

ASIA **Siyaka**

COMMODITIES P L C .



ANNUAL REPORT 2012 / 2013



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Vision

Being the safe, reliable,
value enhancing, exchange
facilitator in the commodity
broking industry

Mission

Driving commodity broking business with
state of the art practices through continual
value addition by setting competitive standards
in the industry to delight our customers

Core Values

Ethical,
Integrity,
Good governance

SNAPSHOT OF THE COMPANY

Asia Siyaka Commodities PLC (the company) was established in 1998, as a private limited liability company licensed as a tea broker by the Tea Board of Sri Lanka. A team of industry veterans formed the company, with extensive experience in all spheres of the tea industry in collaboration with Asia Capital PLC a leading investment bank in Sri Lanka. The name for the company "SIYAKA" is derived from Sanskrit/ Sinhala for "Your own by your own effort". The Company listed on the Colombo Stock Exchange in September 2012 and a majority stake of 85% is now held by Lanka Commodity Brokers Ltd (LCBL) a tea broking firm backed by powerful forces in the domestic tea, rubber, and plantation sectors, reinforcing the industries confidence in the company.

In its short 15 year history Asia Siyaka has emerged as a leading player in the mature Sri Lankan tea broking industry becoming the fourth largest tea broker in the country, with a market share of around 13%. Additionally, Asia Siyaka has continued to command premium pricing for its teas at the Colombo Tea Auctions, outperforming industry peers and the national sales average on a continual basis.

The Company's strength has been its innovative approach to value creation. Over the years, the Company has focused on adding value to the country's tea auction logistics thereby introducing new dimensions to the role of a traditional market intermediary. For instance, in 2000, the Company established a state of the art logistics centre, the first of its kind amongst all tea producer auction centres in the world. This enabled the Company to add considerable value to the pre and post auction logistics process.

Meanwhile, Asia Siyaka also pioneered the launch of vacuum packaging to the industry. The company adopted a proactive approach to marketing and plays an active role in supporting the operations of bought leaf factories providing strong technical know how and hands-on support in multiple areas including market intelligence, research, special publications, product development, technology and financial planning.

The Company today operates under a group structure with the holding company Asia Siyaka Commodities PLC concentrating on tea and non-traditional broking and estate supplies business. The two fully owned subsidiaries Asia Siyaka Warehousing Private Limited and Siyaka Produce Brokers Private Limited handle the warehousing operations and rubber broking businesses respectively.

Siyaka

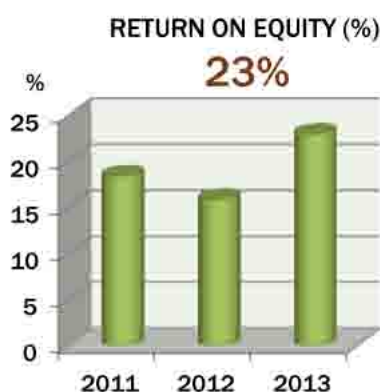
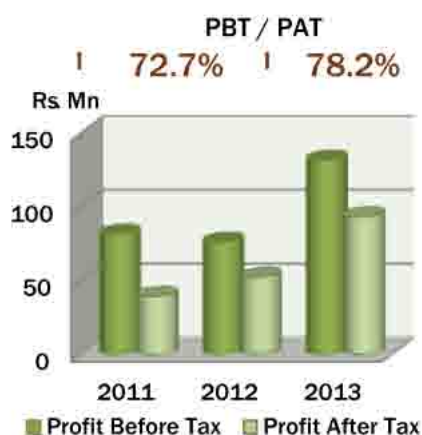
*is derived from Sanskrit / Sinhala
for "Your own by your own effort"*

Redefining industry standards

*Diversification through
complimentary businesses along the
value chain*

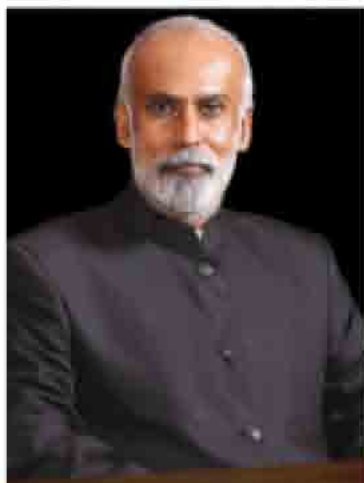
Group Financial Highlights

For the year ended 31 March	2012/2013	2011/2012	2010/2011
Operations			
Gross Revenue	456,801,373	395,315,510	377,316,524
Profit before Taxation	131,625,145	76,197,827	81,650,036
Profit after Taxation	93,361,110	52,401,946	39,333,687
Return on Equity (%)	23.01	15.92	18.46
Statement of Financial Position As at 31 March			
Current Assets	1,173,605,729	792,941,762	717,680,738
Current Liabilities	913,487,621	645,938,587	604,240,165
Total Assets	1,542,715,056	1,184,893,272	1,113,957,096
Total Liabilities	970,616,956	706,156,283	665,731,427
Net Assets/ Equity	572,098,099	478,736,989	448,225,669
Per Share			
Number of Shares 260,000,000			
Earnings (Rs.)	0.36	0.20	0.15
Net Assets (Rs.)	2.20	1.84	1.72



* Return on Equity: Calculated based on Profit Before Taxation

MANAGEMENT REPORTS



As we celebrate 15 years of excellence, we look to the future with great optimism.

This year has undoubtedly been a momentous one in the Asia Siyaka Commodities PLC's history, as we celebrate 15 years of excellence in commodity broking. It is with great pleasure and pride that I present to you the first annual report of your company together with the statement of accounts for the year ended 31 March 2013.

The Company's humble beginnings date back to 1998, when it was formed by a team of dynamic tea brokers, who ranked amongst the best in the local tea industry. Still a relative newcomer to the industry, the Company's history has nevertheless been a colourful one. Despite facing multiple challenges, Asia Siyaka Commodities has always strived to redefine its boundaries and create additional value through innovation, thereby emerging as a change agent in an industry which had changed little in over a decade. The Company through the passion of its founders redefined industry standards and played a paramount role in improving the transparency and efficiency of the tea auction logistics process.

This year, the Company marked another important milestone in its growth trajectory, listing its shares on the Diri Savi Board of the Colombo Stock Exchange, thereby transforming to a public listed company. This has allowed the Company to enhance its corporate profile, improving its visibility and strengthening its

brand image. As a public listed company, Asia Siyaka Commodities has also been able to attract strategic investors, who will undoubtedly propel the Company to new heights. In addition, the listing will enable us to attract long-term capital for the Company's future growth plans.

The year 2012/2013 is significant for another reason; this year, the Company achieved the highest profitability in its 15 year history. Overall after tax profit surged to Rs.93.3 million during the year compared to Rs 52.4 million the previous year.

For Sri Lanka, tea is an industry which radically altered the course of the country's socio-economic development. The growth of the plantation economy during the colonial era necessitated dramatic advances in the country's infrastructure, paving the way for the development of the transport networks as well as the financial systems. As our varieties rapidly gained global recognition as the best quality teas in the world, the Colombo Tea Auction grew to be the largest in the world, attracting the patronage of the largest buyers in the world.

The country's topography, climate and the geographic positioning of the island has blessed us with the conditions to produce teas with a vast variety of styles, aromas and flavours. Unfortunately, the country has in the past been unsuccessful in fully exploiting this opportunity, failing to offer the diversity of teas in our own branded value added form. Our exports are now facing intense competition from other tea producing regions, who with comparatively weak marketing, low value added products at relatively lower prices, are yet eroding our comparative advantage in the global market.

Against this backdrop, the Tea Board's vision to position Ceylon Tea as a speciality tea, catering to the top end of the quality market is viewed with much favour and excitement. As a Company, Asia Siyaka Commodities has consistently strived to support producers to manufacture and showcase teas of excellence that cater to rapidly changing consumption trends. We thus applaud this initiative by the Tea Board and will continue to do our fullest to help the industry realise its true potential as a producer of high quality speciality tea.

In the month of May 2013, we entered into a strategic alliance with Lanka Commodity Brokers Ltd (LCBL), who acquired a majority stake of Asia Siyaka Commodities PLC. LCBL and its shareholders have gained a reputation as one of the leading forces in the industry. The union between our two companies presents many exciting opportunities, and we look forward to the prospects presented by this powerful alliance.

As we celebrate 15 years of excellence, we look to the future with great optimism. I am confident that the passion and values of our people, our strong commitment to innovation and the strength of our strategic alliances will pave the way to success for many years to come.

ACKNOWLEDGEMENTS

I wish to thank the Board of Directors for the trust and confidence they have placed in me in appointing me the Chairman and also for the support extended to me since my appointment. I also wish to extend my gratitude to the past Chairmen, Mr Ray Abeywardena, and Mr. Nimal Perera for their valuable contribution in steering the Company to new heights during their respective tenures.

Asia Siyaka's dynamic team has been a driving force for the success of the company and I take this opportunity to thank them for their invaluable contribution.

Dr. Anura Ekanayake



Chairman

14 August 2013



The Company recorded the highest ever profitability in its operating history of Rs.93.3 million profit after tax

DEAR SHAREHOLDER,

As we mark our 15th anniversary, it is my privilege and pleasure to warmly welcome you to the Company's 1st Annual General Meeting as a public listed company.

HIGHLIGHTS OF THE YEAR...

This year was one of great significance to your Company as we achieved several key milestones during the year :

Your Company recorded the highest ever profitability in its operating history of Rs.93.3 million profit after tax

We listed on the Colombo Stock Exchange, thus transforming to a public listed company with a shareholder base of approximately 500

We acquired and expanded into rubber broking through Siyaka Produce Brokers Private Limited

In the low-grown segment, your Company achieved the highest prices outperforming all other brokers at the Colombo Tea Auction, 8 out of 12 months

We shifted to a new corporate office with state of the art lighting systems for evaluation of tea

YOUR COMPANY

Although a relatively new player in a mature industry, we continue to maintain our position as a leading force in the country's commodity broking industry. During the year your Company achieved a market share of 13% in tea, ranking as the fourth largest tea broker. Our strength has been our consistent focus on quality and our long-standing relationships with some of the country's finest tea producers.

Our business operation had its beginnings in tea broking and has widened its range over the years. Our operations can now broadly be classified into three main business lines, namely broking, warehousing and estate supplies. Our expansion strategy has been to capitalise on horizontal opportunities widening the product portfolio to the producer sectors.

Broking continues to be the Company's mainstay, with the bulk of the Company's earnings stemming from tea broking. We continue to nurture and build the business, underpinned by a team of skilled and experienced tea broking professionals. We have grown significantly in the high grown sector and developed a strong portfolio whilst maintaining our dominance in the low grown segment.

Our catalogues comprise of a wide variety of speciality teas from the low country sector, with a range of quality high grown teas that have been developed to take advantage of the micro climatic conditions. We have encouraged producers and given them the best opportunity to develop and showcase premium high quality Ceylon teas from all regions.

We provide our services to multiple entities consisting of regional plantation companies, privately owned companies, as well as factories owned by co-operatives and the government. We continue to assist our loyal client base by sharing market information and providing technical and financial support among others. This enabled our customers to proactively produce tea of fine quality, to take early advantage of the newest trends in global consumption thus commanding premium pricing over the national sales average.

In addition to tea, the Company also acts as an intermediary in the sale of non-traditional commodities such as palm oil and spices. We recently ventured into rubber broking and are confident that the Company's long-standing relationships with producers and our reputation and brand image as a reliable, value-adding market intermediary would enable us to succeed in this area.

We revolutionised the tea industry through the Group's **Warehousing** operations. This has enabled our valued clients to shorten the time to market, become more efficient and allow for less wear and tear to the tea leaf in a cost effective manner. The significant increase in the efficiency and timeliness of the pre and post auction process has set new standards for the industry.

Our **Estate Supplies** business focuses on supplying producers with packing material, fertiliser and some

other products used on estates. This enables us to take advantage of economies of scale to provide a cost advantage to the producers.

INDUSTRY ENVIRONMENT

We are very fortunate to be a market maker in the most prestigious tea auction in the world – The Colombo Tea Auctions. The industry is highly regulated and steered by the Sri Lanka Tea Board. The Board together with industry stakeholders, have collectively set the strategy for promoting the Ceylon Tea Brand as a premium specialty tea for the discerning drinker. As a company we applaud the efforts taken by the Board and have been an active participant in shaping and further developing the brand. Our Company objectives and our passion for developing the industry further has been a driving force in the way we operate and we have contributed our resources over the years to support national initiatives.

During the first half of the year inclement weather conditions adversely affected the country's tea production, adding to the shortage in world supply levels. This eased in the first quarter of 2013 allowing producers to take advantage of higher price levels. On the demand side overall tea exports remained stable with demand outstripping supply, however political unrest in several of Sri Lanka's key buyer regions impacted export demand in some of our traditional markets. The year also saw higher interest rates and tighter liquidity conditions as the country's monetary policy was tightened. The scarcity of working capital financing and rising costs strained the industry supply chain and made business conditions difficult especially for the tea producers.

PERFORMANCE

Your Company and its subsidiaries showed remarkable resilience to external challenges during the year, supported by our focus on volume expansion as well as cost efficiencies. Profit after tax during the year reached Rs. 93.3 million recording its highest ever profits in its operating history.

During the year, we focused on growing our business through our strategic partnerships, which enabled us to achieve strong volume growth. Resultantly, total revenue expanded by 15.6% during the year, stemming primarily from growth in brokerage income. Our key tea broking operations performed exceptionally well during the year, achieving a revenue expansion of 22% y-o-y to reach a record high of Rs. 335.4 million during the year. Revenue sources includes brokerage and other derived income streams. In addition to record volumes, the year also saw your Company achieving robust prices, outperforming industry peers during most months.

The warehousing operation also performed commendably during the year, recording a revenue of Rs.116 million sustaining business volumes.

Ample space at our new headquarters has allowed us to centralise and streamline operations, whilst creating a better working environment for our people, our biggest asset. The new location will also enable us to grow and expand capacity further over the short to medium term. Our consistent focus on streamlining our processes and achieving cost efficiencies enabled us to record healthier profit margins during the year. Overall, the return on equity (ROE) widened to 23% during the year, compared to 16% in 2011/2012.

FUTURE OUTLOOK

The industry will continue to face multiple challenges. Changing climate conditions on a global scale as well

as locally, will continue to plague the industry at all levels. Hence supply levels and market prices will be challenged by the unpredictability of these changing weather conditions. We are already seeing the impact of this locally as the first few months of 2013 saw healthy production levels. However volumes have now begun to dip, particularly in the high-grown sector as heavy rains have reduced production in recent months.

Tea as a beverage is gaining popularity in global markets and demand is expected to be higher than available global supply. Research especially in the health sector on the benefits of tea have so far shown positive connotations. Even Starbucks the largest global coffee chain has acquired Teavana, a chain of stores that sell loose-leaf tea in the US making this its second tea brand acquisition. All this bodes well for the future continuing demand for tea.

