	-	-
	689,021	699,608	-	-
Current trade and other financial receivables	4,291,461	5,191,607	-	-
Trade and Other financial receivables	4,428,139	5,314,152	-	-
Non Financial Assets				
Non Current				
Other non financial receivables				
Plasma receivables (Note e)	3,203,354	1,713,536	-	-
Income tax receivable	1,313,319	956,437	-	-
VAT receivable	108,689	34,396	-	-
Other receivables	84,154	137,469	-	-
Non current trade and other non financial receivables	4,709,516	2,841,838	-	-
Current				
Other non financial receivables				
Plasma receivables (Note f)	34,561	564,494	-	-
Advances made on projects	1,996	363,210	-	-
Taxes receivable	2,568,958	2,227,925	-	-
Prepayments	2,664,129	1,921,112	2,722	1,349
Other non financial receivables	5,269,644	5,076,741	2,722	1,349
Current trade and other non financial receivables	9,979,160	7,918,579	2,722	1,349
Total financial & non financial receivable - Non Current	4,846,194	2,964,383	-	-
Total financial & non financial receivable - Current	9,561,105	10,268,348	2,722	1,349

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

30 TRADE AND OTHER FINANCIAL RECEIVABLES AND OTHER NON - FINANCIAL RECEIVABLES (Contd.)

	Group		Company	
As at 31st March	2016	2015	2016	2015
Loans and receivables				
Trade receivables	3,602,440	4,491,999	-	-
Other financial receivables -current	689,021	699,608	-	-
Other financial receivables -Non current	136,678	122,545	-	-
Cash and Bank balances	7,666,044	9,145,650	49,174	122,394
	12,094,183	14,459,802	49,174	122,394

(a) Assets pledged as security

The Group has pledged receivables amounting to approximately Rs.2,385 Mn or equivalent to US$ 16,448,000. (2015: Rs.3,354 Mn or equivalent to US$ 25,161,000) as security for bank borrowings.

(b) Trade Receivable that are past due but not impaired

The Group has trade receivables amounting to approximately Rs.41.38 Mn (2015: Rs.43.86 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	2016	2015
Oil palm plantation business segment		
Trade receivables past due but not impaired		
30 – 60 days	30,675	34,530
61 – 90 days	-	666
More than 90 days	145	267
	30,820	35,463
Oil and fats business segment		
Trade receivables past due but not impaired		
180– 365 days	723	-
Above 365 days	9,839	8,399
	10,562	8,399
Beverage business segment		
Past due 0- 365 days	1,166,380	1,018,772
More than 365 days	15,065	15,065
	1,181,445	1,033,837

(c) Trade receivable denominated in foreign currency as follows:

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	2016	2015
Malaysian Ringgit	1,827,434	2,526,947
Indian Rupee	78,567	167,183
Indonesian Rupiah	256,246	381,162
US Dollar	-	52,528
	2,162,247	3,127,820

(d) Land compensation receivable

Pegasus Hotels of Ceylon PLC (PRH)

The government of Sri Lanka acquired approximately 1,605 perches of land owned by the PRH under Section 38 provision (a) of the Land. Acquisition Act, No.28 of 1964 by gazette notification dated 14th May 2008 for the public purpose of a fisheries harbor 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.563 Mn 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.189.5 Mn in the financial statements based only on the market value and related costs supported by a professional valuation conducted by Mr. K Arthur Perera, A.M.I.V.(Sri Lanka), Valuer & Consultant.

As at the reporting date, Company has not received any confirmation from the Divisional Secretary on the value determination of the said claim, due to the court case. In the opinion of the lawyer's the said court case which is the reason for the delay in processing the compensation claim submitted by the Company, may take further 2 to 3 years to reach a finality. If a ruling is made at District Court within such time estimation and ruling is accepted by the losing party then the value determination of the claim would take place. However, further two appeal options are available for both parties at Provincial Civil Appellate Court and to the Supreme Court if either party decided to contest the verdict of the District Court. Under these circumstances, even if a valuation is determined by the Government, such value will not be disclosed till the court cases have come to a finality.

The amounts recognised in the financial statements represents the amortised cost of the compensation receivable as at the respective reporting dates, based on the assumptions and an amount of Rs. 14.1Mn (2015 - Rs. 12.6Mn) has been recognized in the Statement of Income on account of unwinding of discount on compensation receivable.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

30 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.

31 FINANCIAL ASSETS HELD FOR TRADING

As at 31st March	2016	2015
Investment in Equity securities		
Quoted	1,742,083	1,676,177
Unit Trusts	1,127,189	1,146,191
Total financial assets held for trading	2,869,272	2,822,368

Movement in fair value through profit or loss financial assets - Group

For the year ended 31st March' 2016

	Fair Value as at 1st April 2015	2016 Additions	2016 Disposals	Effect of currency translation	Fair Value Adjustments	Fair Value as at 31st March 2016
Quoted	1,676,177	853,026	(566,970)	30,694	(250,844)	1,742,083
Unit Trusts	1,146,191	656,662	(717,652)	139	41,849	1,127,189
Total Investment in equity securities	2,822,368	1,509,688	(1,284,622)	30,833	(208,995)	2,869,272

For the year ended 31st March' 2015

	Fair Value as at 1st April 2014	Additions	Disposals	Effect of currency translation	Fair Value Adjustments	Fair Value as at 31st March 2015
Quoted	1,455,198	1,315,804	(1,275,291)	2,765	177,701	1,676,177
Unit Trusts	30,658	1,122,107	(25,297)	(146)	18,869	1,146,191
Total Investment in equity securities	1,485,856	2,437,911	(1,300,588)	2,619	196,570	2,822,368

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.

Group

As at 31st March	No of Shares 2016	Market Value 2016	No of Shares 2015	Market Value 2015
(i) Investment in equity securities - Quoted				
Banks, Finance and Insurance				
Central Finance Company PLC	60,600	15,332	85,000	21,383
Commercial Bank of Ceylon PLC	430,084	56,622	373,630	62,192
Ceylinco Insurance PLC	28,000	22,400	-	-
DFCC Bank PLC	297,315	40,732	197,315	40,015
Hatton National Bank PLC	777,800	156,499	746,650	162,349
Hatton National Bank PLC - Non Voting	611,276	104,528	525,821	86,760
Janashakthi Insurance Compay PLC	1,500,000	24,000	-	-
Nations Trust Banka PLC	-	-	74,920	7,313
People's Leasing & Finance PLC	1,081,000	23,782	1,431,000	35,279
Sampath Bank PLC	68,422	16,968	106,627	3,240
Seylan Bank PLC	1,139,671	98,462	1,119,671	107,753
Seylan Bank PLC Non Voting	591,755	37,281	-	-
Singer Finance (Lanka) PLC	500,000	9,050	-	-
Sinhaputhra Finance PLC	100,000	1,670	20,000	3,598
Softlogic Capital PLC	600,000	3,600	600,000	3,600
Union Bank of Colombo PLC	4,545,420	75,454	2,857,946	68,876
Vallibal Finance PLC	-	-	70,000	25,354
		686,380		627,712
Beverage, Food & Tobacco				
Cargills (Ceylon) PLC	103,800	19,618	103,800	15,981
Ceylon Cold Stores PLC	880	378	880	262
Distilleries Company of Sri Lanka PLC	791,795	169,143	675,674	159,873
		189,139		176,116
Construction and Engineering				
MTD Walkers PLC	860,846	30,680	-	-
Access Engineering PLC	2,109,609	43,880	4,401,904	93,057
		74,560		93,057
Chemicals & Pharmaceuticals				
Union Chemicals Lanka PLC	200	118	200	95
		118		95

