

Financial Reports — Annual Report of the Board of Directors

The Directors have pleasure in presenting the Annual Report for the year ended 31st March 2013 which covers business strategy, strategic imperatives, Audited Financial Statements, share-related information, and reviews on risk management, governance and sustainability. This page together with information referred to in 'Disclosures required by the Companies Act No. 07 of 2007' appearing on page 60 form this Annual Report of the Board of Directors.

The information on Directors of the Company is available on page 121. Mr. A.G. Pandithage, Mr. R.C. Weerawardane and Mr. R. Seevarathnam retire by rotation and are eligible for re-election, as stated in 'Notice of Meeting' on page 128.

Mr. T.G.H. Peries who is due to retire by rotation as per Article 66 of the Articles of Associate of the Company has not offered himself for re-election and therefore will cease to be a Director of the Company with effect from the conclusion of the Annual General Meeting to be held on 28th June 2013.

The Group structure and names of the Directors of subsidiaries are available on page 122.

Director's remuneration and other benefits are given in Note 35.1 (b) to the Financial Statements on page 112.

The Financial Statements, Significant Accounting Policies used and the Notes thereto of the Company and the Group (refer page 81 to 120) comply with the requirements of the Sri Lanka Accounting Standards and the Companies Act No. 07 of 2007. These Financial Statements and Notes thereto give a true and fair view of the Company's and the Group's financial position as at 31st March 2013 and of their performance for the year ended on that date.

A brief description of nature of the principal business activities of the Company and the Group is given in Note 1.3 to the Financial Statements on page 86. There was no significant change in the nature of business of the Company or its subsidiaries during the year that may have a significant impact on the state of the Company's affairs.

The Company's External Auditors, Messrs KPMG, who were reappointed in accordance with a resolution passed at the last Annual General Meeting, have expressed their opinion which appears on page 128 of this Annual Report. The details of their remuneration are given in Note 11.1 to the Financial Statements on page 96. As far as the Directors are aware, the Auditors do not have any other relationship with the Company, or any of its subsidiaries. The Auditors do not have any interest in contracts with the Company, or any of its subsidiaries.

The Group and the Company adopted new Sri Lanka Accounting Standards (new SLASs) that came into effect from 1st April 2012. Details of adoption of the aforesaid Accounting Standards are available in Notes 7 to the Financial Statements on page 93 of this Annual Report.

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments to the Government, other regulatory institutions and related to the employees have been made in time.

The Interest Register is maintained by the Company, as per the Companies Act No. 07 of 2007. All Directors have made declarations as provided for in Section 192 (2) of the aforesaid Companies Act. During the year, entries were made in the Interest Register on Directors' interests in contracts, remuneration paid to the Directors, renewal of Directors' and Officers' Liability Insurance. The Interest Register is available for inspection as required under the Companies Act.

The Group and the Company made donations during the year amounting to Rs. 14.8 mn and Rs. 14.1 mn respectively (2011/12 - Group: Rs. 27.1 mn, Company - Rs. 26.6 mn).

The Board of Directors has reviewed the Company's business plans and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the Financial Statements are prepared based on going concern concept.

By order of the Board of Directors,



A.R. Pandithage
Chairman/Managing Director



A.G. Pandithage
Director/Chief Executive Officer



B.C.S.A.P. Gooneratne
Director

Colombo
21st May 2013