Tea will continue to be one of the highest export earners for the country (currently contributes 9.8% of GDP). Sri Lanka is constrained by the available landmass for expansion of tea plantations and hence increase in volume if any will only be through replanting and enhanced productivity. Hence developing our unique range of orthodox black teas whilst strengthening the Ceylon Tea brand for premium quality will continue to be our differentiator in the global market.

We intend to diversify our earnings profile by broadening our services to the rubber broking industry. We see tremendous potential in this area and believe our strong relationships with the regional plantation companies will enable us to grow our presence in this segment. We believe our recent formation of strategic alliances with leading forces in the country's tea and rubber industries will provide us with a stronger footing to capture market share.

Expanding our warehousing operations which revolutionised the industry in the early 2000s, is also among our key priorities. Initial plans have now been

set in motion in this regard. The long overdue increase of warehousing rates and cheaper funding costs will contribute to the viability of the expansion.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank our previous Chairmen, Mr Nimal Perera and Mr Ray Abeywardena for their guidance and encouragement during their tenure. I also warmly welcome our new Chairman Dr. Anura Ekanayake and look forward to working with him to steer the Company to its next level. My sincere appreciation goes out to my colleagues on the Board for their valuable contributions and the confidence placed in me.

I would like to take this opportunity to also extend my sincere appreciation to the retired Board Directors Mr K A K P Gunawardena, Dr. K I M Ranasoma, Mr A A Wijepala, Mr N T Bogahalanda, Mr N A De Mel, Mr R L Kumararatne, Mr W D N H Perera, Mr T G Thoradeniya, Mr U A Sirisekera, Mr W M R Iddawela, Mr P B Perera and Mr H Somashantha for their guidance and support during their respective tenures.

My utmost gratitude goes out to my fellow co-founders for their courage and vision and our management team and staff for their commitment and dedication over the years. My sincere appreciation is also extended to our loyal customer base for their confidence and trust in us.

Anil Cooke



Managing Director

14 August 2013

Colombo

THE GLOBAL LANDSCAPE

GLOBAL ECONOMY IN 2012

Global economic growth slowed in 2012, as growth was curtailed to 3.2% (2011: 3.9%) as financial and economic woes persisted in the European region, whilst fiscal consolidation weighed down on the United States. Emerging markets and developing economies continued to be the driving force of global growth, expanding 5.1% in 2012, whereas advanced economies grew by a mere 1.3%. Within Emerging Markets individual regions have had mixed results with Asia, sub-Saharan Africa and Latin America seeing higher growth on the back of resilient consumer demand while Middle East and North Africa continue to struggle with difficult internal transitions, political and civil unrest.

GLOBAL TEA TRENDS

The past decade has seen strong fundamentals in the global tea industry, characterised by sustained growth in production. Demand has continued to outstrip global supply resulting in prices being maintained at relatively healthy levels over the years. Looking ahead, the Food and Agriculture Organisation estimates world black tea production to grow at around 1.9% annually over the medium term, marginally slower than the past decade. Tea consumption levels are expected to be in line with the expansion in supply, supported by growing demand stemming from China, India and emerging economies. Meanwhile, demand from the Middle Eastern region, Sri Lanka's key export market is expected to be somewhat subdued over the short term owing to ongoing political unrest.

Global weather conditions were generally unfavorable in most tea producing countries during the calendar year of 2012. Dry conditions, poor rains and frosts adversely affected tea production in Kenya, the world's largest exporter of black tea; output in Kenya declined by around 2% during the calendar year 2012. Production in Sri Lanka and India also declined

marginally in view of inclement weather conditions. As crops were strained in key producing regions, tea prices remained elevated during the year, gaining nearly 16% during the year to reach a near 2½-year high.

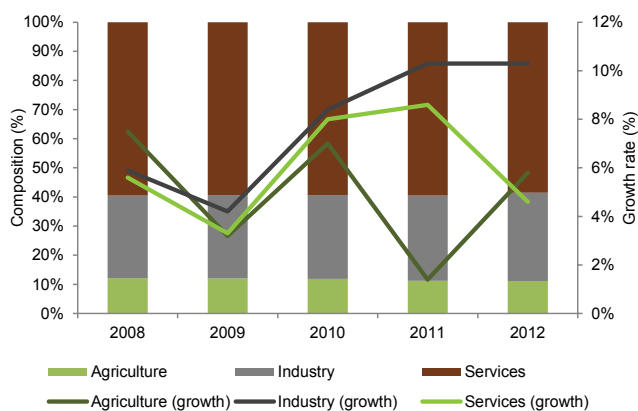
However, there has been a strong rebound during the first few months of 2013 with favorable weather conditions prevailing in most producing countries. For instance, Kenya's production spiked 42% y-o-y during the first half of 2013, reaching record highs. This together with, increased output from Sri Lanka and India resulted in global black tea output surging by around 10% during the first half of the year. Despite the surge in supply, low grown tea prices have remained firm in 2013 supported by the rising demand. Sri Lanka's high grown teas however have seen lower world prices, primarily owing to increased supply from Kenya & weaker prices at the Mombasa auctions.

THE LOCAL LANDSCAPE

ECONOMIC OVERVIEW

Sri Lanka's GDP expanded by 6.4% during 2012, slowing down from the previous year's growth of 8% owing to a tighter policy environment as well as weak external demand and unfavorable weather conditions towards the latter part of the year. In terms of sectors, the GDP composition remained largely unchanged with the services sector contributing 58.5%, followed by industry (30.40%) and agriculture (11.1%). The industry sector was a key contributor to economic growth during the year, expanding by 10.3% with large scale government infrastructure projects acting as a catalyst for growth. The agriculture sector achieved a growth of 5.8% during 2012 (2011: 1.4%) upheld mainly by paddy production during the first half of the year. The tea industry continues to be a vital contributor to the country's agriculture sector, accounting for around 10% of the country's total agricultural produce during 2012 and the largest export agriculture crop.

Figure 1: Sectoral composition and growth of GDP



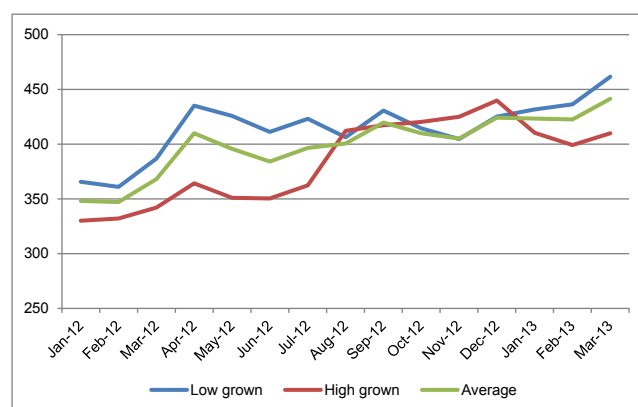
Meanwhile business conditions remained volatile as interest rates increased during 2012, resultant from the tighter monetary policy stance. Policy rates were increased twice during the year, subsequently being reduced in December 2012 as stabilization objectives were achieved. The exchange rate policy was relaxed during the year with market conditions being allowed to determine the rate; consequently, the Sri Lankan rupee depreciated 10.4% against the US Dollar in 2012.

TEA INDUSTRY

The domestic tea industry remains a vital component of Sri Lanka's economy, contributing 9.8% to the country's GDP in 2012. It is also the second largest export income generator, with a share of 14.4% during the year, surpassed only by garments. Since early years, Sri Lankan tea has been considered among the best in the world and despite intensifying competition the country has retained its dominance as the world's leading supplier of specialty orthodox black tea. The financial year under review (April 2012 to March 2013) was one of mixed fortunes for the Sri Lankan tea industry. Total tea production during the period increased slightly by 2.6% y-o-y to reach 333.74 million kg, primarily supported by increased production in low-grown elevations. Tea production in all growing areas were affected by unfavorable weather conditions

during the initial part of the year, whilst cold weather during the latter part of the year continued to adversely impact crops in the high grown elevations. However, weather conditions improved considerably by the first quarter of 2013 resulting in a significant rise in output in central highlands and the low grown regions.

Figure 2: Trends in tea prices at the CTA

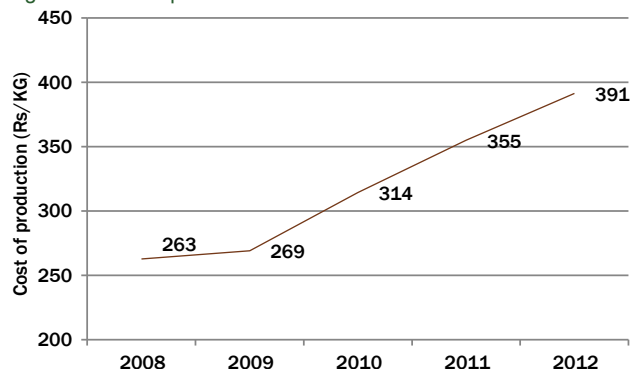


Source: Tea Board of Sri Lanka

Meanwhile, tea prices at the Colombo Tea Auction remained elevated during the review period, upheld by a shortage of global black tea supply. Resultantly, the annual average price of all teas escalated by around 11% y-o-y during the period to reach Rs. 410.43 per kg by March 2013. Low-grown and high-grown tea prices increased by 18% and 20% during the period to reach Rs. 461.60 per kg and Rs. 409.99 per kg respectively.

On the other hand, the cost of production of tea in the country is among the highest in the world and continues to be on the rise. During the calendar year of 2012, the average cost of production per kg of tea amounted to Rs.391.39, compared to Rs. 355.02 the previous year (Central Bank of Sri Lanka). A wage increase of 18% granted to plantation sector workers in April 2013 will elevate cost of production further; labour cost generally accounts for close to 60% of the total cost of production in Sri Lanka.

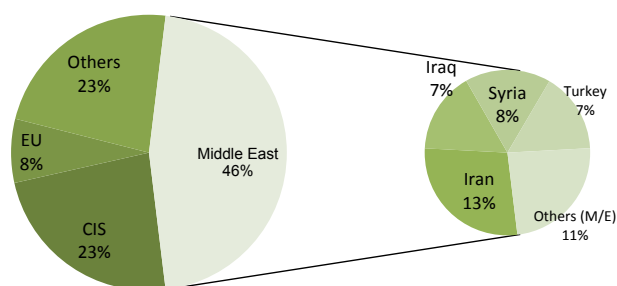
Figure 3: Cost of production of tea in Sri Lanka



Source: Central Bank of Sri Lanka

Sri Lanka continues to be one of the largest exporters of tea, generating US\$1.41 billion of export earnings during the calendar year 2012. This reflected a decline of 5.3% y-o-y compared to the previous year, primarily due to a reduction in export volumes which fell to 319.3 million kg, compared to 323 million kg in 2011. The reduction in export volumes is primarily attributed to strained demand from several countries in the Middle Eastern region including Iraq and Syria, which constitute Sri Lanka's largest buying region. The fall in demand is mainly attributed to the civil unrest and political instability in the region. Demand from other markets has either increased marginally or remained; helping the country maintain its reputation as the world's leading exporter of high value quality black tea.

Figure 3: Sri Lanka's key export markets (2012)



Source: Central Bank of Sri Lanka

RUBBER INDUSTRY

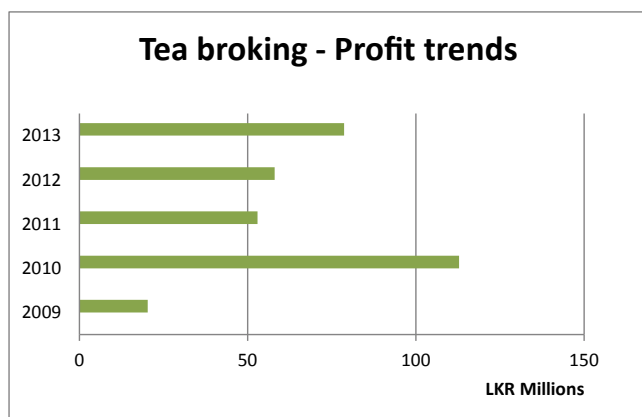
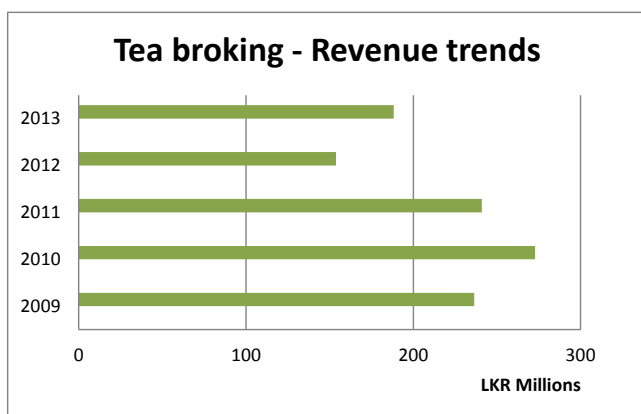
The global natural rubber industry has faced pressure in recent months as demand declined amid the slow recovery of the European and US economies and slackening economic growth in India and China. The fall in sales of vehicles is one major factor causing decline in demand for tyres and tubes which accounts for 50% of natural rubber consumption globally. The global scenario has had its spillover effects on the local industry as well, with prices at the Colombo Auction declining over several months. Although weather has been erratic with many wet days and severe loss of crop, prices continued to be weak due to poor overseas demand.

TEA BROKING

The tea broking operation is the Group's primary business line, contributing nearly 73% of the Group's revenue during the year. It is also the largest contributor to Group earnings with a share of 52% in FY Mar 2013. Despite its relatively short operating history, the Group has emerged as the fourth largest player in the highly competitive tea broking industry, with a market share of around 13%. The Group's success in tea broking can be attributed to its consistent focus on encouraging high quality production of tea. The Group strives to provide hands-on support to all its clients in a range of areas including market intelligence, product development, technical and financial support. This has allowed the Group to develop long-standing, mutually beneficial relationships with a wide client base.

The consistent focus on quality has also allowed the Group to consistently command premium pricing at the Colombo Tea Auction. For example, in the low-grown variety, the Group's average prices outperformed all other brokers in 8 out of 12 months. Overall, the Group commanded a near 3% premium over the national selling average for low-grown tea at the CTA. In the high and medium grown varieties too, the Group generally ranked within the top 3 price commanders during the year.

The Group's tea broking arm recorded healthy performance FY 2012/2013 upheld by top line expansion as well as increased interest income from its lending operation. Revenue generated from tea broking grew 22% y-o-y to reach a record high of Rs. 193 million during FY 2012/2013. Revenue expansion was supported by strong growth in trading volumes as the Group generated new business through its strategic partnerships. The Group also benefitted from conducive pricing levels at the Colombo Tea Auction, particularly during the latter part of the year. The Company increased its overall quantity by 12.3% from 37.78 million Kgs in 2011/2012 to 42.32 million Kgs in 2012/2013. Furthermore, the tea broking arm's profit after tax increased to Rs. 49 million mainly supported by top line expansion during the FY 2012/2013.