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

31 FINANCIAL ASSETS HELDS FOR TRADING (Contd.)

As at 31st March	No of Shares 2016	Market Value 2016	No of Shares 2015	Market Value 2015
Diversified Holdings				
Aitken Spence PLC	1,055,218	83,938	1,030,218	103,204
Hemas Holdings PLC	1,818,496	148,096	1,861,649	137,325
Hayleys	42,457	12,283	-	-
John Keells Holdings PLC	543,416	81,859	218,695	46,239
JKH Warrents 2015	-	-	260,947	8,342
JKH Warrents 2016	3,481	32	3,047	98
Softlogic Holdings PLC	8,138,952	108,392	6,496,410	85,753
		434,600		380,961
Footware and Textile				
Hayleys MGT Knitting Mills PLC	1,036,132	23,209	1,036,132	18,142
		23,209	1,036,132	18,142
Health Care				
Asiri Central Hospital Limited	6,526	1,078	-	-
Asiri Hospitals PLC	620,000	14,880	-	-
Ceylon Hospitals PLC	90,000	9,108	90,000	10,632
The Lanka Hospitals Corperation Ltd	548,000	27,948	648,000	25,855
		53,014		36,487
Land & Property				
Overseas Reality (Ceylon) PLC	2,490,859	58,286	1,047,050	24,606
	-	58,286		24,606
Hotels and Travels				
Aitken Spence Hotel Holdings PLC	976,693	54,534	413,793	29,938
Serendib Hotels PLC Non Voting	765,592	13,572	765,592	16,528
Serendib Hotels PLC	270,067	7,427	270,067	7,562
		75,533		54,028
Manufacturing				
Lanka Tiles PLC	-	-	391,032	42,065
Chevron Lanka Lubricants PLC	75,381	22,991	-	-
Ceylon Glass Company PLC	-	-	2,000,000	11,400
Kelani Tyres PLC	516,748	33,072	691,001	54,007
		56,063		107,472

Group

As at 31st March	No of Shares 2016	Market Value 2016	No of Shares 2015	Market Value 2015
Motor				
Diesel and Motor Engineering PLC			9,766	6,250
		-		6,250
Power & Energy				
Lanka IOC PLC	20,000	650	644,862	25,988
Laughfs GAS PLC	100,000	4,150	100,000	4,075
Panasian Power PLC	-	-	1,400,000	4,508
Vallibel Power Erathna PLC	1,034,117	8,273	3,364,000	26,272
		13,073		60,843
Telecommunications				
Dialog Axiata PLC	6,850,000	71,095	7,377,563	83,290
	-	71,095		83,290
Trading				
Singer (Sri Lanka) PLC	50,846	7,012	60,000	7,118
		7,012		7,118
Total investment in equity securities - Quoted		1,742,083		1,676,177
Investment In Unit Trusts - Unquuoted				
Guardian Acquity Fixed Income Fund	41,931,277	532,518	43,557,890	530,099
Guardian Acquity Money Market Fund	12,111,271	153,813	-	-
Guardian Acuity Money Market GILT Fund	4,089,771	435,438	6,099,890	610,782
Mutual fund - India		5,420		5,310
		1,127,189		1,146,191
Total financial assets held for trading		2,869,272		2,822,368

Fair value of investment in unit trust is based on the unit price published by the Investment Managers as at 31st March.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

31 FINANCIAL ASSETS HELD FOR TRADING (Contd.)

Movement in fair value through profit or loss financial assets - Company

For the year ended 31st March' 2016	Fair Value as at 1st April 2015	Additions / (Disposals)	Fair Value Adjustments	Fair Value as at 31st March 2016
Total Investment in equity securities	110,132	(110,132)	-	-
	110,132	(110,132)	-	-

For the year ended 31st March' 2015	Fair Value as at 1st April 2014	Additions / (Disposals)	Fair Value Adjustments	Fair Value as at 31st March 2015
Total Investment in equity securities	-	110,000	132	110,132
	-	110,000	132	110,132

(a) FINANCIAL ASSETS HELD FOR TRADING - Company

As at 31st March	No of Shares 2016	No of Shares 2016	No of Shares 2015	Market Value 2015
Investment In Unit Trusts - Unquuoted				
Guardian Acuity Money Market GILT Fund	-	-	1,099,890	110,132
Total financial assets held for trading	-	-		110,132

32 DERIVATIVE FINANCIAL INSTRUMENT

	2016			2015		
As at 31st March	Contract/ Notional amount	Asset	Liability	Contract/ Notional amount	Asset	Liability
CPO futures contracts	-	-	-	-	-	-
Foreign exchange forward contracts	682,069	67,910	(36,342)	1,526,781	42,383	-
	682,069	67,910	(36,342)	1,526,781	42,383	-

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 is nil (2015: loss of Rs.1,066,560/- or equivalent to US$8,000) in respect of these contracts were recognised in the profit or loss since the Group has not adopted hedge accounting as of 31st March 2016.

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 is nil (2015: gain Rs.1.06 Mn or equivalent US$ 8,000) in respect of these contracts were recognised in the profit or loss since the Group has not adopted hedge accounting as of 31st March 2016.

33 CASH AND CASH EQUIVALENTS

	Group		Company	
As at 31st March	2016	2015	2016	2015
Deposits				
F.C.B.U. deposits	526,624	58,829	-	-
Call deposits	4,413,391	3,634,018	-	3,838
Treasury bills/Repo	-	212,944	42,480	101,029
Fixed deposits and Saving	520,491	82,132	-	-
Short - term deposits	5,460,506	3,987,923	42,480	104,867
Cash in hand and at bank	2,205,538	5,157,727	6,694	17,527
	7,666,044	9,145,650	49,174	122,394

(a) Cash and cash equivalents are denominated in foreign currencies at 31st March as follows:

	Group	
As at 31st March	2016	2015
US Dollars	1,278,626	3,336,920
Sterling Pound	1,302	1,200
Indonesian Rupiah	835,151	314,102
Malaysian Ringgit	465,612	483,018
Singapore Dollars	723	3,333
Indian Rupee (INR)	60,046	305,969
	2,641,460	4,444,542

Certain bank accounts of the Group have been pledged as security for bank borrowings. As at 31st March 2016, these accounts have a total amount of Rs.524 Mn or equivalent to US$ 3,622,000 (2015: Rs.3,593 Mn or equivalent to US$ 26,954,000). There are no legal and contractual restrictions on the use of the pledged bank accounts.

Plantation sector cash management
Cash at bank is placed in a managed rate account earning interest income at 0.01% to 0.5% per annum (2015: 0.00% to 0.09% per annum) for US Dollar accounts and there is no cash at bank placed in a managed rate account for earning interest income (2015: 0.75% to 2.8% per annum) for IDR accounts.

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 2016, interest earned ranges from 3% to 5.5% per annum (2015: 3.00% to 6.25% per annum) for Indonesian Rupiah short-term deposits and 6.00% to 6.15% per annum (2015: 5.65% to 6.60%) for Re Purchase Agreements (REPO's) placed in Sri Lanka. However, there is no interest earned in the current year for US Dollar short-term deposits, (2015: 0.01% to 2.50% per annum) and for Malaysian Ringgit short-term deposits (2015: 2.75% to 2.95%) as no fund were placed in these short-term deposits.

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 2016, for Indian Rupee deposits, interest earned ranges from 7% to 8.5% per annum (2015: nil per annum). For Malaysian Ringgit deposits, interest earned ranges from 3.15% to 3.60% per annum (2015: 3.15% to 3.60% per annum). Any excess cash is further utilised to reduce the overdraft interest incurred.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

33 CASH AND CASH EQUIVALENTS (Contd.)

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 2016, interest earned ranges from 8% – 10% per annum (2015: 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	2016	2015	2016	2015
Short - term deposits	5,460,506	3,987,923	42,480	104,867
Cash-in-hand and at bank	2,205,538	5,157,727	6,694	17,527
	7,666,044	9,145,650	49,174	122,394
Short - term borrowings	(14,803,666)	(15,483,742)	-	-
Bank overdrafts	(3,414,629)	(1,759,579)	-	-
	(10,552,251)	(8,097,671)	49,174	122,394

34 ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

i. ASSETS HELD FOR SALE

(a) Movement of assets held for sale

	Group	
For the year ended 31st March	2016	2015
Opening balance as at 1st April	491,895	-
Addtion during the year (Note 8 (c))	3,494,496	609,810
Assets sold during the year	(178,576)	-
Impairment during the year	-	(117,915)
Assets transferred to property plant and equipment	(308,119)	-
Closing Balance as at 31st March	3,499,696	491,895

(b) Brewery Sector

	Plant & machinery		Returnable Containers		Total	
As at 31st March	2016	2015	2016	2015	2016	2015
Cost	5,200	783,134		69,001	5,200	852,135
Accumulative depreciation	-	(242,325)	-	-	-	(242,325)
	5,200	540,809		69,001	5,200	609,810
Less: Impairment	-	(96,449)	-	(21,466)	-	(117,915)
Fair value as at 31st March	5,200	444,360		47,535	5,200	491,895

(c) Oil Palm Sector (Note 8)

	Property, plant & equipment		Biological assets		Total	
As at 31st March	2016	2015	2016	2015	2016	2015
Cost	2,954,023	-	594,426	-	3,548,449	-
Accumulative depreciation	(53,953)	-		-	(53,953)	-
Fair value as at 31st March	2,900,070	-	594,426	-	3,494,496	-

ii. LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALES

	Group	
As at 31st March	2016	2015
Employee benefits	2,786	-
Deferred tax liabilities	144,309	-
	147,095	-

35 STATED CAPITAL

	Group/Company			
	No of shares		Stated capital	
As at 31st March	2016	2015	2016	2015
At the beginning / end of the year	102,000,000	102,000,000	371,880	371,880
	102,000,000	102,000,000	371,880	371,880
Preference shares				
At the beginning / end of the year	1,839,568	1,839,568	40,755	40,755
	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

(Amounts expressed in Sri Lankan Rs.'000)

36 CAPITAL RESERVES

	Group		Company	
As at 31st March	2016	2015	2016	2015
Represented by				
Capital Redemption reserve (Note)	40,000	40,000	40,000	40,000
Other capital reserves (Note 6)	2,384,392	2,162,190	-	-
	2,424,392	2,202,190	40,000	40,000

(a) Capital Accretion reserve, Revaluation reserve - Created to set aside revaluation surplus on immovable assets. Not utilised for distribution on prudency.

(b) Other capital reserves - represents the amounts set aside by the Directors for future expansion and to meet any contingencies.

37 REVENUE RESERVES

	Group		Company	
As at 31st March	2016	2015	2016	2015
Represented by				
Currency translation reserve (Note a)	(5,712,197)	(6,653,135)	-	-
Revenue reserve	41,697	65,012	-	-
Available-for-sale financial assets reserves (Note b)	505,628	893,582	-	-
Retained earning	32,332,066	31,191,405	6,667,506	6,845,682
	27,167,194	25,496,864	6,667,506	6,845,682

(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 impairments losses incurred as at the reporting date.

38 INVESTMENT THROUGH SUBSIDIARIES

	No of shares	Cost	Market Value	Cost	Market Value
As at 31st March		2016	2016		2015
Bukit Darah PLC	26,710,158	10,688	9,348,556	10,688	18,109,488

39 LOANS AND BORROWINGS

As at 31st March						Group 2016	Group 2015
(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	2018	A	LIBOR +3- 3.25% /3.5%-3.75% p.a.	7,797,489	5,128,025
Secured	Oils and Fats	MYR	2019	B	COF + 2-2.50% p.a.	565,304	548,750
Unsecured	Beverage	USD	2016		3 Months LIBOR + 3.17%	259,170	238,185
Unsecured	Beverage	LKR	2016		3 Months AWDR + 3%	-	200,000
Unsecured	Beverage	LKR			AWPLR+1.25% (4week AVG revied monthly)	55,600	-
Unsecured	Beverage	LKR	2016		1 Months SLIBOR +0.5%	595,689	595,668
Unsecured	Beverage	LKR	2016		Fixed 9.5% reviewed semi annually	200,000	-
Unsecured	Beverage				Fixed 7.75% AWPLR (4 Week)	200,040	
Unsecured	Beverage	LKR	2016		AWPLR (4 weeks AVG) revised monthly	200,000	200,040
	Beverage	LKR	2016		AWPLR+1.4% (monthly reviewed)	200,000	100,000
	Beverage	LKR	2016		AWPLR + 1%	99,600	99,600
						10,172,892	7,110,268
(b.) Finance lease payables						160,602	163,642
						10,333,494	7,273,910

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

39 LOANS AND BORROWINGS (Contd.)

As at 31st March						Group 2016	Group 2015
(c.) Short term Bank borrowings							
Working capital facilities							
Secured	Oil palm plantation	USD	2016	C	LIBOR + 4.40% p.a.	292,274	1,045,229
Secured	Oil palm plantation	IDR	2016	C and D	BLR - 2.5% p.a. / COF + 2.25% p.a	1,256,633	1,495,584
Revolving credit facility							
Secured	Oil palm plantation	USD	2016	A	COF + 3.00% p.a.	2,893,800	2,666,400
Bankers' acceptance							
Secured	Oils and Fats	MYR	2016	E	COF + 1.50% p.a	3,878,850	3,208,612
Bill discounting							
Secured	Oils and Fats	MYR	2016	E	COF + 1.50% p.a	860,182	502,083
Buyers' credit							
Secured	Oils and Fats	USD	2016	F	LIBOR + margin p.a	2,267,992	2,541,308
Short term loan							
Secured		USD	2016	H	LIBOR + 4.50% p.a	1,663,935	74,526
Unsecured	Beverage	LKR	2016		7.65% to 8%	1,690,000	3,950,000
Bank overdrafts facility	Beverage & Investment Holdings	LKR		F		3,414,629	1,759,579
Total Short term Bank borrowings						18,218,295	17,243,321
Total loan payable within the year						28,551,789	24,517,231

As at 31st March						Group 2016	Group 2015
(ii) Non- Current	**Sector**	**Currency**	**Maturity**	**Note**	**Weighted average**		
(a) 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.	34,981,701	38,712,528
Secured	Oils and Fats	MYR	2019	B	COF + 2-2.50% p.a.	4,049,034	4,491,018
Unsecured	Beverage	USD	2017		3 Months LIBOR + 3.17%	194,377	415,211
Unsecured	Beverage	LKR	2017		Fixed 9.5% reviewed semi annually	199,999	400,000
Unsecured	Beverage	LKR			AWPLR+1.25% (4week AVG revied monthly)	944,400	-
Unsecured	Beverage	LKR	2017		1 Months SLIBOR +0.5%	664,335	460,025
Unsecured	Beverage	LKR	2019		Fixed 7.75% AWPLR (4 Week)	499,900	699,640
Unsecured	Beverage	LKR	2020			699,999	900,000
Unsecured	Beverage	LKR			AWPLR + 1%	192,900	292,500
						42,426,645	46,370,922
(b) Finance lease payables						62,108	162,524
Total Long term bank borrowings - amount due after one year						42,488,753	46,533,446
Total loans and Borrowings						71,040,542	71,050,677
(iii) Long term Bank Borrowings							
(a) Movement in Long - Term Borrowings							
Balance as at the beginning of the year						53,481,190	43,268,461
Obtained during the year						2,597,915	16,811,778
						56,079,105	60,080,239
Impact on exchange rate changes on conversion						4,685,084	1,336,341
Unamortized transaction cost						(603,199)	(620,182)
Re - payments during the year						(7,561,453)	(7,315,208)
						52,599,537	53,481,190
Amounts falling due within one year						(10,172,892)	(7,110,268)
Amounts falling due after one year						42,426,645	46,370,922

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

39 LOANS AND BORROWINGS (Contd.)

(iv) Details of borrowings

A These loans and borrowings are repayable fully on 14 November 2018 and secured over certain property, plant and equipment, debt service reserve accounts and collection accounts of some oil palm plantation subsidiaries of the Group. In addition, all Borrowers under the facility together with one of the Company's subsidiaries have provided corporate guarantees for the facility.

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 receivables) of the Borrowers. The GAHL along with the Borrowers have provided corporate guarantees for this facility.

C This represents three working capital facilities which are 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 is a working capital facility secured over the Borrowers' stocks and trade receivables along with a corporate guarantee provided by the GAHL.

E This trade finance facility is secured over the Borrowers' present and future stocks and trade receivables. In addition, the Company has provided a corporate guarantee for this facility.

F These trade finance and short term loan facilities are secured over present and future, movable property, plant and equipment together with stocks and trade receivables of the Borrower. In addition, the GAHL has provided a corporate guarantee for these facilities.

G This represents a working capital facility secured over a Letter of Awareness provided by the GAHL.

H This is a revolving short term loan facility secured on a clean basis.

I 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

(v) Obligations under finance leases and hire purchases

The outstanding minimum lease payments and scheduled maturity dates are as follows:

	Group	
As at 31st March	2016	2015
Analysis of finance obligation by year of re - payment		
Minimum lease payments:		
Due within one year	182,454	201,313
Due within two years	66,734	180,649
Future lease payments	249,188	381,962
Less: Future finance charges	(26,478)	(55,796)
Present value of minimum lease payable	222,710	326,166
Less: Current portion of obligations due under finance lease	(160,602)	(163,642)
	62,108	162,524

The Group had entered into finance lease agreements for motor vehicles and heavy vehicles with finance lease terms of 3 to 5 years (2015: 3 to 5 years). These finance lease purchase obligations are subject to effective interest rates of 14.43% (2015: 14.24%) per annum.