Going forward, tea broking will continue to be the Group's mainstay as it concentrates on further strengthening its position in this industry. Synergies generated via the Group's new shareholders are expected to strengthen volumes over the short to medium term.

BROKING: NON-TRADITIONAL COMMODITIES AND RUBBER

The Group has sought to diversify its earnings profile by foraying into providing broking services for other crops utilising its depth in broking expertise. These include rubber as well as non-traditional crops such as spices, desiccated coconut and palm oil. The Group entered the rubber broking industry recently, through the acquisition of Siyaka Produce Brokers (Pvt) Ltd in October 2012. Given it's nascent stage, contributions from this business is still small. Going forward however, the Group intends to further its presence in this industry, primarily through tapping the business opportunities arising from its existing client base of Regional Plantation Companies, most of which produce both tea, rubber and other products.

Siyaka Produce Brokers generated revenue of around Rs.10.7 million during FY 2012/2013, whilst profit after tax for the year amounted to Rs. 3.59 million during the year. The Group also operates as a market intermediary for a range of non-traditional commodities including spices, coffee, desiccated coconut, palm oil and coconut oil. This business line is also a relatively small contributor to Group revenue, accounting for around 5% of the total brokerage income generated.

WAREHOUSING



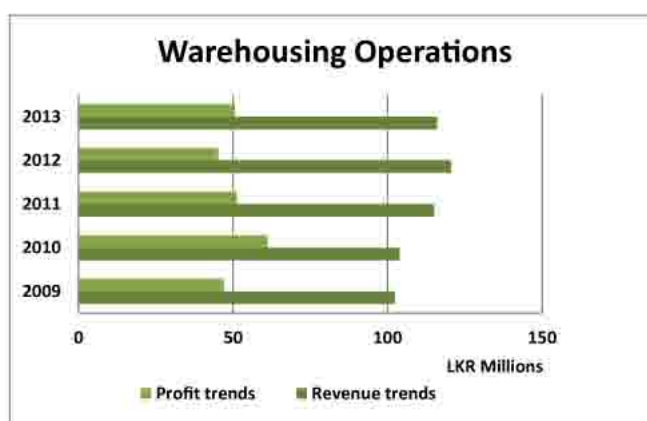
The Group entered the warehousing business in 2000, merely two years after its incorporation. It constructed a state-of-the-art logistics centre in the tea hub of Colombo, at an initial investment of Rs.92 million. This centre was the first of its kind in the global tea industry.

The Investment added considerable value to the pre and post auction logistics process, both in terms of cost efficiencies and reducing turnaround time. The Group's warehouse also introduced pallet racking, which accommodates ten packages in two layers per pallet, thus minimising potential damages to the stock. The Group was thus able to set the industry standard for warehousing and logistics, with several larger competitors following suit several years later. The Group's warehouse has the capacity to store 6 million kg of tea (equivalent to 150,000 packages) at any given time. It is also the first tea broker warehouse to be ISO certified and is currently being managed under the new ISO 22000 standards. The warehousing business which is operated through the Company's fully owned subsidiary, Asia Siyaka Warehousing (Pvt) Ltd is now a considerable contributor to Group earnings. Revenue from this business line accounted for 25% (or Rs. 116 million) of the Group's total revenue and contributed 38% to total profits during the year under review. The warehousing operation has also allowed the Group to benefit from some diversity in its earnings profile, reducing dependency on the highly

volatile tea broking industry.

Overall, profit after tax for the year widened 11% y-o-y to Rs.43.09 million during FY 2012/2013. The warehousing facility is currently utilised at near capacity levels throughout the year. Expansion of the warehousing business lines remains a key priority over the medium to longterm period. The Group (through Asia Siyaka Warehousing) owns a further two acres of prime land adjacent to its warehouse which is to be utilised for further development. Initial work on preparing the land for construction has already been completed.

Meanwhile, the long awaited increase in the regulatory warehousing rates is anticipated to offset rising costs to a certain degree and support the division's overall profitability.



DR. S A B EKANAYAKE - CHAIRMAN

Dr. Anura Ekanayake is a Past Chairman of the Ceylon Chamber of Commerce and of the Industrial Association of Sri Lanka.

He is currently the Chairman of Wealth Trust Securities Limited and Lanka Commodity Brokers Limited. In addition he serves on the Board of Governors of the Institute of Policy Studies (IPS) and the Board of Studies of the Post graduate Institute of Management (PIM). He is also a member of the Sovereign Ratings Advisory Committee of the Central Bank of Sri Lanka. He serves on the Boards of several other companies. These businesses range from finance to agriculture, retail trade, industry and exports.

During a professional career spanning three and a half decades, he has held senior positions in both the public sector as well as the private sector. His positions in the public sector included those of Senior Economist of Mahaweli Authority, Director of Planning of Ministry of Plantation Industries and that of Director General Public Administration.

During his public sector tenure he also held the position of Chairman Plantation Housing and Social Welfare Trust and a number of other Board positions including those of the Sri Lanka State Plantations Corporation, Janatha Estates Development Board, 23 Regional Plantation Companies, The Tea Research Institute and the Post Graduate Institute of Agriculture of University of Peradeniya. He served as the Chairman of the International Natural Rubber Council, Kuala Lumpur, Malaysia for a two year period.

He holds a B.A. (Econ) Hons. and M.Sc. (Agric) degrees from the University of Peradeniya, Sri Lanka and Ph.D. (Econ) from Australian National University where he studied under a Colombo Plan scholarship. He is also a Fellow of the Institute of Certified professional Managers, Sri Lanka.

MR. A R COOKE – MANAGING DIRECTOR

Mr. Cooke has a wealth of experience counting 35 years as a Broker, Auctioneer, Tea Taster and a Valuer with nearly 20 years of his work experience gained at Forbes and Walker Limited. He is a member of the Chartered Institute of Marketing (UK) and has previously served on the Board of Directors of Forbes & Walker Limited and Forbes & Walker Tea Brokers (Pvt) Limited. He also served as the Chairman of Colombo Brokers' Association and as a Director of Sri Lanka Tea Board. At present, Mr. Cooke is a member of the Sri Lanka Tea Council and the Sri Lanka Tea Board, Promotion & Marketing Committee.

Mr. Cooke is a Founder Director of Siyaka (Pvt) Limited and Founder Deputy Chief Executive Officer Asia Siyaka Commodities PLC. He is the Chief Executive Officer Asia Siyaka Commodities PLC since 2008.

MR. D J WEDANDE *

Mr. Wedande is a founder Director of Siyaka (Pvt) Ltd and founder Senior Vice President of Asia Siyaka Commodities PLC. He has over 37 years of experience as an Auctioneer, Broker and Valuer in tea, rubber, coconut products and Spices, initially at Forbes and Walker Ltd. He was the Chief Executive Officer of Centreline Tea Brokers, Mombasa, Kenya, 2000/2002.

MR. S G AMARASURIYA *

Mr. Amarasuriya has over 32 years of experience in the tea industry and is also a director of Lanka Commodity Brokers Ltd.

His career in tea was from 1981, as a Tea Broker at Bartleet & Co. and thereafter at M. S. Hebtulabhoy & Co, Ltd, and Stassen Exports Ltd as a tea buyer. Subsequently Mr. Amarasuriya joined Forbes & Walker Tea Brokers (Pvt) Ltd as a director and there on to date with Lanka Commodity Brokers Ltd.

MR. Y KURUNERU *

Mr. Kuruneru who is a founder Director of Siyaka (Pvt) Ltd, a founder Vice President of Asia Siyaka Commodities (Pvt) Ltd, was appointed as a Senior Vice President in April 2011. He was in Tea Estate Management from 1988 till he joined Forbes & Walker Limited in 1993.

He counts over 24 years' experience, 06 in Tea Management and 18 years as a Broker, Tea Taster and Valuer. He specializes in Tea Manufacturing advices with regular technical advisory visits to Tea Estates and Factories. Currently he serves as a resource person to the National Institute of Plantation Management.

MR. S SIRISENA **

Mr Sarath Sirisena holds a Masters in Business Administration from the Queensland University of Technology, Australia. He is a Chartered Marketer and he has been associated with the tea industry since 1968 in Plantation Management, Tea Exports and Tea Broking. He is a past Chairman of the Colombo Tea Brokers' Association, past Director of Sri Lanka Tea Board and past Committee Member of the Ceylon Chamber of commerce.

MR. M MURATH **

Presently working as the Director Finance at Lanka Commodity Brokers Ltd, a Commodity Brokering House whose principal activities are tea, rubber and sundry produce broking and providing financial accommodation for the produce suppliers in respect of the above services. An Associate member of the Institute of Chartered Accountants of Sri Lanka, Fellow member of the Institute of Chartered Management Accountants of Sri Lanka and holds a Bachelors Degree in Commerce from the University of Madras counting 26 years experience in Finance and Management both locally and internationally.

He contributes immensely to the continuous growth of the Companies in all areas where he has functioned as Head of Finance.

MR. S T GUNATILLEKE ***

Mr. S T Gunathilake was appointed to the Board of Directors of Asia Siyaka Commodities Plc in May 2013. He served on the Boards of Hayleys Plantation Services (Pvt) Limited, Thalawakalle Tea Estates Plc, DPL Plantations (Pvt) Limited, Kelani Valley Plantations Plc and Mabroc Teas (Pvt) Limited. A senior planter with over 40 years of experience in plantation management, has held the position of Regional Director of Sri Lanka State Plantations Corporation and served as a Consultant to United Nations Industrial Development Organization (UNIDO) on Tea Plantation Management.

MR. B A HULANGAMUWA ***

Mr. Bhandula Anil Hulangamuwa holds a Masters Degree in Business Administration from the University of Colombo and is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.

He is also a Director of Sunshine Holdings PLC and Watawala Plantations PLC.

** Executive*

*** Non - Executive*

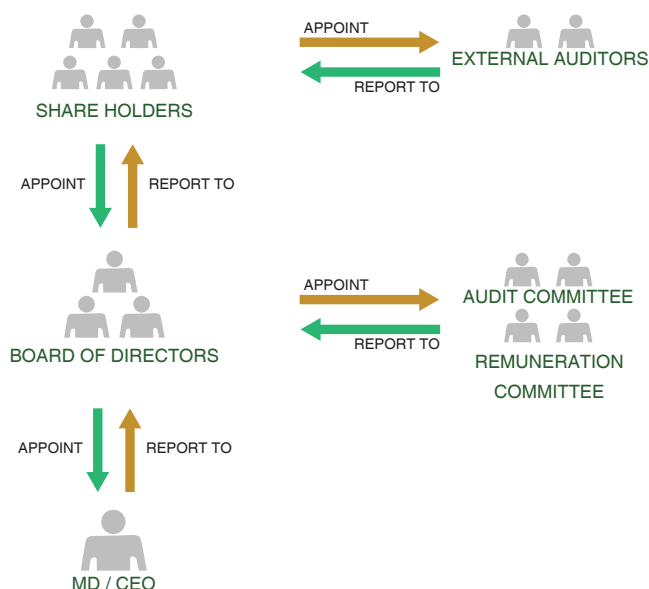
**** Independent Non - Executive*

Asia Siyaka Commodities PLC and its fully owned subsidiaries, Asia Siyaka Warehousing (Pvt) Ltd and Siyaka Produce Brokers (Pvt) Ltd, collectively referred to as “Group” remains committed to maintaining good Corporate Governance through adopting best practices and upholding high standards of business Integrity, Ethical values, Professionalism, Transparency and ensuring that its obligations to all its stakeholders are understood and met.

It firmly believes that a sound and effective system of governance is also fundamental in attracting and maintaining public confidence in the Company.

Our Board of Directors provides oversight of the Company's affairs and constantly works to improve and build on the Company's Corporate Governance practices. The Company's management processes, structure and policies help to ensure compliance with laws and regulations and provide clear lines of authority for decision making and accountability. The Company is bound by the license issued by the Sri Lanka Tea Board and guidelines and regulations that govern the tea broking industry as well as the Colombo Stock Exchange Listing Rules and the best practices set out in the Code of Best Practices on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

CORPORATE GOVERNANCE STRUCTURE



BOARD OF DIRECTORS

The responsibility of the Board of Directors is to direct, lead and control the Company in an effective manner that reflects the best interest to the Company. The Company's Board consists of Nine Directors of whom three are Non – Executive Directors and two are Independent Non-Executive Directors.

Board Meetings are scheduled to be held once in every three months' time and whenever necessary. Board met four times during the current financial year.

An Audit Committee and Remuneration Committee function as Board sub committees. The Composition of the said committees is as follows.

AUDIT COMMITTEE

Mr. B.A. Hulangamuwa

Chairman, Non-Executive, Independent Director

Mr. S.T. Gunatilleke

Non-Executive, Independent Director

The Committee met twice during the year. The meetings are attended by Chief Executive Officer, Chief Financial Officer by invitation & other Directors and Executives when required.

REMUNERATION COMMITTEE

Dr. S.A.B. Ekanayake (Chairman, Non-Executive Director)

Mr. S. Sirisena (Non- Executive Director)

Mr. B.A. Hulangamuwa (Non-Executive, Independent Director)

Mr. S.T. Gunatilleke (Non-Executive, Independent Director)

The Main Responsibility of the Remuneration Committee is to make recommendations to the Board on the Company's framework of Executive Directors' remuneration and its cost and to determine on behalf of the Board specific remuneration packages of Executive Directors and key management personnel. The remuneration policy of the company is to attract and retain the best professionals and an experienced workforce and motivate.

INTERNAL CONTROL

The Board is responsible for the Group's internal control systems and its' adequacy and effectiveness. The internal control system encompasses the management of financial and operational risk, compliance with legal and regulatory requirements of the company with the aim of making available accurate and timely information and greater disciplin on decision making.

RISK MANAGEMENT

The Board of Directors reviews the risk management process through the Audit Committee. Risk Management process involves,

- Identify and assess areas of risks which might impact on the company and research appropriate mitigations.
- Monitor, review and evaluate the adequacy and effectiveness of the company's risk management controls both internally and externally.
- Evaluate the effectiveness of the Company's' business continuity plans and
- The adequacy of disaster planning in areas of administration, Information Technology, Marketing etc.