40 DEBENTURES

	Group	
For the year ended 31st March	2016	2015
Balance as at the beginning of the year	4,798,800	3,000,000
Debentures issued	-	2,000,000
Debentures paid	(201,200)	(201,200)
Balance as at the end of the year	4,597,600	4,798,800
Interest payable	159,299	130,764
Balance as at the end of the year with interest	4,756,899	4,929,564

The Lion Brewery (Ceylon) PLC issued 3,000,000 Rated Unsecured Redeemable Debentures at the face value of Rs. 1,000/- each to raise Rs. 3,000,000,000/- on 17th June 2013. The interest is paid on 30th June, 30th September, 31st December and 31st March for a period of 5 years.

The Lion Brewery (Ceylon) PL further 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	2016	2015
Category 01 Debentures - Floating Rate (note 40.1)	603,600	804,800
Category 02 & 03 Debentures - Fixed Rate (note 40.2)	3,994,000	3,994,000
Total	4,597,600	4,798,800

40.1 Category 01 Debentures - Floating Rate

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 C	201,200	33%	AWPLR + 0.60%	36 Months (3 Years)
Type D	201,200	33%	AWPLR + 0.80%	48 Months (4 Years)
Type E	201,200	33%	AWPLR + 1.10%	60 Months (5 Years)
Total	603,600			

Type A debentures amounting to Rs.201,200,000/- were redeemed on June 16, 2015.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

40 DEBENTURES (Contd.)

40.2 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				

40.3 Composition of Debentures and Interest Repayment

	Group	
As at 31st March	2016	2015
Classified under Non Current Liabilities		
Debentures falling due after one year	3,798,200	4,597,600
Total	3,798,200	4,597,600
Classified under Current Liabilities		
Debentures falling due within one year	799,400	201,200
Debenture interest payable	159,299	130,764
Total	958,699	331,964
Total	4,756,899	4,929,564

40.4 Interest paid on Debentures

During the year the Lion Brewery (Ceylon) PLC has charged Rs. 484 Mn (2015- Rs. 398 Mn) as debenture interest on both at fixed rates and floating rates and out of which Rs.159Mn (2015 -Rs. 131 Mn) was payable as at the reporting date.

40.5 No security has been pledged against the debentures.

41 TRADE AND OTHER FINANCIAL PAYABLES AND OTHER NON-FINANCIAL LIABILITIES

	Group		Company	
As at 31st March	2016	2015	2016	2015
Financial				
Non Current				
Rental and telephone deposits [Note a]	63,559	55,818	-	-
	63,559	55,818	-	-
Current				
Trade payables				
Trade payables	3,974,740	4,763,259	-	-
	3,974,740	4,763,259	-	-
Other financial payables				
Customer deposits (note b)	987,168	886,626	-	-
Taxes payable	1,145,502	1,318,418		
Accrued expenses (note (d)	4,502,662	3,158,451	6,234	8,247
Other creditors	8,055,590	3,195,902	64,493	66,108
Total other financial payables	14,690,922	8,559,397	70,727	74,355
Total trade and other financial payables	18,729,221	13,378,474	70,727	74,355
Non Financial				
Non Current				
Other non financial liabilities				
Employee benefits (note 42)	1,079,813	1,254,959	-	-
Total other non financial liabilities	1,079,813	1,254,959	-	-
Total trade and other payable - Non Current	1,143,372	1,310,777	-	-
Total trade and other payable - Current	18,665,662	13,322,656	70,727	74,355

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

41 TRADE AND OTHER FINANCIAL PAYABLES AND OTHER NON-FINANCIAL LIABILITIES (Contd.)

	Group		Company	
As at 31st March	2016	2015	2016	2015
Total financial liabilities				
Trade and other financial – current payables	18,665,662	13,322,656	70,727	74,355
Other financial payables – non-current	63,559	55,818	-	-
Loans and borrowings	71,040,542	71,050,677	-	-
Debenture	4,756,899	4,929,564	-	-
Total financial liabilities carried at amortised cost	94,526,662	89,358,715	70,727	74,355

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	
For the year ended 31st March	2016	2015
Balance as at the beginning of the year	55,818	50,492
Receipts during the year	19,162	5,763
Transferred to deferred revenue	(6,003)	(1,890)
Refunds during the year	(9,556)	(2,813)
Unwinding of interest on refundable deposits	4,138	4,266
Balance as at the end of the year	63,559	55,818

The above rental deposits are re - payable on termination of the tenancy agreements in the real estate sector.

(b) Customer Deposits

	Group	
For the year ended 31st March	2016	2015
Balance as at the beginning of the year	886,626	1,044,453
Receipts during the year	126,093	98,673
Refunds made during the year	(25,551)	(2,910)
Empty deposit write back during the year	-	(253,590)
Balance as at the end of the year	987,168	886,626

Customer deposits are taken as security against the containers with the agents in the beverage sector.

(c) Trade payable denominated in foreign currencies are as follows

	Group	
As at 31st March	2016	2015
Currency		
US Dollar	1,391,918	1,045,895
Malaysian Ringgit	1,168,951	1,707,163
Indonesian Rupiah	1,123,663	1,780,222
Indian Rupee (INR)	13,311	27,731
Singapore Dollar	3,038	7,466
Euro	15,771	3,332
	3,716,652	4,571,809

(d) An order has been made for the enforcement of an ex-parte judgment (in default of appearance) issued against the 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. The Company 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 CCPLC challenging the enforceability of the said overseas judgment. The said appeals are still continuing.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

42 EMPLOYEE BENEFITS

	Group	
For the year ended 31st March	2016	2015
The amounts recognized in the profit or loss are as follows:		
Current service cost	248,326	241,353
Interest cost	98,485	89,346
Amortization of past service costs	(4,171)	(6,188)
Amortization of actuarial loss	8,627	-
Immediate recognition on new entrants	7,146	33,406
Curtailment gain/loss	(53,014)	(12,087)
Total employee benefit expense	305,399	345,830
The details of employee benefit liability as at 31st March 2016 and 2015 are as follows:		
Present value of unfunded obligations	1,079,813	1,254,959
	1,079,813	1,254,959
The movement in the liabilities recognized in the Statement of Financial Position is as follows:		
Balance as at the beginning of the year	1,254,959	1,038,037
Provision for the year	305,399	345,830
Payments made during the year	(54,072)	(53,745)
Gain/(loss) on employee benefits recognized in other comprehensive income	(515,587)	38,443
Provision Transferred during the year	500	(1,892)
Impact on exchange rate changes on conversions	91,400	(111,714)
Reclassified as liabilities associated with assets held for sales	(2,786)	-
Balance as at the end of the year	1,079,813	1,254,959

(a) Sensitivity analysis on the key assumptions used in actuarial valuation is as follows:

	Discount Rate		Future Salary Increments	
2016	1% Increase	1% Decrease	1% Increase	1% Decrease
Consolidated Statement of Financial Position				
Retirement benefit obligations				
Sri Lankan Subsidiaries	(7,655)	7,175	7,663	(8,309)
Oversees Subsidiaries	(86,489)	102,341	101,367	(87,323)
Consolidated Statement of Comprehensive Income				
Re-measurement gain/(loss) on retirement benefit obligations				
Sri Lankan Subsidiaries	7,655	(7,175)	(7,663)	8,309
Oversees Subsidiaries	86,489	(102,341)	(101,367)	87,323

	Discount Rate		Future Salary Increments	
2015	1% Increase	1% Decrease	1% Increase	1% Decrease
Consolidated Statement of Financial Position				
Retirement benefit obligations				
Sri Lankan Subsidiaries	(7,421)	7,154	7,407	(8,107)
Oversees Subsidiaries	(137,453)	164,917	158,517	(135,586)
Consolidated Statement of Comprehensive Income				
Re-measurement gain/(loss) on retirement benefit obligations				
Sri Lankan Subsidiaries	7,421	(7,154)	(7,407)	8,107
Oversees Subsidiaries	137,453	(164,917)	(155,997)	133,430

(b) A separate fund has not been established to accommodate the liability arising in respect of employee benefit. The above gratuity provision of Rs.305 Mn (2015 - Rs.345 Mn) 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 and Malaysian subsidiaries, engaged an independent actuary, Actuarial & Management Consultant (Pvt) Ltd to conduct actuarial valuation of employee benefits liability as of March 31st 2016 using the projected unit credit actuarial valuation method.