ATTENDANCE AT THE MEETINGS HELD DURING THE FINANCIAL YEAR

	Name of Director	Directorship Status	TOTAL
1	M R Abeywardena (Resigned w.e.f 15.04.2013)	Chairman / Independent Director	4/4
2	A R Cooke	Managing Director	4/4
4	D J Wedande	Executive Director	3/4
5	K A K P Gunawardena (Resigned w.e.f 31.05.2013)	Non-Executive Director	1/4
6	K I M Ranasoma (Resigned w.e.f 30.06.2013)	Independent Director	1/4
7	A A Wijepala (Resigned w.e.f 07.05.2013)	Independent Director	2/4
8	N T Bogahalanda (Resigned w.e.f 17.07.2013)	Executive Director/Non - Executive Director	4/4
9	S A B Ekanayake (Appointed w.e.f 20.02.2013)	Chairman / Non Executive Director	1/4
10	M Murath (Appointed w.e.f 20.02.2013)	Non-Executive Director	1/4
11	N A De Mel (Resigned w.e.f 30.06.2012)	Executive Director	0/4
12	R L Kumararatne (Resigned w.e.f 26.06.2012)	Non-Executive Director	0/4
13	W D N H Perera (Resigned w.e.f 10.12.2012 and was re-appointed as Alternate Director on 11.12.2012)	Non-Executive Director/Alternate Director to P B Perera)	1/4
14	T G Thoradeniya (Resigned w.e.f 20.02.2013)	Non- Executive Director	3/4
15	U A Sirisekera (Resigned w.e.f 30.11.2012)	Executive Director	0/4
16	W M R Iddawela (Resigned w.e.f 31.03.2013)	Executive Director	3/4
17	P B Perera (By his Alternate W D N H Perera and Resigned w.e.f 20.02.2013)	Non - Executive Director	2/4
18	H Somashantha (Representing Mr. T G Thoradeniya who ceased to be a Director w.e.f 20.02.2013)	Alternate Director to Mr, T G Thoradeniya	3/4

By Order of the Board

Asia Siyaka Commodities PLC

AD Jayasinghe

P W Corporate Secretarial (Pvt) Ltd.

Director / Secretary

14 August 2013

Colombo

FINANCIAL
INFORMATION

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

The Directors of Asia Siyaka Commodities PLC have pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company and the Consolidated Financial Statements of the Company and its subsidiaries for the year ended 31st March 2013.

GENERAL

Asia Siyaka Commodities PLC is a company carrying on the business of Tea Brokers, Produce Brokers, Auctioneers, Appraisers, Valuers, Commission Agents and General Agents.

Asia Siyaka Commodities PLC is a public limited liability company which was incorporated under the Companies Act No. 17 of 1982 as a private limited company on 16th February 1998 and reregistered under the Companies Act. No. 07 of 2007 on 30th April 2008 and was subsequently converted to a public limited liability company on 28th March 2012 and listed on the Colombo Stock Exchange on 12th September 2012 with PV 3562 PB/PQ as the new number assigned to the Company.

PRINCIPAL ACTIVITIES OF THE COMPANY AND REVIEW OF PERFORMANCE DURING THE YEAR

The Company's principal activities during the year were the sale and auction of tea.

A review of the business of the Company and its performance during the year with comments on financial results, future strategies and prospects are contained in the Managing Director's Report on pages 8 to 11 which form an integral part of this Report.

This Report together with the Financial Statements, reflect the state of affairs of the Company and its subsidiary Companies.

FINANCIAL STATEMENTS

The complete Financial Statements of the Company and the consolidated financial statements of the Company and its subsidiaries, duly signed by two Directors on behalf of the Board and the Auditors are given on pages 30 to 61.

AUDITORS' REPORT

The Report of the Auditors on the Financial Statements of the Company is given on page 29.

ACCOUNTING POLICIES

The financial statements of the Company and the consolidated financial statements have been prepared in accordance with the Sri Lanka Financial Reporting Standards (SLFRS / LKAS) and the policies adopted thereof are given on pages 34 to 43. Figures pertaining to the previous periods have been re-stated where necessary to conform to the current year's presentation.

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

The names of the Directors present and who held office as at the end of the accounting period are given below. The present Directors' brief profiles appear on pages 17 and 18.

Name of Director	Office Held	Period
Executive Directors		
Mr. A R Cooke	Managing Director	
Mr. D J Wedande	Executive Director	
Mr. W M R Iddawela	Executive Director	appointed w.e.f 18.05.1998 to 31.03.2013
Mr. Y Kuruneru	Executive Director	appointed w.e.f 22.05.2013
Mr. S G Amarasuriya	Executive Director	appointed w.e.f 22.05.2013
Non-Executive Directors		
Mr. N T Bogahalande	Executive Director	appointed w.e.f 01.12.2012
-do-	Non-Executive Director	w.e.f 01.04.2013 to 17.07.2013
Mr. W D N H Perera	Chairman	appointed w.e.f 05.07.2012 to 10.12.2012
-do-	Alternate Director to Mr. P B Perera	w.e.f 11.12.2013 to 20.02.2013
Mr. T G Thoradeniya	Non-Executive Director	appointed w.e.f 05.07.2012 to 20.02.2013
Mr. H Somashantha	Alternate Director to Mr. T G Thoradeniya	appointed w.e.f 10.12.2012 to 20.02.2013
Mr. K A K P Gunawardena	Non-Executive Director	appointed w.e.f 25.06.2012 to 31.05.2013
Mr. P B Perera	Non-Executive Director	appointed w.e.f 10.12.2012 to 20.02.2013
Dr. S A B Ekanayake	Non-Executive Director	appointed w.e.f 20.02.2013
-do-	Chairman	appointed w.e.f 22.05.2013
Mr. M Murath	Non-Executive Director	appointed w.e.f 20.02.2013
Mr. S Sirisena	Non-Executive Director	appointed w.e.f 22.05.2013
Independent Directors		
Mr. M R Abeywardena	Independent Director	appointed w.e.f 05.07.2012 to 10.12.2012
-do-	Chairman	w.e.f 10.12.2012 to 15.04.2013
Mr. A A Wijepala	Independent Director	appointed w.e.f 05.07.2012 to 07.05.2013
Dr. K I M Ranasoma	Independent Director	appointed w.e.f 05.07.2012 to 30.06.2013
Mr. S T Gunatilleke	Independent Director	appointed w.e.f 22.05.2013
Mr. B A Hulangamuwa	Independent Director	appointed w.e.f 22.05.2013

Dr. S A B Ekanayake and Messrs M Murath, S T Gunatilleke, B A Hulangamuwa, S Sirisena, Y Kuruneru and S G Amarasuriya shall retire in terms of Article 94 of the Articles of Association of the Company and being eligible are recommended by the Directors for re-election.

DIRECTORS OF SUBSIDIARY COMPANIES

ASIA SIYAKA WAREHOUSING (PRIVATE) LIMITED

Mr. A R Cooke

Mr. D J Wedande

Mr. N T Bogahalande (Resigned w.e.f 18.07.2013)

Mr. M Murath (Appointed w.e.f 24.06.2013)

Mr. S G Amarasuriya (Appointed w.e.f 24.06.2013)

SIYAKA PRODUCE BROKERS (PRIVATE) LIMITED

Mr. D J Wedande

Mr. R L Kumararatne

Mr. H R K De Alwis (Ceased to be a Director w.e.f. 06.07.2013)

Mr. A R Cooke (Appointed w.e.f 24.06.2013)

Mr. M Murath (Appointed w.e.f 24.06.2013)

Mr. S G Amarasuriya (Appointed w.e.f 24.06.2013)

INTERESTS REGISTER

The Company maintains an Interests Register in terms of the Companies Act, No. 7 of 2007, which is deemed to form part and parcel of this Annual Report and available for inspection upon request.

All related party transactions which encompasses the transactions of Directors who were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period are recorded in the Interests Register in due compliance with the applicable rules and regulations of the relevant Regulatory Authorities.

The relevant interests of Directors in the shares of the Company as at 31st March 2013 as recorded in the Interests Register are given in this Report under Directors' shareholding.

DIRECTORS' REMUNERATION

The Directors' remuneration is disclosed under Key Management Personnel in Note 29 to the Financial Statements on page 59.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true and fair view of the state of affairs. A further statement in this regard is included on page 27.

AUDITORS

Messrs Ernst & Young, Chartered Accountants served as the Auditors during the year under review and also provided non audit/ consultancy services. They do not have any interest in the Company other than that of Auditor and provider of tax related services.

A total amount of Rs. 346,534/- is payable by the Company to the Auditors for the year under review comprising Rs. 256,534/- as audit fees and Rs.90,000/- for non audit services.

The Auditors have expressed their willingness to continue in office. The Audit Committee at a meeting held on 13th August 2013 recommended that they be re-appointed as Auditors. A resolution to re-appoint the Auditors and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

STATED CAPITAL

The Stated Capital of the Company is Rs.100,000,000/-

The number of shares issued by the Company stood at 260,000,000 fully paid ordinary shares as at 31st March 2013.

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

DIRECTORS' SHAREHOLDING

The relevant interests of Directors in the shares of the Company as at 31st March 2013 and 31st March 2012 are as follows.

	Shareholding as at 31/03/2013	Shareholding as at 31/03/2012
Mr. M R Abeywardena	-	-
Mr. A R Cooke	9,747,143	9,747,143
Mr. D J Wedande	8,353,067	8,353,067
Mr. W M R Iddawela	8,839,118	8,861,118
Mr. K A K P Gunawardena	-	-
Mr. W D N H Perera	-	-
Mr. T G Thoradeniya	-	-
Mr. A A Wijepala	-	-
Dr. K I M Ranasoma	-	-
Mr. N T Bogahalande	-	-
Mr. P B Perera	-	-
Dr. S A B Ekanayake	-	-
Mr. M Murath	-	-

SHAREHOLDERS

There were 482 shareholders registered as at 31st March 2013. The details of distribution are given on page 62 and 63 of this Report.

MAJOR SHAREHOLDERS, DISTRIBUTION

Schedule and other information Information on the distribution of shareholding, analysis of shareholders, market values per share, earnings, dividends, net assets per share, twenty largest shareholders of the Company, percentage of shares held by the public as per the Listing Rules of the Colombo Stock Exchange are given on page 62 and 63 under Share Information.

RESERVES

The reserves of the Company with the movements during the year are given on page 32 to the Financial Statements.

LAND HOLDINGS

The Company does not own any freehold land or buildings.

PROPERTY, PLANT & EQUIPMENT

Details and movements of property, plant and equipment are given under Note 3 to the Financial Statements on pages 47 to 49.

INVESTMENTS

Details of the Company's quoted and unquoted investments as at 31st March 2013 are given in Note 4 to the Financial Statements on page 49.

DONATIONS

The Company made donations amounting to Rs.105,000/- in total, during the year under review.

RISK MANAGEMENT

An ongoing process is in place to identify and manage the risks that are associated with the business and operations of the Company. The Directors review this process through the Audit Committee.

The financial risk management objectives and policies adopted by the Company in managing the risks are detailed in Note 30 to the Financial Statements on pages 60 and 61.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of, and in respect of employees of the Company and all other known statutory dues as were due and payable by the Company as at 31 March 2013 have been paid or, where relevant provided for, except for certain assessments where appeals have been lodged.

CONTINGENT LIABILITIES

Except as disclosed in Note 25 to the Financial Statements on page 58 there were no material Contingent Liabilities as at 31 March 2013.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

Except for the matters disclosed in Note 28 to the Financial Statements on page 59 there are no material events as at date which require adjustment to, or disclosure in the Financial Statements.

CORPORATE GOVERNANCE

The Board of Directors confirm that the Company is compliant with section 7.10 of the Listing Rules of the CSE.

The corporate governance of the Company is reflected in its strong belief in protecting and enhancing stakeholder value in a sustainable manner, supported by a sound system of policies and practices. Prudent internal controls ensure professionalism, integrity and commitment of the Board of Directors, Management and employees.

The Corporate Governance Statement on pages 19 and 20 explains the measures adopted by the Company during the year.

SPECIAL BUSINESS

1. The Directors have recommended the appointment of Dr. I A Ismail who is 76 years of age, as a Director of the Company; and accordingly a resolution will be placed before the shareholders in terms of Section 211 of the Companies Act in regard to the appointment of Dr. I A Ismail.

2. The Directors have also recommended an amendment to the Articles of Association whereby the quorum required for meetings of Directors will be fixed at five Directors. Accordingly, a special resolution is placed before the shareholders at the forthcoming annual General meeting to obtain shareholders' approval for the said amendment to the Articles of Association.

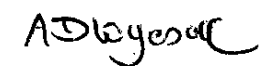
Annual General Meeting

The Notice of the Annual General Meeting appears on page 66.

This Annual Report is signed for and on behalf of the Board of Directors by


Chairman


Managing Director


ADWyesa

P W Corporate Secretarial (Pvt) Ltd

Secretaries

14 August 2013

Colombo

STATEMENT OF DIRECTORS RESPONSIBILITIES

The Directors are required by the Companies Act, No. 7 of 2007 to prepare financial statements for each financial year, which give a true and fair view of the statement of affairs of the Company as at the end of the financial year and the income and expenditure of the Company for the financial year.

The Directors are also responsible to ensure that the financial statements are prepared in compliance with the required standards and any other requirements which apply to the Company's financial statements under any other law.

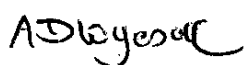
The Directors consider that the financial statements presented in this Annual Report have been prepared using appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and in compliance with the new Sri Lanka Accounting Standards, Companies Act, No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

The Directors are responsible for ensuring that the Company keeps sufficient accounting records, which disclose the financial position of the Company with reasonable accuracy and enable them to ensure that the financial statements have been prepared and presented as aforesaid. They are also responsible for taking measures to safeguard the assets of the Company and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to prevention and detection of fraud and other irregularities.

The Directors continue to adopt the going concern basis in preparing the financial statements. The Directors, after making inquiries and review of the Company's Business Plan for the financial year 2013/14, including cash flows and borrowing facilities, consider that the Company has adequate resources

By Order of the Board

ASIA SIYAKA COMMODITIES PLC



P W Corporate Secretarial (Pvt) Ltd
Secretaries

14 August 2013

Colombo

Asia Siyaka Commodities PLC management is responsible for its internal control and financial reporting including the preparation of consolidated financial statements. Independent Auditors are responsible for auditing annual consolidated financial statements in accordance with generally accepted auditing standards and ensuring that the financial statements truly and fairly present the results of operations and are financial position of the company. The independent auditors are also responsible for issuing a report on those financial statements. The Audit Committee monitors and oversees these processes. The Audit Committee annually recommends to the Board, for its approval on, an independent accounting firm to be appointed as the Company's independent auditors.

To fulfill its obligations the Audit Committee carried out the following activities.

- Reviewed and discussed with the Company's management and the independent auditors, the consolidated financial statements for the accounting year ended March 31, 2013. Reviewed the management's representations to ensure that the consolidated financial statements are prepared in accordance with generally accepted accounting principles and truly and fairly present the results of operations and financial position of the Company.
- Recommended that the Board select ERNST & YOUNG, Chartered Accountants as independent auditors to audit and report on the annual consolidated financial statements of the Company and to forward copies of the Annual Report to the Colombo Stock Exchange prior to the Annual General Meeting.
- Reviewed the procedures for identifying business risk and the management of its impact on the Group. Reviewed the policies, procedures and internal controls for detecting and preventing fraud.
- Reviewed the operational effectiveness and internal controls of the policies, systems and procedures.
- Reviewed and discussed with the Management, the annual and the quarterly financial statement prior to their release, including the extent of compliance with the Sri Lanka Accounting Standards and the Companies Act, No.7 of 2007.
- Reviewed the procedures established by Management for compliance with the requirements of regulatory bodies. Chief Financial Officer submitted to the Audit Committee on a quarterly basis, a report on the extent to which the Company was in compliance with mandatory statutory requirements.

Audit Committee wishes to express its appreciation of the services rendered by Group Auditors, Messrs. ERNST & YOUNG, Chartered Accountants who have assisted the Audit Committee in discharging its duties and responsibilities.

CONCLUSION

The Committee is of the view that adequate controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and the financial position of the company is well monitored. The Audit Committee concurs that the adoption of the going concern premise in the preparation of the Financial Statement is appropriate. The Audit Committee recommends to the Board of Directors that the financial statements as submitted be approved.

On behalf of the Audit Committee



B.A. Hulangamuwa
Chairman - Audit Committee
14 August 2013
Colombo.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ASIA SIYAKA COMMODITIES PLC



Ernst & Young
Chartered Accountants
201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : (0) 11 2463500
Fax Gen : (0) 11 2697369
Tax : (0) 11 25578180
eysl@lk_ey.com

Report on the Financial Statements

We have audited the accompanying financial statements of Asia Siyaka Commodities PLC ("Company"), which comprise the Statements of Financial Position as at 31 March 2013, and the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements of the Company as at 31 March 2012 and for the year then ended were audited by another Auditor whose report dated 28 June 2012 expressed an unqualified opinion on such financial statements.

Management's Responsibility for the Financial Statements

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

Scope of Audit and Basis of Opinion

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 plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2013 and the financial statements give a true and fair view of the Company's state of affairs as at 31 March 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the Consolidated Financial Statements give a true and fair view of the state of affairs as at 31 March 2013 and the financial performance and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards, of the Company and its Subsidiaries dealt with thereby, so far as concerns the shareholders of the Company.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of 151(2) and 153 (2) to 153(7) of the Companies Act No. 7 of 2007.

Ernst & Young
Chartered Accountants
14 August 2013
Colombo

Partners: A D B Talwatte FCA FCMA M P D Cooray FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva ACA Ms. Y A De Silva FCA W R H Fernando FCA FCMA
W K B S P Fernando FCA FCMA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA
Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga ACA N M Sulaiman ACA ACMA B E Wijesuriya ACA ACMA

A member firm of Ernst & Young Global Limited

STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

ASSETS	Note	Group			Company		
		2013 Rs.	2012 Rs.	As at 01 April 2011 Rs.	2013 Rs.	2012 Rs.	As at 01 April 2011 Rs.
Non-Current Assets							
Property, Plant and Equipment	3	313,514,541	334,197,008	335,668,519	8,368,408	6,855,222	18,128,276
Lease Rentals Paid in Advance	5	34,075,000	35,015,000	35,955,000	-	-	-
Investments	4	6,704,000	7,881,390	10,475,000	105,841,635	99,881,390	102,475,000
Investment property	6	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Goodwill	24	1,013,731	-	-	-	-	-
Deferred Tax Asset	20	7,802,055	8,858,112	8,177,839	7,802,055	8,858,112	8,177,839
		369,109,327	391,951,510	396,276,358	128,012,098	121,594,724	134,781,115
Current Assets							
Inventory	7	1,982,115	2,638,447	1,931,091	1,822,665	2,501,068	1,550,145
Trade Debtors	8	424,465,539	253,969,527	298,501,819	400,937,438	244,008,795	291,443,285
Loans and Advances	9	661,827,384	508,131,828	372,347,055	661,827,384	508,131,828	372,347,055
Other Receivables, Prepayments and Advances		12,187,684	10,480,076	11,040,479	9,236,373	8,387,704	9,843,358
Cash and Cash Equivalents	10	73,143,007	17,721,884	33,860,294	64,067,173	17,610,253	33,817,614
		1,173,605,729	792,941,762	717,680,738	1,137,891,033	780,639,648	709,001,457
Total Assets		1,542,715,056	1,184,893,272	1,113,957,096	1,265,903,131	902,234,372	843,782,572
EQUITY AND LIABILITIES							
Capital and Reserves							
Stated Capital	11	100,000,000	100,000,000	30,000,000	100,000,000	100,000,000	30,000,000
Revaluation Reserve		210,421,375	210,421,375	214,277,274	-	-	3,855,899
Accumulated Profits		261,676,724	168,315,614	203,948,395	101,712,661	52,662,194	97,103,849
Total Equity		572,098,099	478,736,989	448,225,669	201,712,661	152,662,194	130,959,748
Non Current Liabilities							
Retirement Benefit Obligation	12	34,153,410	36,679,782	37,699,376	31,049,814	33,975,270	35,565,791
Deferred Tax Liability	20	22,975,925	23,537,914	23,791,885	-	-	-
		57,129,335	60,217,696	61,491,261	31,049,814	33,975,270	35,565,791
Current Liabilities							
Trade Payables	13	421,609,103	328,249,933	329,931,497	555,311,166	404,752,286	415,113,737
Income Tax Payable		22,207,763	6,200,735	11,818,642	17,628,240	4,639,934	7,331,928
Interest Bearing Borrowings on Client Financing	14	411,591,217	272,238,177	228,893,780	411,591,217	272,238,177	228,893,780
Sundry Creditors including Accrued Expenses		36,074,078	32,787,279	28,993,755	29,342,892	27,504,048	23,820,233
Bank Overdraft	10	22,005,461	6,462,463	4,602,492	19,267,141	6,462,463	2,097,355
		913,487,622	645,938,587	604,240,166	1,033,140,656	715,596,908	677,257,033
Total Equity and Liabilities		1,542,715,056	1,184,893,272	1,113,957,096	1,265,903,131	902,234,372	843,782,572

These financial statements are in compliance with the requirements of the Companies Act No.07 of 2007.



Vice President -Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by,



Director



Director

The accounting policies and notes on pages 34 through 61 form an integral part of these financial statements.

14 August 2013
Colombo

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2013

	Note	Group		Company	
		2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Gross Revenue	15	456,801,373	395,315,510	335,430,798	274,831,566
Cost of Sales		(7,900,426)	(9,217,641)	(7,900,426)	(9,217,641)
Net Revenue		448,900,947	386,097,869	327,530,372	265,613,925
Other Income and Gains	16	2,835,312	11,151,334	2,696,892	37,598,460
Selling and Distribution Costs		(18,905,307)	(16,571,350)	(12,147,175)	(13,457,340)
Administrative Expenses		(236,935,776)	(242,209,393)	(163,820,745)	(160,426,586)
Finance Cost	17	(65,703,925)	(63,267,278)	(76,935,183)	(72,272,315)
Finance Income	18	1,433,894	996,645	1,312,340	964,010
Profit Before Tax	19	131,625,145	76,197,827	78,636,501	58,020,154
Income tax expense	20	(38,264,035)	(23,795,881)	(29,586,034)	(14,427,083)
Profit for the year		93,361,110	52,401,946	49,050,467	43,593,071
Other Comprehensive Income for the year, net of tax		-	-	-	-
Total Comprehensive Income for the year, net of tax		93,361,110	52,401,946	49,050,467	43,593,071
Basic Earnings per share	21	0.36	0.20	0.19	0.17
Dividend per share	22	-	0.09	-	0.09

The accounting policies and notes on pages 34 through 61 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2013

Group	Stated Capital Rs.	Revaluation Reserve Rs.	Accumulated Profits Rs.	Total Rs.
As at 01 April 2011	30,000,000	214,277,274	203,948,395	448,225,669
Net profit for the year	-	-	52,401,946	52,401,946
Total comprehensive income	-	-	52,401,946	52,401,946
Transfer of revaluation reserve on derecognised assets	-	(3,855,899)	3,855,899	-
Reversal of deferred tax on derecognised assets	-	-	609,374	609,374
Bonus share Issue	70,000,000	-	(70,000,000)	-
Dividend Paid	-	-	(22,500,000)	(22,500,000)
As at 31 March 2012	100,000,000	210,421,375	168,315,614	478,736,989
Net profit for the year	-	-	93,361,110	93,361,110
Total comprehensive income	-	-	93,361,110	93,361,110
As at 31 March 2013	100,000,000	210,421,375	261,676,724	572,098,099
Company	Stated Capital Rs.	Revaluation Reserve Rs.	Accumulated Profits Rs.	Total Rs.
As at 01 April 2011	30,000,000	3,855,899	97,103,849	130,959,748
Net profit for the year	-	-	43,593,071	43,593,071
Total comprehensive income	-	-	43,593,071	43,593,071
Transfer of revaluation reserve on derecognised assets	-	(3,855,899)	3,855,899	-
Reversal of deferred tax on derecognised assets	-	-	609,375	609,375
Bonus share Issue	70,000,000	-	(70,000,000)	-
Dividend Paid	-	-	(22,500,000)	(22,500,000)
As at 31 March 2012	100,000,000	-	52,662,194	152,662,194
Net profit for the year	-	-	49,050,467	49,050,467
Total comprehensive income	-	-	49,050,467	49,050,467
As at 31 March 2013	100,000,000	-	101,712,661	201,712,661

The accounting policies and notes on pages 34 through 61 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 March 2013

	Note	Group		Company	
		2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Cash Flows From / (Used in) Operating Activities					
Profit before Income Tax Expense		131,625,145	76,197,827	78,636,501	58,020,154
Adjustment for					
Depreciation		24,812,783	26,262,361	2,422,403	6,724,928
Finance Cost		65,703,925	63,267,278	76,935,183	72,272,315
Decrease in fair value of Quoted Investment		1,177,391	2,593,610	1,177,391	2,694,505
Finance Income		(1,433,894)	(996,645)	(1,312,340)	(964,010)
Gratuity Charge		11,524,582	4,790,546	11,125,495	4,219,619
Gain on sale of Property, Plant and Equipment		(100,000)	(5,787,798)	-	(4,387,798)
Amortisation of lease rentals paid in advance		940,000	940,000	-	-
Operating Profit before Working Capital Changes		234,249,932	167,267,179	168,984,633	138,579,713
(Increase) / Decrease in Inventories		656,332	(707,356)	678,403	(950,923)
(Increase) / Decrease in Trade and Other Receivables		(167,886,123)	45,092,695	(157,777,312)	48,789,249
(Increase) / Decrease in Loans and Advances		(153,695,556)	(135,784,773)	(153,695,556)	(135,784,773)
Increase / (Decrease) in Trade and Other Payables		91,566,717	2,111,960	152,397,724	(6,677,636)
Increase / (Decrease) Interest Bearing Borrowings on Client Financing		139,353,040	43,344,397	139,353,040	43,344,397
		144,244,342	121,324,102	149,940,932	87,300,027
Income Tax Paid		(21,762,942)	(29,738,658)	(15,541,671)	(17,189,975)
Defined Benefit Plan Costs paid		(14,050,951)	(5,810,140)	(14,050,951)	(5,810,140)
Finance Cost Paid		(65,703,925)	(63,267,278)	(76,935,183)	(72,272,315)
Net cash flow From Operating Activities		42,726,524	22,508,026	43,413,127	(7,972,403)
Cash Flows From / (Used in) Investing Activities					
Acquisition of Property, Plant and Equipment		(4,044,941)	(30,088,768)	(3,935,589)	(749,791)
Sales Proceeds from fixed asset disposals		100,000	11,085,716	-	9,685,715
Acquisition of Investment in Subsidiary	24	(337,351)	-	(7,137,636)	-
Net Cash Flows Used in Investing Activities		(4,282,292)	(19,003,052)	(11,073,225)	8,935,924
Cash Flows From / (Used in) Financing Activities					
Dividend Paid		-	(22,500,000)	-	(22,500,000)
Finance Income Received		1,433,894	996,645	1,312,340	964,010
Net Cash Flows Used in Financing Activities		1,433,894	(21,503,355)	1,312,340	(21,535,990)
Net Increase / (Decrease) in Cash and Cash Equivalents		39,878,125	(17,998,381)	33,652,242	(20,572,469)
Cash and Cash Equivalents at the beginning of the Year		11,259,421	29,257,802	11,147,790	31,720,259
Cash and Cash Equivalents at the end of the Year	10	51,137,546	11,259,421	44,800,032	11,147,790

The accounting policies and notes on pages 34 through 61 form an integral part of these financial statements.

1. CORPORATE INFORMATION

1.1 General

Asia Siyaka Commodities PLC is a public limited liability company incorporated and domiciled in Sri Lanka. The registered office and the principal place of business is situated at “Deutsche House”, No 320, T.B. Jayah Mawatha, Colombo 10.

1.2 Principal Activities and Nature of Operations

The principal activity and the nature of operations are to carry on business of Tea Brokers, Produce Brokers, Auctioneers, Appraisers, Valuers, Commission agents and General Agents.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent entity and the ultimate parent entity is Lanka Commodity Brokers Ltd., and incorporated in Sri Lanka.

1.4 Date of Authorisation for Issue

The financial statements of Asia Siyaka Commodities PLC for the year ended 31 March 2013 were authorised for issue in accordance with a resolution of the Board of Directors on 14th August 2013.

2. GENERAL ACCOUNTING POLICIES

2.1 Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards comprising SLFRS and LKAS (hereafter “SLFRS”), as issued by the Institute of Chartered Accountants of Sri Lanka.

For all periods up to and including year ended 31 March 2012, the Company prepared its Financial Statements in accordance with Sri Lanka Accounting Standards (SLAS) applicable as at 31 March 2012. These Financial Statements for the year ended 31 March 2013 are the first the Company has prepared in accordance with SLFRS.

The Company has consistently applied the accounting policies used in the preparation of its opening SLFRS

Statement of Financial Position at 1 April 2011 through all periods presented, as if these policies had always been in effect. However no material adjustments or reclassifications were made in the process of convergence.

The Financial Statements of the Company have been prepared on a historical cost basis, unless stated otherwise.

The Financial Statements are presented in Sri Lankan Rupees (Rs).

2.1.1 Statement of Compliance

The financial statements of Asia Siyaka Commodities PLC have been prepared in accordance with Sri Lanka Accounting Standards (“SLFRS”) effective for the financial statements beginning on or after 1 January 2012.

The preparation and presentation of these financial statements is in compliance with the Companies Act No. 07 of 2007.

2.1.2 Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future and they do not intend either to liquidate or to cease trading.

2.2 Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at 31 March each year. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies.

Subsidiaries

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

The details of Subsidiaries are as follows

Company Name	Year of Incorporation	Ownership Percentage
Asia Siyaka Warehousing (Pvt) Limited	18.01.1999	100%
Siyaka Produced Brokers (Pvt) Limited	15.02.2008	100%

The consolidated financial statements incorporating all subsidiaries in the Group are prepared to common financial year ending 31 March using uniform Accounting Policies for like transactions and in similar circumstances and are applied consistently. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

All intra-group balances, transactions, income, expenses, profits and losses resulting from intra-group transactions are eliminated in full.