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(Amounts expressed in Sri Lankan Rs.'000)

42 EMPLOYEE BENEFITS (Contd.)

The actuarial valuation was made using the following assumption

	Sri Lanka	Indonesia	Malaysia
Discount rate	11% -10.5% per annum	8.50% per annum	4% per annum
Future salary increment rate	10% - 12% per annum	8% 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	-

43 NET ASSETS PER SHARE

Company and Group net asset per share calculation is as follows.

	Group		Company	
As at 31st March	2016	2015	2016	2015
Total Equity	68,056,861	63,177,331	7,120,141	7,298,317
Less				
Non -controlling interest	(38,052,640)	(35,065,642)	-	-
Outstanding preference share capital	(40,755)	(40,755)	(40,755)	(40,755)
Total equity attributable to owners of the company	29,963,466	28,070,934	7,079,386	7,257,562
Number of ordinary shares used as the denominator				
Ordinary shares in issue (Nos)	102,000,000	102,000,000	102,000,000	102,000,000
Net Asset per Share (Rs.)	293.76	275.21	69.41	71.15

44 FAIR VALUE OF FINANCIAL INSTRUMENTS

(a). 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 30), cash and cash equivalents (Note 34), trade and other payables (Note 42) and loans and borrowings (Note 40).

(i). 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:

	2016		2015	
As at 31st March	Carrying amount	Fair value	Carrying amount	Fair value
Financial asset				
Other receivables	6,535,350	#	6,266,040	#

Fair value information has not been disclosed for these financial instruments carried at cost as fair value cannot be measured reliably.

(ii). 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 unobservable inputs Carrying (Level 3)	Carrying amount
2016		
Property, plant and equipment of the Indonesian plantations (Note 20)	40,105,898	22,846,551
2015		
Property, plant and equipment of the Indonesian plantations (Note 20)	37,024,164	19,880,412

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

44 FAIR VALUE OF FINANCIAL INSTRUMENTS (Contd.)

(b) The following table shows an analysis of assets and liabilities carried 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
2016				
Assets measured at fair value				
Financial assets:				
Available-for-sale financial assets	8,294,938	120,370	209,366	8,624,674
Financial assets held for trading	1,742,083	1,127,189	-	2,869,272
Derivative financial instrument	-	67,910	-	67,910
Assets held for sales	-	-	3,499,696	3,499,696
As at 31 March 2016	10,037,021	1,315,469	3,709,062	15,061,552
Non -financial assets:				
Biological assets	-	-	54,803,115	54,803,115
Investment properties	-	2,800,231	-	2,800,231
Freehold Land & Buildings	-	8,563,741	2,681,823	11,245,564
As at 31 March 2016	-	11,363,972	57,484,938	68,848,910
Liabilities mesured at fair value				
Financial liabilities	-	-	-	-
Derivative financial instrument	-	36,342	-	36,342
As at 31 March 2016	-	36,342	-	36,342
2015				
Assets measured at fair value				
Financial assets:				
Available-for-sale financial assets	8,790,222	117,268	185,516	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	1,305,842	185,516	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 31st March 2015	-	9,618,524	52,412,071	62,030,595

(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	Closing traded price published by CSE	Level 1
Listed Unit Trusts	Published Market Prices by constodian bank	Level 2
Unlisted redeemable Unit Trusts	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.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

44 FAIR VALUE OF FINANCIAL INSTRUMENTS (Contd.)

(d) Movements in Level 3 assets and liabilities measured at fair value

	Investments in equity securities unquoted	Biological assets	Freehold Land and Buildings (Malaysia)	Privet Equity	Total
As at 1st April 2014	96,785	46,817,103	6,015,133	40,005	52,969,026
Total (Loss)/gain recognised in the income statement					
Net gain arising from changes in fair value of assets	-	(104,702)	-	-	(104,702)
Total gain recognised in the other comprehensive income					
Foreign currency translation	-	(5,581,939)	(637,552)	-	(6,219,491)
Movements in assets	(26,274)	5,904,028	-	75,000	5,952,754
As at 31 March 2015	70,511	47,034,490	5,377,581	115,005	52,597,587
Total loss recognised in the income statement					
Net gain arising from changes in fair value of assets	-	679,017	-	-	679,017
Surplus on revaluation	-	-	40,411	-	40,411
Total loss recognised in the other comprehensive income					
Foreign currency translation	-	3,511,826	140,361	-	3,652,187
Transfer to assets held for sales		(594,426)	(2,876,530)		(3,470,956)
Movements in assets	13,494	4,172,208	-	10,256	4,185,802
As at 31 March 2016	84,105	54,803,115	2,681,823	125,261	57,684,048

There have been no transfers from level 1, level 2 or level 3 for the financial years ended 31st March 2016 and 31st March 2015.

45 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 2016	Available for sale	Financial assets held for trading/ financial liabilities held for trading	Loans and receivables	Other financial liabilities	Total carrying amount
Financial assets					
Investment in equity securities	8,504,299	1,742,083	-	-	10,246,382
Investment in unit trust	120,375	1,127,189	-	-	1,247,564
Trade and other financial receivables	-	-	4,428,139	-	4,428,139
Assets held for sales	-	-	3,499,696	-	3,499,696
Derivative financial instruments	-	67,910	-	-	67,910
Cash and cash equivalents	-	-	7,666,044	-	7,666,044
	8,624,674	2,937,182	15,593,879	-	27,155,735
Financial liabilities					
Long term borrowings	-	-	-	52,599,537	52,599,537
Debentures	-	-	-	4,756,899	4,756,899
Finance lease liabilities	-	-	-	222,710	222,710
Trade and other financial payables	-	-	-	18,729,221	18,729,221
Derivative financial instrument	-	36,342	-	-	36,342
Short term borrowings	-	-	-	18,218,295	18,218,295
	-	36,342	-	94,526,662	94,563,004
As at 31st March 2015					
Financial assets					
Investment in equity securities	8,975,733	1,676,177	-	-	10,651,910
Investment in unit trust	117,273	1,146,191	-	-	1,263,464
Trade and other financial receivables	-	-	5,314,152	-	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
	9,093,006	2,864,751	14,951,697	-	26,909,454
Financial liabilities					
Long term borrowing	-	-	-	53,481,190	53,481,190
Debentures	-	-	-	4,929,564	4,929,564
Finance lease liabilities	-	-	-	326,166	326,166
Trade and other financial payables	-	-	-	13,378,474	13,378,474
Derivative financial instrument	-	-	-	-	-
Short term borrowings	-	-	-	17,243,321	17,243,321
	-	-	-	89,358,715	89,358,715

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

45 FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (Contd.)

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 2016 and 31st March 2015. Mechanisms adopted by the Group in managing eventual impact of such risks are given overleaf.

(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	2016	2015
Trade and other receivables	4,291,461	5,191,607
Private equity (unlisted)	125,261	115,005
Investment in unit trusts	1,247,564	1,263,464
Investments Unquoted	84,100	70,506
Cash and cash equivalents	7,666,044	9,145,650
	13,414,430	15,786,232

The credit risk for the trade and other receivable at the end of the reporting period by business segment is as follows:

As at 31st March	2016	2016 % of total	2015	2015 % of total
Investment Holding/Portfolio and Asset Management	55,756	1%	215,395	4%
Oil Palm Plantations	505,179	12%	670,207	13%
Oils & Fats	2,050,227	48%	2,799,979	54%
Beverage	1,605,572	37%	1,442,614	28%
Real Estate	24,194	1%	17,328	0%
Leisure	50,049	1%	45,929	1%
Management Services	484	0%	155	0%
	4,291,461	100%	5,191,607	100%

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	2016	2016 % of total	2015	2015 % of total
Sri Lanka	1,847,728	43%	1,780,632	34%
Malaysia	1,865,466	43%	2,532,131	49%
Indonesia	354,477	8%	520,177	10%
Singapore	5,737	0%	47,676	1%
India	218,053	5%	310,991	6%
	4,291,461	100%	5,191,607	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 abovementioned forecasts.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