2.3 Significant Accounting Judgments, Estimates and Assumption

The Financial Statements are sensitive to assumptions and estimates made in measuring certain carrying amounts represented in the statement of financial position and amounts charged to the statement of income. These could result in a significant risk of causing material adjustments to the carrying amounts of assets and liabilities which are disclosed in the relevant Notes to the Financial Statements.

(i) Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Management uses judgment in estimating such impairment considering the duration of outstanding and any other factors management is aware of that indicates uncertainty in recoverability.

(ii) Defined Benefit Plans

The Defined Benefit Obligation and the related charge for the year are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates etc. Due to the long term nature of these plans such estimates are subject to significant uncertainty. Further details are given in Note 12.

(iii) Revaluation of Property, Plant and Equipment

Land and Buildings are measured at revalued amounts using the services of an independent qualified valuer. Such valuer uses assumptions and valuation techniques to determine the fair value. The basis of valuation is disclosed in note 3.

2.4 Summary of Significant Accounting Policies

2.4.1 Foreign Currency Translation

The Financial Statements are presented in Sri Lanka Rupees, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.4.2 Taxation

(a) Income Tax

The tax expense for the year comprise current tax and deferred tax. Tax is recognized in the statement of income. The charge for the current tax is based on the results for the year as adjusted for disallowable items calculated on the basis of the tax law enacted as at the reporting date. The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act.

(b) Deferred Tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax liability arises from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or subsequently enacted as at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relates to the same taxable entity and the same taxation authority.

(c) Economic Service Charge (ESC)

As per the provisions of the Economic Service Charge Act No. 13 of 2006, ESC is payable on the liable turnover at specified rates. ESC paid is deductible from the income tax liability. Any unclaimed liability can be carried forward and set off against the income tax payable for further four years. No ESC is payable for the current year of assessment as there is a taxable income for the proceeding year.

(d) Turnover Based Taxes

Turnover based taxes include Value Added Tax (VAT) and Nation Building Tax (NBT). The Company/Group pays such taxes in accordance with the respective statutes.

2.4.3 Borrowing Cost

Borrowing costs are recognised as an expense in the period in which they are incurred except to the extent where borrowing cost that are directly attributable to acquisition, construction or production of assets that takes a substantial period of time to get ready for its intended use or sale. Such borrowing costs are capitalized as part of those assets.

2.4.4 Inventories

Inventories are valued at lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

2.4.5 Property, Plant and Equipment

(a) Initial recognition

All items of property, plant and equipment are initially recorded at cost.

The cost of property, plant and equipment is the cost of acquisition or construction together with any expenses incurred in bringing the asset to its working condition for its intended use. Subsequent to the initial recognition as an asset at cost, revalued assets are

carried at revalued amounts less any subsequent depreciation thereon. All other property, plant and equipment are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Accumulated depreciation is provided for, on the bases specified in (c) below. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

(b) Subsequent Expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from the originally assessed standard of performance, is recognised as an expense when incurred.

(c) Depreciation

Depreciation is calculated by using a straight-line basis on all property, plant and equipment, other than freehold land, in order to write off the cost or valuation over the estimated economic life of such assets.

(d) Revaluation

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of income, in which case the increase is recognised in the statement of income.

A revaluation deficit is recognised in the statement of income, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Cost of repairs and maintenance are charged to the statement of income during the period in which they are incurred.

(e) De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the year the asset is derecognised.

2.4.6 Leases

Finance leases, which transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term. The depreciation policy for depreciable leased assets is consistent with that for depreciable assets that are owned as described in Note 3. Operating lease payments are recognised as an expense in the statement of income on a straight line basis over the lease term.

2.4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to the initial recognition investment properties are stated at cost less accumulated impairment losses, if any.

2.4.8 Intangible assets

Business Combination and Goodwill

Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition.

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.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

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. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro rata to the carrying amount of each asset in the unit.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.4.9 Impairment of Non Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.4.10 Financial instruments - initial recognition and subsequent measurement

Financial assets

a) Initial recognition and measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets as appropriate. The Group determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular

way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include investments in equity securities, trade and other receivables, cash and bank balances.

(b) Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ("EIR"), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR method. The amortisation is included in finance income in the statement of income.

(ii) Available-for-sale financial investments

Available-for-sale financial investments include equity securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are valued at cost.

(c) Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(d) Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of income.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of income.

(ii) Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairments are recognised directly in other comprehensive income.

Financial liabilities

(e) Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, and financial guarantee contracts.

(f) Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of income.

(g) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of income.

(h) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if:

- there is a currently enforceable legal right to offset the recognised amounts and
- there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

(i) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 26.

2.4.11 Trade and Other Receivables

Trade debtors, including amounts owing by subsidiary, deposits and other debtors (excluding non financial assets classified under deposits and other receivables which are measured at cost) are classified and accounted for as loans and receivable. Based on the nature the relevant accounting policy for this category of financial assets are stated in Note 2.4.10c above.

2.4.12 Cash and Cash Equivalents

Cash and cash equivalents are cash at bank and in hand, call deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, cash at bank deposits in banks net of outstanding bank overdrafts. Investments with short maturities (i.e. three months or less from date of acquisition) are also treated as cash equivalents. Bank overdrafts are disclosed under Interest Bearing Liabilities in the statement of financial position.

2.4.13 Provisions

Provisions are recognized when the Company/Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income net of any reimbursement.

If the effect of the time value of money is material, 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, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

2.4.14 Retirement Benefit Obligations

(a) Defined Benefit Plan - Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 - "Employee benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions about discount rate, expected rates of return on assets, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

Accordingly, the employee benefit liability is based on the actuarial valuation as of 31 March 2013, carried out by Messrs Actuarial and Management Consultants (Private) Limited, actuaries.

Funding Arrangements

The Gratuity liability is not externally funded.

(b) Defined Contribution Plans- Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective statutes and

regulations. These are recognized as an expense in the statement of income as incurred.

The Group contributes 12% and 3% of gross emoluments of the employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.4.15 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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, value added taxes, and other sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

(a) Brokerage Income

Brokerage income is recognised on accrual basis

(b) Rendering of services

Revenue from rendering of services is recognised by reference to the stage of completion.

(c) Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, on despatch of the goods.

(d) Interest Income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of income.

(e) Others

Other income is recognised on an accrual basis.

2.5 Standards issued but not yet effective

The following SLFRS have been issued by the Institute of Chartered Accountants of Sri Lanka that have an effective date in the future. Those SLFRS will have an effect on the accounting policies currently adopted by the Company and may have an impact on the future financial statements. Pending a detailed review, the financial impact of these Standards is not reasonably estimable.

(i) 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.

(ii) SLFRS 13 - Fair Value Measurement

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. SLFRS 9 and SLFRS 13 will be effective for financial periods beginning on or after 01 January 2015 and 2014 respectively. In addition to the above, following standards have also been issued and will be effective from 01 January 2014.

SLFRS 10	- Consolidated Financial Statements
SLFRS 11	- Joint Arrangements
SLFRS 12	- Disclosure of Interests in Other Entities

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

2.6 First-time adoption of SLFRS

Reconciliation of Financial Position as at 1 April 2011 (date of transition to SLFRS)

ASSETS	Note	SLAS	Group Remeasurement/ Reclassification	SLFRS	SLAS	Company Remeasurement/ Reclassification	SLFRS
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Non-Current Assets							
Property, Plant and Equipment	A	371,623,519	(35,955,000)	335,668,519	18,128,276	-	18,128,276
Lease Rentals Paid in Advance	A	-	35,955,000	35,955,000	-	-	-
Investments	B & D	100,895	10,374,105	10,475,000	92,100,895	10,374,105	102,475,000
Investment property	C	-	6,000,000	6,000,000	-	6,000,000	6,000,000
Deferred Tax Asset		8,177,839	-	8,177,839	8,177,839	-	8,177,839
		379,902,253	16,374,105	396,276,358	118,407,010	16,374,105	134,781,115
Current Assets							
Inventory		1,931,091	-	1,931,091	1,550,145	-	1,550,145
Short Term Investments	B	10,475,000	(10,475,000)	-	10,475,000	(10,475,000)	-
Trade and Other Receivables		298,501,819	-	298,501,819	291,443,285	-	291,443,285
Loans and Advances		372,347,055	-	372,347,055	372,347,055	-	372,347,055
Other receivables, prepayments and advances	D	10,939,584	100,895	11,040,479	9,742,463	100,895	9,843,358
Cash and Cash Equivalents		33,860,294	-	33,860,294	33,817,614	-	33,817,614
		728,054,843	(10,374,105)	717,680,738	719,375,562	(10,374,105)	709,001,457
Total Assets		1,107,957,096	6,000,000	1,113,957,096	837,782,572	6,000,000	843,782,572
EQUITY AND LIABILITIES							
Capital and Reserves							
Stated Capital		30,000,000	-	30,000,000	30,000,000	-	30,000,000
Revaluation Reserve		214,277,274	-	214,277,274	3,855,899	-	3,855,899
Accumulated Profits	C	197,948,395	6,000,000	203,948,395	91,103,849	6,000,000	97,103,849
Total Equity		442,225,669	6,000,000	448,225,669	124,959,748	6,000,000	130,959,748
Non Current Liabilities							
Retirement Benefit Obligation		37,699,376	-	37,699,376	35,565,791	-	35,565,791
Deferred Tax Liability		23,791,885	-	23,791,885	-	-	-
		61,491,261	-	61,491,261	35,565,791	-	35,565,791
Current Liabilities							
Trade and Other Payables	D	312,630,310	17,301,187	329,931,497	312,630,311	102,483,426	415,113,737
short term loans & overdraft for client finance		228,893,780	-	228,893,780	228,893,780	-	228,893,780
Amounts due to related parties	D	17,301,187	(17,301,187)	-	102,483,426	(102,483,426)	-
Accrued expenses	D	28,809,837	183,917	28,993,754	23,707,305	112,928	23,820,233
Income Tax Payable		11,818,642	-	11,818,642	7,331,928	-	7,331,928
SRL Payable	D	183,917	(183,917)	-	112,928	(112,928)	-
Interest bearing loans and Borrowings		4,602,493	-	4,602,493	2,097,355	-	2,097,355
		604,240,166	-	604,240,166	677,257,033	-	677,257,033
Total Equity and Liabilities		1,107,957,096	6,000,000	1,113,957,096	837,782,572	-	843,782,572

Notes to the reconciliation of Financial Position as at 1 April 2011 (SLFRS 1)

A. On adoption of SLFRS the Company has reclassified the lease rentals paid in advance which was previously shown within the Property, Plant and Equipment.

B. The short term investments were classified as Available - for - sale investments and based on the management intention such investments were classified under non current assets.

C. At the transition date the Company has recognised an Investment Property which was received in the means of the settlement of a loan. The loan was provided as doubtful debtors in full and hence the provision to the extent of the value of the investment property has been adjusted through the retained earnings at the transition date. Utilising the exemptions available under SLFRS 1 the Company has elected to value such investment property under deemed cost.

D. Reclassifications were made for the previously reported balances to be in line with the current year presentation

*Based on Sri Lanka Accounting Standards ("SLAS") as at 1 April 2011. (Date of transition)

**Based on Sri Lanka Accounting Standards comprising LKAS and SLFRS ("SLFRS") as at 1 April 2011. (Date of transition)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

2.6 First-time adoption of SLFRS

Reconciliation of Financial Position as at 31 March 2012

		Group			Company		
ASSETS		SLAS	Remeasurement/ Reclassification	SLFRS	SLAS	Remeasurement/ Reclassification	SLFRS
	Note	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Non-Current Assets							
Property, Plant and Equipment	A	369,212,008	(35,015,000)	334,197,008	6,855,221	-	6,855,221
Lease Rentals Paid in Advance	A	-	35,015,000	35,015,000	-	-	-
Investments	B	-	7,881,390	7,881,390	92,000,000	7,881,390	99,881,390
Investment property	C	-	6,000,000	6,000,000	-	6,000,000	6,000,000
Deferred Tax Asset		8,858,112	-	8,858,112	8,858,112	-	8,858,112
		378,070,120	13,881,390	391,951,510	107,713,333	13,881,390	121,594,723
Current Assets							
Inventory		2,638,447	-	2,638,447	2,501,068	-	2,501,068
Short Term Investments	B	7,881,390	(7,881,390)	-	7,881,390	(7,881,390)	-
Trade and Other Receivables		253,969,527	-	253,969,527	244,008,795	-	244,008,795
Loans and Advances		508,131,828	-	508,131,828	508,131,828	-	508,131,828
Other receivables, Prepayments and advances		10,480,076	-	10,480,076	8,387,704	-	8,387,704
Cash and Cash Equivalents		17,721,884	-	17,721,884	17,610,253	-	17,610,253
		800,823,152	(7,881,390)	792,941,762	788,521,038	(7,881,390)	780,639,648
Total Assets		1,178,893,272	6,000,000	1,184,893,272	896,234,371	6,000,000	902,234,371
EQUITY AND LIABILITIES							
Capital and Reserves							
Stated Capital		100,000,000	-	100,000,000	100,000,000	-	100,000,000
Revaluation Reserve		210,421,375	-	210,421,375	-	-	-
Accumulated Profits	C	162,315,614	6,000,000	168,315,614	46,662,195	6,000,000	52,662,195
Total Equity		472,736,989	6,000,000	478,736,989	146,662,195	6,000,000	152,662,195
Non Current Liabilities							
Retirement Benefit Obligation		36,679,782	-	36,679,782	33,975,269	-	33,975,269
Deferred Tax Liability		23,537,914	-	23,537,914	-	-	-
		60,217,696	-	60,217,696	33,975,269	-	33,975,269
Current Liabilities							
Trade and Other Payables	D	322,323,746	5,926,187	328,249,933	322,323,746	82,428,540	404,752,286
Short term loans & overdraft for client finance		272,238,177	-	272,238,177	272,238,177	-	272,238,177
Amounts due to related parties	D	5,926,187	(5,926,187)	-	82,428,540	(82,428,540)	-
Accued expenses		32,787,279	-	32,787,279	27,504,048	-	27,504,048
Income Tax Payable		6,200,735	-	6,200,735	4,639,933	-	4,639,933
Interest bearing loans and Borrowings		6,462,463	-	6,462,463	6,462,463	-	6,462,463
		645,938,587	-	645,938,587	715,596,907	-	715,596,907
Total Equity and Liabilities		1,178,893,272	6,000,000	1,184,893,272	896,234,371	6,000,000	902,234,371

Notes to the reconciliation of Financial Position as at 31 March 2012 (SLFRS 1)

A. On adoption of SLFRS the Company has reclassified the lease rentals paid in advance which was previously shown within the Property, Plant and Equipment.

B. The short term investments were classified as Available - for - sale investments and based on the management intention such investments were classified under non current assets.