45 FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (Contd.)

As at 31st March	One year or less	One to five years	Total
Group			
2016			
Financial assets			
Available-for-sale financial assets	-	8,624,675	8,624,675
Financial assets held for trading	2,869,272	-	2,869,272
Trade and other financial receivables	4,291,461	136,678	4,428,139
Assets held for sales	3,499,696	-	3,499,696
Derivative financial instrument	67,910	-	67,910
Cash and cash equivalents	7,666,044	-	7,666,044
Total undiscounted financial assets	18,394,383	8,761,353	27,155,736
Financial liabilities			
Trade and other financial payable	18,665,662	63,559	18,729,221
Loans and borrowings	28,551,789	42,488,753	71,040,542
Debenture	958,699	3,798,200	4,756,899
Derivative financial instrument	36,342	-	36,342
Total undiscounted financial liabilities	48,212,492	46,350,512	94,563,004
Total net undiscounted financial assets / (liabilities)	(29,818,109)	(37,589,159)	(67,407,268)
2015			
Financial assets			
Available-for-sale financial assets	-	9,093,007	9,093,007
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	9,215,552	26,909,455
Financial liabilities			
Trade and other financial payable	13,322,656	55,818	13,378,474
Derivative financial instrument	-	-	-
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 undiscounted financial assets/(liabilities)	(20,477,448)	(41,971,312)	(62,449,260)

As at 31st March	One year or less	One to five years	Total
Company			
2016			
Financial assets			
Cash and cash equivalents	49,174	-	49,174
Total undiscounted financial assets	49,174	-	49,174
Financial liabilities			
Trade and other financial payable	70,727	-	70,727
Total undiscounted financial liabilities	70,727	-	70,727
Total net undiscounted financial assets / (liabilities)	(21,553)	-	(21,553)
2015			
Financial assets			
Available-for-sale financial assets	-	-	-
Financial assets held for trading	110,132	-	110,132
Trade and other financial receivables	-	-	-
Cash and cash equivalents	122,394	-	122,394
Total undiscounted financial assets	232,526	-	232,526
Financial liabilities			
Trade and other financial payable	74,355	-	74,355
Total undiscounted financial liabilities	74,355	-	74,355
Total net undiscounted financial assets / (liabilities)	158,171	-	158,171

The table below shows the contractual expiry by maturity of the Group's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called

As at 31st March	2016	2015
Financial guarantees	19,482,653	15,165,550
One year or less	39,607,441	43,440,722
One to five years	828,784	726,194
Over five years	59,918,878	59,332,466

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

45 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 affect 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 optimizing 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 2016.

As at 31st March 2016, 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 Rs 842 Mn or equivalent US$ 5,826,000 (2015:Rs 1,019Mn or equivalent US$7,646,000).

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 2016 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 98% (2015 – 97%) 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 investments

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.

The total asset base which is exposed to equity price risk is tabulated below.

	Carrying Amounts	
As at 31st March	2016	2015
Investment in equity securities - Available for sale	8,624,675	9,093,007
Investment in equity securities - Financial assets held for trading	2,869,272	2,822,368
	11,493,947	11,915,375

(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 Dollars. (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,priimarilly 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:

Financial & non financial assets/Liability category	Change in Indonesia Rupiah to US$ exchange rate	Effect to profit before tax US$'000
2016	+/- 5%	+/- 7,197
2015	+/- 5%	+/- 5,747

(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, 2016. 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 Doller borrowings which are pegged to the LIBOR.

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(Amounts expressed in Sri Lankan Rs.'000)

45 FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (Contd.)

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	2016	2015
Short term deposits	5,460,506	3,987,923
	5,460,506	3,987,923
Financial liabilities		
Loans term borrowings	52,599,537	53,481,190
Debenture	4,756,899	4,929,564
Finance lease liabilities	222,710	326,166
Short term borrowings	14,803,666	15,483,742
Bank overdraft	3,414,629	1,759,579
	75,797,441	75,980,241

46 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.

Financial assets

As at 31st March	2016	2015
Gross Debt	75,797,441	75,980,241
Cash and Cash Equivalents	(7,666,044)	(9,145,650)
Net Debt	68,131,397	66,834,591
Equity	68,056,861	63,177,331
Net Debt Ratio	100%	106%

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	2016	2015
Total equity	68,056,861	63,177,331
Liquid working capital:		
Inventories (excluding consumables)	6,754,740	7,665,078
Trade receivables	4,291,461	5,191,607
Assets held for sales	3,499,696	491,895
Less: Current liabilities (excluding loans and borrowings)	(19,326,127)	(13,590,879)
Total liquid working capital	(4,780,230)	(242,299)
Adjusted net debt	72,911,627	67,076,890
Adjusted net gearing ratio (%)	107%	106%

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

47 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	,,
PT Agro Bina Lestari	,,
PT Agro Surya Mandiri	,,
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. & Associates LLP

48 SUPER GAIN TAX

As per the provisions of Part III of the Finance Act, No. 10 of 2015 which was certified on 30 October 2015, the Company and Group's was liabile for Super Gain tax of Rs. 2.3 Million and Rs 513 Million respectively. . According to the Act, the super gain tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1 April 2013. The Act supersedes the requirements of the Sri Lanka Accounting Standards, hence the expense of Super gain tax is accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka, dated 24 November 2015. . Accordingly, the resulting Super Gain Tax was recorded as an adjustment to the Opening Retained Earnings reported in the Statement of Changes in Equity as of 01st April 2015. As per the Accounting Provisions of SoAT, the said adjustment did not result in a restatement to the Statement of Financial Position as of 01st April 2015.

49 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	2016	2015
Oil Palm plantation and Oil and Fats		
Approved and contracted for	508,151	827,251
	508,151	827,251
Leisure		
Approved and contracted for	731	31,406
	731	31,406
Real Estate		
Approved and contracted for	-	17,011
	-	17,011
Total capital commitments	508,882	875,668

b. Finance commitment :

Documentary credits establish for the foreign purchases of the LBC PLC as at 31st March 2016 amounted to Rs.127.14 Mn (2015 -Rs.285.30 Mn)

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 that were outstanding as at period end are as follows:

	Group	
As at 31st March	2016	2015
Committed contracts		
Purchases	4,565,404	2,247,775
Sales	3,934,700	3,933,607
	8,500,104	6,181,382

Notes to the Financial Statements

49 COMMITMENTS (Contd.)

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 20 (j).

e. Contingent liabilities

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.

Corporate guarantees

The Goodhope Asia Holdings Group has provided a corporate guarantee to a bank for a Rs.1,459 Mn (2015 - 980 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 corperate guarantees to financial institutions for the financing facilities obtained by its subsidiaries ,amounting to Rs 58,460 Mn or equivalent US$ 404,036,000.(2015 - Rs.58,351 Mn or equivalent US$ 437,681,000) It has undertaken to provide continuing financial support to certain subsidiaries to enable them to meet their liabilities as and when they fall due.

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.22.29 Bn or equivalent to US$154.1 Mn consisting of the following:

(i) reputational loss of Rs.12.44 Bn or equivalent to US$86 Mn;

(ii) opportunity cost of Rs.8.68Bn or equivalent to US$60 Mn;

(iii) losses caused due to land clearing by PTAB of Rs.1,085 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.86.81 Mn 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.2.66 Bn or equivalent to US$18.4 Mn as at 31 March 2016. 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.506.4 Mn 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.

Having examined the appeal, the Banjarmasin High Court issued an unfavourable decision for PTAB by accepting in-part the plaintiff's claim, specifically order PTAB to pay approximately US$ 6.5 Mn (calculated at 1 US$ = IDR13,100). Based on the Banjarmasin High Court's decision, PTAB submitted the Cassation Application and the Memory of Cassation on 02nd December 2015. Currently the Company is awaiting for the Supreme Court's Decision.

(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 its 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 and will be heard in the Supreme Court.

(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.

(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. Since the crystallization of the contingent liability is subject to the ruling of the District Court case followed by the available appeal process thereafter and the subsequent value determination of the claim by the Government valuer, said contingent liability cannot be quantified.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

49 COMMITMENTS (Contd.)

(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 deposit managed through an Escrow account has been provided by the previous owner Cargills Ltd to absolve the Millers Brewery Limited from any arising tax loss.

There were no contingent liabilities other than those disclosed above as at the reporting date.

50 EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) De-Listing of Equity One PLC

On 2nd November 2015 the Board of Directors of Equity One PLC announced its decision to de-list the shares of the Equity One PLC from the official list of the Colombo Stock Exchange (CSE), subject to obtaining shareholder and regulatory approval, considering the minimum public float rules stipulated by the Securities & Exchange Commission (SEC).

Accordingly, the special resolution to de-list the shares of Equity One PLC from the official list of the Colombo Stock Exchange was passed at the Extraordinary General Meeting of the Equity One PLC, held on the 30th of November 2015, with more than seventy five percent of the shareholders present at the meeting voting in favour of the said resolution.

Upon obtaining shareholder approval, an application was made to the Securities & Exchange Commission of Sri Lanka on the 11th of December 2015 for approval of the same, which is pending as of 24th June 2016.

(b) Provide Malaysian plantation properties as security towards the financing facilities of Goodhope Asia Holdings Ltd.

Four Malaysian plantation Companies together intended to provide the plantation property as a security in the form of mortgage towards the financing facilities of Goodhope Asia Holdings Ltd, for an amount not more than an aggregate limit of Rs 7,957 Mn (USD 55 Mn) in order to facilitate the Group's expansion programme of the plantation asset base. The plantations would only be provided as security only in the event the sale of the plantation properties is not secured and the regulatory approvals are not obtained.

Further, Four Malaysian plantation Companies together have undertaken to provide a corporate guarantee for an amount not more than an aggregate limit of up to USD 55 Mn.

A special resolution in respect of the above was approved by the shareholders at the Extra Ordinary General Meeting (EGM) held on 26th May 2016.

(c) The company's subsidiaries Indo-Malay PLC (IMPLC) and Shalimar-Malay PLC (SMPLC) consequent to the market disclosure dated 1st December 2015, obtained the following valuations of the property by engaging independent professional valuers to ascertain the realizable value from the sale of the property which can be recognized only on the actual realization.

(a) Savills (Malaysia) Sdn. Bhd. of RM 189 Mn (Rs. 6,943.82 Mn).

(b) Jones Lang Wootton (Proprietor: Singham Sulaiman Sdn Bhd) of RM 148 Mn (Rs.5,437.32 Mn).

(c) W. M. Malik & Kamaruzaman of RM 156.03 Mn (Rs. 5,732,.54 Mn)

The IMPLC and SMPLC continues to recognize the fair value based on existing use basis (oil palm plantation) for the Financial Statements consistent with that of the previous year Accordingly, the free hold land was revalued in March 2016 based on existing use (oil palm plantation) basis, by an independent professional valuer W. M. Malik, a member of the Institution of Surveyors, Malaysia, a partner with W. M. Malik & Kamaruzaman.

(d) Due to the incessant rains experienced during the period 16th May – 22nd May 2016 and the resultant floods that ensued the Lion Brewery (Ceylon) PLC situated at No 254, Colombo Road, Biyagama was affected. The exact impact to the stocks & the plant and machinery is being assessed at the time of writing this. The management has taken all necessary steps to resume normal operations as soon as possible. The entity is covered under an insurance policy for the peril in question, the subsidiary Lion remaing a going concern.

(e) Pursuant to the approval of the shareholders obtained at the Extraordinary General Meetings of Indo – Malay PLC and Shalimar (Malay) PLC held on 26th May 2016 for the sale of the estate of the said Companies, the Board of Directors of the respective Companies after careful evaluation have executed Sale and Purchase Agreements (SPAs) on 15th June 2016 with Euro-Asia Brand Holding Company Sdn Bhd, a non –related party and a subsidiary of Hap Seng Consolidated Berhad to sell the Estates of the Companies at a price as stated below, subject to fulfillment of certain condition precedents as set out in the SPAs.

Indo – Malay PLC - RM 107,205,600/-

Shalimar (Malay) PLC - RM 121,543,528/40

Other than those disclosed above, no circumstances have arisen subsequent to the Balance Sheet date which require adjustments to or disclosures in the financial statements.

51 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", and all such related party transaction were arm's length transaction and details of which are given below.

(a) Recurrent transations

	Group		Company	
	2016	2015	2016	2015
Transaction with Subsidiaries				
Dividend Income	-	-	184,092	478,186
Amounts paid for services obtained (Note i)	-	-	12,935	12,600
(i) Amounts paid for services obtain from				
Carsons Management Services (Private) Limited				
Support service fees	-	-	12,292	12,000
Secretarial fees paid	-	-	403	360
Computer Fees paid	-	-	240	240
	-	-	12,935	12,600
Transaction with Joint Venture				
Secretariat fees received	216	240	-	-

Transaction with Other related entities

Carson Cumberbatch PLC has provided letters of comfort to Carsons Management Services (Pvt) Ltd. 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.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

51 RELATED PARTY DISCLOSURES (Contd.)

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	2016	2015	2016	2015
Short term employee benefits	1,241,387	1,224,827	1,271	1,170
Post employment benefits	3,293	2,769	-	-
Termination benefits	3,050	3,262	-	-
Non-cash benefits	305	412	-	-
	1,248,035	1,231,270	1,271	1,170

(b) Non Recurrent Transactions

There were no non-recurrent related party transactions during the period.

52 EXCHANGE RATE

The exchange rates applicable during the period were as follows:

	Balance Sheet Closing rate		Income Statement Average Rate	
	2016	2015	2016	2015
Malaysian Ringgit	37.08	35.94	34.39	39.22
US Dollar	144.69	133.32	139.05	131.20
Indonesian Rupiah (Rp)	0.0109	0.0102	0.0103	0.0109
Indian Rupee (INR)	2.17	2.12	2.12	2.14

53 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

(Amounts expressed in Sri Lankan Rs.'000)

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:

Company	Location	Extent (Hectares)	Land & Building Market Value	Land & Building Book Value	Date of last Valuation
Equity One PLC.	Colombo 7	0.238	1,080,089	1,080,089	31-Mar-16
Equity One PLC	Colombo 2	0.455	626,520	626,520	31-Mar-16
Equity Two PLC	Colombo 1	0.072	410,824	410,824	31-Mar-16
Equity Two PLC	Colombo 1	0.146	652,316	652,316	31-Mar-16
Equity Three (Private) Limited	Colombo 13	0.208	368,799	368,799	31-Mar-16
		1.119	3,138,548	3,138,548	
PT Agro Indomas	Indonesia	26,986	7,197,854	3,860,170	31-Mar-16
PT Agro bukit	Indonesia	21,752	6,785,608	6,529,877	31-Mar-16
PT Karya Makmur Sejahtera	Indonesia	10,163	1,311,282	1,144,335	31-Mar-16
PT Agro wana lastari	Indonesia	15,273	4,071,665	3,539,121	31-Mar-16
PT Agro jaya Baktitama	Indonesia	6,879	1,065,928	897,626	31-Mar-16
PT Rim	Indonesia	3,934	698,458	548,687	31-Mar-16
PT Nabire baru	Indonesia	11,610	3,544,419	3,698,036	31-Mar-16
PT Batu Mas Sejahtera	Indonesia	6,838	897,026	385,242	31-Mar-16
PT Sawith Makmur Sejahtera	Indonesia	6,634	837,940	482,732	31-Mar-16
PT Sumber Hasil Prima	Indonesia	8,219	1,157,058	1,063,605	31-Mar-16
PT Sinar Sawit Andalan	Indonesia	6,305	663,217	589,495	31-Mar-16
PT Sariwana Adi Perkasa	Indonesia	6493	1,033,225	436,335	31-Mar-16
PT Agro Bina Lestari***	Indonesia	8500	154,527	154,527	31-Mar-16
PT Agro Surya Mandiri***	Indonesia	6500	154,527	154,527	31-Mar-16
		146,087	29,572,734	23,484,315	
Good Hope PLC **	Malaysia	318	1,323,167	1,322,385	31-Mar-16
Selinsing PLC **	Malaysia	493	1,576,581	1,571,560	31-Mar-16
Shalimar (Malay) PLC **	Malaysia	297	1,383,012	1,379,635	31-Mar-16
Indo-Malay PLC **	Malaysia	289	1,339,185	1,336,592	31-Mar-16
		1,398	5,621,946	5,610,172	
Premium Vegetable Oil Sdn. Bhd.*	Malaysia	4836	926,469	772,476	31-Aug-11
Premium Fats Oils Sdn. Bhd.*	Malaysia	0.024	30,859	27,074	31-Aug-11
Arani Agro Oil Industries Limited*	India	0.931	364,164	314,743	24-Sep-11
		4837	1,321,492	1,114,293	
Ceylon Brewery PLC	Nuwara-Eliya	1.540	331,261	331,261	31-Mar-16
Lion Brewery (Ceylon) PLC	Biyagama	12.277	4,273,055	4,273,055	31-Mar-16
Millers Brewery PLC	Padukka	9.699	934,424	934,424	31-Mar-16
		23.516	5,538,740	5,538,740	
Pegasus Hotels of Ceylon Ltd.	Wattala	5.450	1,019,965	1,019,965	31-Mar-12
Equity Hotels Ltd.	Giritale	6.034	21,274	21,274	31-Mar-12
		11.484	1,041,239	1,041,239	
Total value		152,358	46,234,699	39,927,307	

There has been no permanent reduction in the value of land & buildings which may require provision.