C. At the transition date the Company has recognised an Investment Property which was received in the means of the settlement of a loan. The loan was provided as doubtful debtors in full and hence the provision to the extent of the value of the investment property has been adjusted through the retained earnings at the transition date. Utilising the exemptions available under SLFRS 1 the Company has elected to value such investment property under deemed cost.

D. Reclassifications were made for the previously reported balances to be in line with the current year presentation

*Based on Sri Lanka Accounting Standards ("SLAS") as at 31 March 2012.

**Based on Sri Lanka Accounting Standards comprising LKAS and SLFRS ("SLFRS") as at 31 March 2012.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

2.6 First-time adoption of SLFRS

Reconciliation of statement of income for the year ended 31 March 2012

	Note	SLAS Rs.	Group Remeasurement/ Reclassification Rs.	SLFRS Rs.	SLAS Rs.	Company Remeasurement/ Reclassification Rs.	SLFRS Rs.
Gross Revenue	A & B	298,267,749	97,047,761	395,315,510	245,913,458	28,918,108	274,831,566
Cost of Sales	B	(9,304,014)	86,373	(9,217,641)	(9,217,641)	-	(9,217,641)
Net Revenue		288,963,735	97,134,134	386,097,869	236,695,817	28,918,108	265,613,925
Other Income and Gains		11,151,334	-	11,151,334	37,598,460	-	37,598,460
Selling and Distribution Costs	B	(16,772,327)	200,977	(16,571,350)	(82,496,967)	69,039,627	(13,457,340)
Administrative Expenses	B	(242,209,393)	-	(242,209,393)	(159,803,962)	(622,624)	(160,426,586)
Finance Cost		(63,267,278)	-	(63,267,278)	(72,272,315)	-	(72,272,315)
Finance Income	A	98,331,756	(97,335,111)	996,645	98,299,121	(97,335,111)	964,010
Profit Before Tax		76,197,827	-	76,197,827	58,020,154	-	58,020,154
Income tax expense		(23,795,881)	-	(23,795,881)	(14,427,083)	-	(14,427,083)
Profit for the year		52,401,946	-	52,401,946	43,593,071	-	43,593,071
Other Comprehensive Income for the year, net of tax		-	-	-	-	-	-
Total Comprehensive Income for the year, net of tax		52,401,946	-	52,401,946	43,593,071	-	43,593,071

Notes to the reconciliation of Statement of Income for the year ended 31 March 2012 (SLFRS 1)

A. On adoption of SLFRS the Company has reclassified the interest income received on client financing from finance income to revenue.

B. On adoption of SLFRS the Company recognises revenue net of the amount collected on behalf of its subsidiaries.

*Based on Sri Lanka Accounting Standards ("SLAS") as at 31 March 2012.

**Based on Sri Lanka Accounting Standards comprising LKAS and SLFRS ("SLFRS") as at 31 March 2012.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

3. PROPERTY, PLANT AND EQUIPMENT

Group							
3.1	Gross Carrying Amounts	Balance As at 01.04.2011		Disposal/ Transfers	Balance As at 31.03.2012	Additions/ Acquisition through Subsidiary	Balance 31.03.2013
		Rs.	Additions Rs.	Rs.	Rs.	Rs.	Rs.
	At Cost						
	Buildings	270,785,832	-	-	270,785,832	-	270,785,832
	Furniture and Fittings	11,679,352	315,585	-	11,994,937	292,710	12,287,647
	Office Equipment	86,542,155	1,405,130	2,644,225	85,303,061	1,885,318	86,434,229
	Storage System	13,236,102	-	-	13,236,102	-	13,236,102
	Computer and Accessories	17,770,512	45,570	-	17,816,082	1,952,288	19,768,370
	Motor Vehicle	16,286,408	17,185,714	14,750,000	18,722,122	-	18,722,122
		416,300,363	18,951,999	17,394,225	417,858,136	4,130,316	421,549,532
	Assets on Finance Leases						
	Land Development Cost	13,817,312	11,136,769	-	24,954,081	-	24,954,081
		13,817,312	11,136,769	-	24,954,081	-	24,954,081
	Total Value of Depreciable Assets	430,117,675	30,088,768	17,394,225	442,812,217	4,130,316	446,503,613
3.2	Depreciation	Balance As at 01.04.2011	Charge for the year	Disposal/ Transfers	Balance As at 31.03.2012	Charge for the year	Balance 31.03.2013
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Buildings	9,026,196	9,026,194	-	18,052,390	9,026,194	27,078,584
	Furniture and Fittings	7,929,519	811,282	-	8,740,801	806,905	9,547,706
	Office Equipment	52,004,897	7,639,081	2,644,225	56,999,753	7,097,832	63,343,435
	Storage System	1,985,415	1,985,415	-	3,970,830	1,985,415	5,956,245
	Computer and Accessories	14,870,986	1,476,626	-	16,347,612	706,756	17,054,368
	Motor Vehicle	7,033,250	4,868,419	9,452,083	2,449,586	4,525,791	6,975,377
		92,850,263	25,807,017	12,096,308	106,560,972	24,148,893	129,955,715
	Assets On Finance Leases						
	Land Development Cost	1,598,893	455,344	-	2,054,237	663,890	2,718,127
		1,598,893	455,344	-	2,054,237	663,890	2,718,127
		94,449,156	26,262,361	12,096,308	108,615,209	24,812,783	132,673,842
3.3	Net Book Values						
		2013 Rs.	2012 Rs.	01.04.2011 Rs.			
	At Cost						
	Buildings	243,707,248	252,733,442	261,759,638			
	Furniture and Fittings	2,739,941	3,254,136	3,749,833			
	Office Equipment	23,090,794	28,303,308	34,537,258			
	Storage System	7,279,857	9,265,272	11,250,687			
	Computer and Accessories	2,714,002	1,468,470	2,899,526			
	Motor Vehicle	11,746,745	16,272,536	9,253,158			
		291,278,587	311,297,164	323,450,100			
	Assets on Finance Leases						
	Land Development Cost	22,235,954	22,899,844	12,218,419			
		22,235,954	22,899,844	12,218,419			
	Total Carrying Amount of Property, Plant and Equipment	313,514,541	334,197,008	335,668,519			

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

3.4 During the financial period, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 4,130,316/- (2012 - Rs. 30,088,768/-). Cash payment amounting to Rs.4,130,316/- (2012 - Rs. 30,088,768/-) including Rs.85,375/- as part of acquisition of the subsidiary were made during the period for purchase of Property, Plant and Equipment.

3.5 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of Rs. 62,698,037/- (2012: - Rs. 56,592,374/-).

3.6 The useful lives of the assets is estimated as follows;

Buildings	Over 40 year
Furniture and Fittings	15%
Office Equipment	15%
Storage System	15%
Computer and Accessories	20%
Motor Vehicle	25%
Land Development Cost	Over the lease term

The depreciation rates remained unchanged for all the period presented.

3.7 Fair value of the buildings and storage system of Asia Siyaka Warehousing (Pvt) Ltd was determine by means of a revaluation by Mr.K.A.Perera, an independent valuer inreference to market based evidence. The result of such revaluation was incorporated in the financial statements effective from February 2010. The surplus arising from the revaluation was transferred to revaluation reserve.

PROPERTY, PLANT AND EQUIPMENT

Company

Gross Carrying Amounts	Balance As at 01.04.2011			Balance As at 31.03.2012			Balance As at 31.03.2013	
	Rs.	Additions Rs.	Disposal/ Transfers Rs.	Rs.	Additions Rs.	Disposal/ Transfers Rs.	Rs.	
3.8 At Cost								
Furniture and Fittings	9,918,416	315,585	-	10,234,001	292,710	-	10,526,711	
Office Equipment	12,998,676	388,636	-	13,387,312	1,784,399	-	15,171,711	
Computer and Accessories	17,770,512	45,570	-	17,816,082	1,858,480	-	19,674,562	
Motor Vehicle	16,202,551	-	14,750,000	1,452,551	-	-	1,452,551	
Total Value of Depreciable Assets	56,890,155	749,791	14,750,000	42,889,946	3,935,589	-	46,825,535	

3.9 Depreciation	Balance As at 01.04.2011			Balance As at 31.03.2012			Balance As at 31.03.2013	
	Rs.	Charge for the year Rs.	Disposal/ Transfers Rs.	Rs.	Charge for the year Rs.	Disposal/ Transfers Rs.	Rs.	
At Cost								
Furniture and Fittings	6,241,428	772,700	-	7,014,128	791,158	-	7,805,286	
Office Equipment	10,639,993	791,649	-	11,431,642	746,114	-	12,177,757	
Computer and Accessories	14,870,986	1,476,629	-	16,347,615	673,918	-	17,021,533	
Motor Vehicle	7,009,472	3,683,950	9,452,083	1,241,339	211,212	-	1,452,551	
Total Depreciation	38,761,879	6,724,928	9,452,083	36,034,724	2,422,402	-	38,457,127	

3.10 Net Book Values

At Cost	2013 Rs.	2012 Rs.	As at 01.04.2011 Rs.
Furniture and Fittings	2,721,425	3,219,873	3,676,988
Office Equipment	2,993,954	1,955,670	2,358,683
Computer and Accessories	2,653,029	1,468,467	2,899,526
Motor Vehicle	-	211,212	9,193,079
Total Carrying Amount of Property, Plant and Equipment	8,368,408	6,855,222	18,128,276

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

3.11 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 3,935,589/- (2012 - Rs. 749,791/-) Cash payment amounting to Rs. 3,935,589/- (2012 - Rs. 749,791/-) were made during the period for purchase of Property, Plant and Equipment.

3.12 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of Rs.29,405,505/- (2012 - Rs. 27,865,984/-).

3.13 The useful lives of the assets is estimated as follows;

Furniture and Fittings	15%
Office Equipment	15%
Computer and Accessories	20%
Motor Vehicle	25%

The depreciation rates remained unchanged for all the period presented.

4. INVESTMENTS

	Group			Company		
	2013	2012	As at	2013	2012	As at
Long Term Investments	Rs.	Rs.	01.04.2011	Rs.	Rs.	01.04.2011
Investment in subsidiaries (4.1)	-	-	-	99,137,635	92,000,000	92,000,000
Available for sale investments (4.2)	6,704,000	7,881,390	10,475,000	6,704,000	7,881,390	10,475,000
	6,704,000	7,881,390	10,475,000	105,841,635	99,881,390	102,475,000

4.1 Investment in subsidiaries

Asia Siyaka Warehousing (Pvt) Ltd	-	-	-	92,000,000	92,000,000	92,000,000
Siyaka Produce Brokers (Pvt) Ltd	-	-	-	7,137,635	-	-
	-	-	-	99,137,635	92,000,000	92,000,000

	2013	Holding	01.04.2011
		2012	
Asia Siyaka Warehousing (Pvt) Ltd	100%	100%	100%
Siyaka Produced Brokers (Pvt) Ltd*	100%	-	-

* See note 24 for more details

	2013	2012	As at	2013	2012	As at
4.2 Available for sale investments	Rs.	Rs.	01.04.2011	Rs.	Rs.	01.04.2011
Vallibal One Limited-Quoted	6,704,000	7,881,390	10,475,000	6,704,000	7,881,390	10,475,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

5.	LEASE RENTALS PAID IN ADVANCE Group	2013	2012	As at 01.04.2011
		Rs.	Rs.	Rs.
	Lease rentals paid in advance	47,000,000	47,000,000	47,000,000
	Accumulated amortisation	(12,925,000)	(11,985,000)	(11,045,000)
	Lease rentals paid in advance net of amortisation	34,075,000	35,015,000	35,955,000
5.1 Summary				
		Rs	Rs	Rs
	At the beginning of the year	35,015,000	35,955,000	36,895,000
	Amortisation for the year	(940,000)	(940,000)	(940,000)
	At the end of the year	34,075,000	35,015,000	35,955,000
5.2 Amortisation of Lease Rentals Paid in Advance				
		Rs	Rs	Rs
	To be amortised within one year	(940,000)	(940,000)	(940,000)
	To be amortised from two to five years	(3,760,000)	(3,760,000)	(3,760,000)
	To be amortised after Five years	(29,375,000)	(30,315,000)	(31,255,000)
5.3 Asia Siyaka Warehousing (Pvt) Ltd has entered into a 50 year lease agreement commencing from 22 June 1999 with the Sri Lanka Land Reclamation and Development Corporation to lease a land in Muthurajawela for a total lease rent of Rs.47,000,000/-.				

6.	INVESTMENT PROPERTY	Group / Company		
		2013	2012	As at 01.04.2011
		Rs.	Rs.	Rs.
	Deniyaya Land	6,000,000	6,000,000	6,000,000

Based on the internal assesement the Directors are of the opinion that the fair value of the investment property does not significantly differ from its carrying value at all the periods presented.

In October 2011, Ministry of Land and Land development has issued an Extra Ordinary gazzet Notification No 1518/7 -2007, acknowledging that the part of the land classified as investment property will be acquired by the government for public use.

7.	INVENTORY	Group			Company		
		2013	2012	As at 01.04.2011	2013	2012	As at 01.04.2011
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Packing Material Stock	1,140,609	2,216,081	1,218,112	1,440,609	2,216,081	1,218,112
	Stationary Stock	382,056	284,987	332,033	382,056	284,987	332,033
	Spares	159,450	137,379	380,946	-	-	-
		1,982,115	2,638,447	1,931,091	1,822,665	2,501,068	1,550,145

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

8. TRADE DEBTORS

	Group			Company		
	2013	2012	As at	2013	2012	As at
	Rs.	Rs.	01.04.2011	Rs.	Rs.	01.04.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trade Debtors - Others	436,588,242	253,969,527	298,501,819	412,734,330	256,131,498	305,495,268
- Related Parties (8.1)	-	-	-	325,811	-	-
Less: Allowances for Doubtful Debts (8.2)	(12,122,703)	(12,122,703)	(14,051,983)	(12,122,703)	(12,122,703)	(14,051,983)
	<u>424,465,539</u>	<u>253,969,527</u>	<u>298,501,819</u>	<u>400,937,438</u>	<u>244,008,795</u>	<u>291,443,285</u>

8.1 Trade Debtors - Related Parties

Siyaka Produce Brokers (Pvt) Ltd

	325,811	-	-
	<u>325,811</u>	<u>-</u>	<u>-</u>

8.2 Allowances for Doubtful Debts

As at 31 March 2013, Trade Receivable of an initial value of Rs. 12,122,703/- (2012 - Rs. 12,122,703/-) were impaired and fully provided for. The movement of the allowance for doubtful debt is given below.