* Please note that the Land and Building value of PVO, PF and Arani reflects carrying value and the market value as at as at Aug/Sept 2011.

** The freehold land of Four Malaysian Plantation Companies were revalued on 31st March 2016 based on existing use basis by an Independent Professional Valuer W.M. Malik, a member of the institution of Surveyors, Malaysia, a partner with W. M. Malik & Kamaruzaman.

*** Please note that the market value of Land and Building of PT Agro Bina Lestari and PT Agro Surya Mandiri reflects carrying value as at 31 March 2016.

Financial Highlights-USD

(All figures in Notes are in US Dollars unless otherwise stated)

For the year ended / as at 31st March	2016	2015
Statement of Income		
Group revenue	615,392,163	674,898,316
Segment results	67,599,950	102,492,180
Profit before taxation	50,077,662	63,125,320
Profit after taxation	31,800,654	43,693,749
EBITDA	95,429,802	125,632,920
Profit attributable to ordinary shareholders	10,466,882	16,436,005
Cash earning per share (USD)	0.89	0.36
Earnings per share (USD)	0.10	0.16
Dividend per share (USD)	0.022	0.023
Dividend payout (%)	91	157
Statement of Cash flow		
Operating cash flow	90,652,693	37,016,116
Capital Expenditure	70,798,281	168,481,068
Statement of Financial Position		
Shareholders' funds	207,368,999	210,858,746
Net assets	470,363,263	473,877,362
Net assets per ordinary share	2.03	2.06
Return on ordinary shareholders' funds (%)	33.52	57.47
Total assets	1,225,172,436	1,233,166,806
Net debt	470,878,411	501,309,565
Market / Shareholder Information		
Market value per share	2.42	5.09
Enterprise value	980,607,072	1,283,050,054
Market capitalization (Company)	246,734,398	518,721,872
Revenue to Government	143,066,390	148,453,901
Group value addition	281,908,467	281,890,206
Group employment (Nos.)	15,136	15,954

Statement of Income-USD

(All figures in Notes are in US Dollars unless otherwise stated)

	Group	
For the year ended / as at 31st March	2016	2015
Revenue	615,392,163	674,898,316
Direct operating expenses	(451,379,928)	(477,425,732)
	164,012,235	197,472,584
Other items of income		
Change in fair value of investment properties	3,535,757	2,025,579
Change in fair value of Biological Assets	4,872,643	(829,771)
Gain on fair value financial assets held for trading	(1,503,020)	1,498,239
Other income	2,249,018	5,043,674
Other items of expenses	-	-
Distribution expenses	(40,992,255)	(44,514,710)
Administrative expenses	(53,511,543)	(52,436,806)
Other operating expenses	(2,654,484)	(1,980,785)
Impairment of business assets	(2,418,073)	(2,930,724)
Expenses relating to new investments	-	(2,590,015)
Foreign exchange gain /(losses)	(1,808,242)	(18,755,099)
Profit from operations	71,782,037	82,002,165
Net finance cost	(21,738,960)	(18,873,331)
Share of net result of Joint Venture	34,585	(3,514)
Profit before Income tax expenses	50,077,662	63,125,320
Income tax expenses		
Current taxation	(8,721,568)	(14,713,469)
Deferred taxation	(9,555,440)	(4,718,102)
	(18,277,008)	(19,431,571)
Profits from continuing operations	31,800,654	43,693,749
Discontinued operation		
Net impact from discontinued operation, net of tax	1,068,759	1,159,299
Profits for the year	32,869,413	44,853,048
Profit Attributable to :		
Owners of the Company	10,466,882	16,436,005
Non-controling interest	22,402,531	28,417,043
	32,869,413	44,853,048
Exchange Rate	139.05	131.20

Statement of Financial Position-USD

(All figures in Notes are in US Dollars unless otherwise stated)

	Group	
For the year ended / as at 31st March	2016	2015
ASSETS		
Non - Current Assets		
Property, Plant & Equipment	417,949,718	436,532,071
Biological Assets	378,762,285	352,793,954
Prepaid lease payment for Land	33,428,675	33,504,875
Investment properties	19,353,314	17,671,355
Intangible assets	47,013,256	52,438,629
Investments in Joint ventures	218,930	194,367
Available-for-sale financial assets	59,607,955	68,204,371
Deferred tax assets	24,796,226	20,677,228
Other financial receivables	944,626	919,179
Other non financial receivables	32,549,008	21,315,917
Total non - current assets	1,014,623,994	1,004,251,951
Current Assets		
Inventories	46,684,221	57,493,834
Trade receivables	24,897,643	33,693,362
Other financial receivables	4,762,050	5,247,585
Other non financial receivables	36,420,236	38,079,368
Current tax recoverable	314,376	624,115
Financial assets held for trading	19,830,479	21,169,877
Derivative financial instrument	469,348	317,904
Cash and cash equivalents	52,982,542	68,599,235
Total current assets	186,360,896	225,225,277
Assets held for sales	24,187,546	3,689,581
Total assets	1,225,172,436	1,233,166,809
EQUITY AND LIABILITIES		
EQUITY		
Stated capital	3,780,498	3,780,498
Capital reserves	16,755,768	16,518,077
Revenue reserves	186,832,734	190,560,171
Equity attributable to owners of the company	207,368,999	210,858,746
Non -controlling interest	262,994,264	263,018,617
Total Equity	470,363,263	473,877,362
Investment through subsidiary	(73,868)	(80,168)
	470,289,395	473,797,194
LIABILITIES		
Non - Current Liabilities		
Loans and borrowings	293,653,696	349,035,748
Debenture	26,250,605	34,485,449
Other financial payables	439,277	418,677
Other non financial liabilities	7,462,941	9,413,134
Deferred tax liabilities	88,534,052	77,687,219
Total non - current liabilities	416,340,572	471,040,226
Current Liabilities		
Trade payables	27,470,731	35,728,015
Other financial payables	101,533,776	64,201,898
Current tax liabilities	4,313,519	2,011,874
Derivative financial instrument	251,171	-
Loans and borrowings	197,330,769	183,897,625
Debenture	6,625,883	2,489,976
Total current liabilities	337,525,848	288,329,388
Liabilities associated with assets held for sales	1,016,622	-
Total liabilities	754,883,041	759,369,614
Total equity and liabilities	1,225,172,436	1,233,166,809
Exchange Rate	144.69	133.32

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.

Glossary

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.

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 Hundredth Annual General Meeting of Bukit Darah PLC will be held on Friday, the 29th day of July 2016 at 3.30 p.m at the 'Earls Court', Cinnamon Lakeside Colombo, No. 115, Sir Chittampalam A. Gardiner Mawatha, Colombo 2, 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 2016 together with the report of the Independent Auditors thereon.
2. To re-elect Mr. H. 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. M. Dayananda as a Director in terms of Article 89 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is Seventy years of age and to consider and if deemed fit to pass the following resolution:

   "IT IS HEREBY RESOLVED to re-elect Mr. M. Dayananda in accordance with Article 89 of the Articles of Association of the Company and as per Section 210 of the Companies Act No.7 of 2007, that the age limit stipulated therein shall not be applicable to Mr. M. Dayananda who is 70 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."
4. To re-appoint Mr. I. Paulraj who is over Seventy years of age as a Director of the Company and to consider and if deemed fit to pass the following resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 7 of 2007 shall not be applicable to Mr. I. Paulraj who is 79 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 who is over Seventy years of age as a Director of the Company 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 73 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

24th June 2016

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 4.45 p.m on 27th July 2016.
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	or failing him,
Mahendra Dayananda	

as *my/our proxy to attend at the 100th Annual General Meeting of the Company to be held on Friday, the 29th day of July 2016 at 3.30 p.m at the 'Earls Court', Cinnamon Lakeside Colombo, No. 115, Sir Chittampalam A. Gardiner Mawatha, Colombo 2, 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 2016, together with the Report of the Independent Auditors thereon.		
2. To re-elect Mr. H. 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. M. Dayananda as a Director in terms of Article 89 of the Articles of Association of the Company and to re-appoint him as a Director of the Company who is Seventy years of age		
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 Sixteen.

....

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 4.45 p.m on 27th July 2016.

Please fill in the following details

Name : ....

Address : ....

....

....

....

Jointly with
Share folio no. : ....

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