	Group/Company	
	2013	2012
	Rs.	Rs.
Balance at the beginning of the year	12,122,703	14,051,983
Amount reversed during the year	-	(1,929,280)
Balance at the end of the year	<u>12,122,703</u>	<u>12,122,703</u>

8.3 Trade receivables are non interest bearing and on 7 days credit terms. As at 31 March, the ageing analysis of trade receivables is as follows:

Company	Total Rs.	Neither past due nor Impaired Rs.	Past due but not impaired 8-90 days Rs.
Trade debtors - Others	400,611,627	400,611,627	-
- Related Parties	325,811	-	325,811
	<u>400,937,438</u>	<u>400,611,627</u>	<u>325,811</u>

Group	Total Rs.	Neither past due nor Impaired Rs.	Past due but not impaired 8-90 days Rs.
Trade debtors - Others	424,465,539	416,150,314	8,315,225
	<u>424,465,539</u>	<u>416,150,314</u>	<u>8,315,225</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

9. LOANS AND ADVANCES

	Group			Company		
	2013	2012	As at 01.04.2011	2013	2012	As at 01.04.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Short Term Loans to Clients	112,180,116	128,908,663	63,750,925	112,180,116	128,908,663	63,750,925
Advances to Clients	551,777,268	381,353,165	310,726,130	551,777,268	381,353,165	310,726,130
Provision for doubtful debts	(2,130,000)	(2,130,000)	(2,130,000)	(2,130,000)	(2,130,000)	(2,130,000)
	<u>661,827,384</u>	<u>508,131,828</u>	<u>372,347,055</u>	<u>661,827,384</u>	<u>508,131,828</u>	<u>372,347,055</u>

10. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT

	Group			Company		
	2013	2012	As at 01.04.2011	2013	2012	As at 01.04.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Components of Cash and Cash Equivalents						
Favorable Cash and Cash Equivalent Balance						
Cash and Bank Balances	73,143,007	17,721,884	33,860,294	64,067,173	17,610,253	33,817,614
	<u>73,143,007</u>	<u>17,721,884</u>	<u>33,860,294</u>	<u>64,067,173</u>	<u>17,610,253</u>	<u>33,817,614</u>
Unfavorable Cash and Cash Equivalent Balance						
Bank Overdraft	(22,005,461)	(6,462,463)	(4,602,492)	(19,267,141)	(6,462,463)	(2,097,355)
Total cash and cash equivalent balance for the purpose of cash flow statement	<u>51,137,546</u>	<u>11,259,421</u>	<u>29,257,802</u>	<u>44,800,032</u>	<u>11,147,790</u>	<u>31,720,259</u>

11. STATED CAPITAL

	2013		2012		As at 01.04.2011	
	Number	Rs.	Number	Rs.	Number	Rs.
Fully Paid Ordinary Shares (11.1)	260,000,000	100,000,000	260,000,000	100,000,000	3,000,000	30,000,000

11.1 Fully paid Ordinary Shares

	2013		2012		As at 01.04.2011	
	Number	Rs.	Number	Rs.	Number	Rs.
Issue of shares for cash	3,000,000	30,000,000	3,000,000	30,000,000	3,000,000	30,000,000
Increase in shares on Bonus share issue	1,000,000	70,000,000	1,000,000	70,000,000	-	-
Increase in shares on share split	256,000,000	-	256,000,000	-	-	-
Balance at the end of the period	<u>260,000,000</u>	<u>100,000,000</u>	<u>260,000,000</u>	<u>100,000,000</u>	<u>3,000,000</u>	<u>30,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

12. RETIREMENT BENEFIT OBLIGATION

	Group		Company	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Retirement Benefits Obligation-Gratuity				
At the Beginning of the Year	36,679,782	37,699,376	33,975,270	35,565,791
Charge / (Reversal) for the year	11,524,579	4,790,546	11,125,495	4,219,619
Payments during the year	(14,050,951)	(5,810,140)	(14,050,951)	(5,810,140)
At the End of the Year	34,153,410	36,679,782	31,049,814	33,975,270

Messrs. Actuarial & Management Consultants (Private) Limited Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity using the projected unit credit method as at 31 March 2013. Appropriate and compatible assumptions were used in determining the cost of retirement benefits.

The principal assumptions used are as follows

Discount Rate	(%)	11% p.a.
Salary Increment Rate	(%)	10% p.a.
Staff turnover rate	(%)	10% p.a.
Retirement Age		50 to 60 years

13. TRADE PAYABLES

	Group			Company		
	2013 Rs.	2012 Rs.	As at 01.04.2011 Rs.	2013 Rs.	2012 Rs.	As at 01.04.2011 Rs.
Trade Payables -Others	421,609,103	328,249,933	329,931,497	410,683,400	328,249,933	329,931,497
- Related Parties (13.1)	-	-	-	144,627,766	76,502,353	85,182,240
	421,609,103	328,249,933	329,931,497	555,311,166	404,752,286	415,113,737

13.1 Amount payable to Related Parties Relationship

Asia Siyaka Warehousing (Pvt) Ltd	Subsidiary	-	-	-	144,627,766	76,502,353	85,182,240
		-	-	-	144,627,766	76,502,353	85,182,240

14. INTEREST BEARING BORROWINGS ON CLIENT FINANCING

	Group / Company		
	2013 Rs.	2012 Rs.	As at 01.04.2011 Rs.
Short term loans and overdrafts obtained for client financing	150,000,000	110,000,000	150,000,000
Bank Overdraft	261,591,217	162,238,177	78,893,780
	411,591,217	272,238,177	228,893,780

The Group has pledged its assets as security for the Interest Bearing Loans and Borrowings obtained as stated in Note 27.1.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

15. REVENUE

	Group		Company	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Brokerage Income	193,453,049	153,779,586	188,315,080	153,779,586
Packing Material Operations	9,803,627	11,091,678	9,803,627	11,091,678
Warehousing Income	102,072,949	111,933,167	-	-
Interest on Loans and Client advances	116,469,082	97,335,111	116,330,497	97,335,111
Others	35,002,666	21,175,968	20,981,594	12,625,191
	456,801,373	395,315,510	335,430,798	274,831,566

16. OTHER INCOME AND GAINS

	Group		Company	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Divident Income	125,700	-	125,700	27,000,000
Profit on sale of Property plant and Equipment	100,000	5,787,798	-	4,387,798
Security Insurance	1,895,829	1,926,752	1,895,829	1,926,752
Commission Income on handling	-	1,317,000	506,065	511,620
Vehicle Hire Income	-	-	-	1,843,010
Recovery of Bad debts	-	1,929,280	-	1,929,280
Commission on sacks	61,502	-	61,502	-
Others	652,281	190,505	107,796	-
	2,835,312	11,151,335	2,696,892	37,598,460

17. FINANCE COST

	Group		Company	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Bank Charges	5,812,568	4,380,963	5,779,297	4,355,463
Guarantee Fee	552,500	6,683,254	552,500	6,683,254
Interest on Short term Financing	53,242,721	44,700,730	53,232,963	44,685,797
Interest on ASWPL Advances	-	-	11,274,287	9,045,469
Debit Tax	-	94,100	-	94,100
Financial VAT	4,918,746	4,375,389	4,918,746	4,375,389
Impairment of Available for sale investments	1,177,390	2,694,505	1,177,390	2,694,505
Facility Fee	-	338,337	-	338,338
	65,703,925	63,267,278	76,935,183	72,272,315

18. FINANCE INCOME

	Group		Company	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Interest-Repo	91,044	-	-	-
Interest on savings accounts	656,933	259,731	656,933	259,731
Other interest	685,917	736,914	655,407	704,279
	1,433,894	996,645	1,312,340	964,010

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

19. PROFIT/(LOSS) BEFORE TAX

Stated after Charging

Employee Benefits including the following
Defined contribution Plan Costs - EPF, ETF
Retirement Benefit Obligation - Gratuity
Depreciation
Audit Fee

Group		Company	
2013	2012	2013	2012
Rs.	Rs.	Rs.	Rs.
71,750,792	60,675,531	57,003,046	46,047,538
9,904,025	9,865,449	8,036,300	8,032,215
11,524,579	4,790,546	11,125,495	4,219,619
24,812,783	25,156,703	2,422,402	6,724,928
526,168	331,700	256,534	192,100

20. INCOME TAX EXPENSE

Current Income Tax
Current Income Tax charge

Deferred Income Tax
Charge/(Reversal) of Deferred Tax (Note 20.2)

2013	2012	2013	2012
Rs.	Rs.	Rs.	Rs.
37,769,970	24,120,750	28,529,977	14,497,981
494,065	(324,869)	1,056,057	(70,898)
38,264,035	23,795,881	29,586,034	14,427,083

20.1 Reconciliation between Accounting Profit and Taxable Income

Accounting Profit (Profit before Taxation)

Exempt Profit
Non deductible expenses
Deductible expenses
Taxable Income

2013	2012	2013	2012
Rs.	Rs.	Rs.	Rs.
131,625,145	76,197,827	78,636,501	58,020,154
-	(27,000,000)	-	(27,000,000)
68,630,619	66,043,711	40,780,427	33,628,603
(46,485,589)	(40,517,181)	(17,524,154)	(12,870,254)
153,770,175	74,724,357	101,892,774	51,778,503
4,788,361			
32,981,609	24,120,750	28,529,977	14,497,981
37,769,970	24,120,750	28,529,977	14,497,981

20.2 Deferred Tax

Deferred Tax Asset

Statement of Financial Position
At the beginning of the year
Reversal for the year
At the end of the year

Income Statement
Capital allowances for tax purposes
Defined benefit obligation

Reversal of Deferred Tax on Derecognised Assets

2013	2012	2013	2012
Rs.	Rs.	Rs.	Rs.
8,858,112	8,177,839	8,858,112	8,177,839
(1,056,057)	680,273	(1,056,057)	680,273
7,802,055	8,858,112	7,802,055	8,858,112
236,929	(1,125,619)	236,929	(1,125,619)
819,128	445,346	819,128	445,346
1,056,057	(680,273)	1,056,057	(680,273)
-	609,375	-	609,375
1,056,057	(70,898)	1,056,057	(70,898)

Deferred Tax Liability

Statement of Financial Position
At the beginning of the year
Reversal for the year
At the end of the year

Income Statement
Capital allowances for tax purposes
Defined benefit obligation

2013	2012	2013	2012
Rs.	Rs.	Rs.	Rs.
(23,537,917)	(23,791,885)	-	-
561,992	253,971	-	-
(22,975,925)	(23,537,914)	-	-
522,083	196,879	-	-
39,909	57,092	-	-
561,992	253,971	-	-

21. EARNINGS PER SHARE

21.1 Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

21.2 The following reflects the income and share data used in the basic Earnings Per Share computation.

	Group		Company	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Amount Used as the Numerator:				
Net Profit for the year	93,361,110	52,401,946	49,050,467	43,593,071
Number of Ordinary Shares Used as the Denominator:				
Weighted Average number of Ordinary Shares in issue applicable to basic Earnings Per Share	260,000,000	260,000,000	260,000,000	260,000,000
Earning Per Share	0.36	0.20	0.19	0.17

21.3 There were no potentially dilutive Ordinary Shares outstanding at any time during the year.

22. DIVIDEND PER SHARE

	Group 2013 Rs.	2012 Rs.	Company 2013 Rs.	2012 Rs.
Total Gross Dividends	-	22,500,000	-	22,500,000
No. of Shares	260,000,000	260,000,000	260,000,000	260,000,000
Dividend per Share	-	0.09	-	0.09

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

23. SEGMENTAL INFORMATION AND REVENUE

Primary reporting format - Business Segments

As at 31 March 2013, the qualifying segments under business segment reporting are as follows;

- Commodity Broking
- Warehousing

The following tables present revenue and profit and certain assets and liability information regarding the Group's business segments:

"No operating segments have been aggregated to form the above reportable operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements."

	Commodity Broking		Warehousing		Elimination of inter-segment		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue								
Sales to external customers	340,784,721	274,831,566	116,016,652	120,483,944	-	-	456,801,373	395,315,510
Total Revenue	340,784,721	274,831,566	116,016,652	120,483,944	-	-	456,801,373	395,315,510
Results								
Finance Costs	(76,942,704)	(72,272,315)	(35,508)	(73,065)	11,274,287	9,078,102	(65,703,925)	(63,267,278)
Finance Income	1,403,384	964,010	11,304,797	9,110,737	(11,274,287)	(9,078,102)	1,433,894	996,645
Profit before Income Tax	80,988,373	(71,308,305)	50,636,772	9,037,672	-	-	131,625,145	76,197,826
Assets and Liabilities								
Segment Assets	1,287,560,614	902,234,372	498,231,921	451,161,253	(243,077,479)	(168,502,353)	1,542,715,056	1,184,893,272
Segment Liabilities	1,078,506,009	749,572,178	37,064,522	33,086,459	(144,953,574)	(76,502,354)	970,616,957	706,156,283

24 BUSINESS COMBINATION

On 19th October 2012, the Company acquired Siyaka Produce Brokers (Private) Limited at a consideration of Rs.7,137,636.

Assets acquired and liabilities assumed

The fair value of assets acquired and liabilities assumed are as follows.

	Fair Value at acquisition Rs.
Assets	
Property, Plant and Equipment	85,375
Trade Other Receivables	4,317,497
Cash and Cash Equivalents	6,800,285
	11,203,157
Liabilities	
Trade and other Payables	(5,079,252)
	(5,079,252)
Total identifiable net assets at fair value	6,123,905
Net assets acquired (100%) stake	6,123,905
Goodwill arising from acquisition	1,013,731
Purchase consideration paid	7,137,636
Cash and Cash Equivalents of subsidiary acquired	6,800,285
Net cash outflow on Acquisition of Subsidiary	337,351

25. COMMITMENTS AND CONTINGENCIES

25.1 Capital Commitments

There are no capital commitments as at the end of the reporting period.

25.2 Contingencies

Brook International (Private) Limited has filed action in the Commercial High Court of Colombo against all brokers and the Brokers Association under case no HC/Civil/261/2009/MR. The company is a member of Brokers Association.

There have been no other significant contingencies as at the end of the reporting period that require adjustments to or disclosure in the financial statements.

26. Fair Values of Financial Instruments

Financial instruments of the Company/Group includes Trade and other receivables, cash and cash equivalents, Interest bearing loans and Borrowings and trade and other payables. The fair values of these financial instruments are determined at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value of quoted investments is based on price quotations at the reporting date.

Hence the carrying amounts of Group's/Company's financial instruments are reasonable approximation of their fair values.

FAIR VALUE HIERARCHY

As at 31 March 2013, the Group held the following financial instruments carried at fair value in the statement of financial position;

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Assets measured at fair value- Company/ Group

	Total Rs	Level 1 Rs
Available for sale investments at 31 March 2013	6,704,000	6,704,000
Available for sale investments at 31 March 2012	7,881,390	7,881,390
Available for sale investments at 1 April 2011	10,475,000	10,475,000

27. ASSETS PLEDGED

27.1 Details of assets pledges together with the related banking facilities are as follows

Bank	Nature of Facility	Facility Limit	Interest	Security/Assets pledged
People's Bank	Overdraft	Rs. 150 Mn	Variable	Mortgage over book debts of Rs. 150 Mn and Corporate Guarantee from Asia Siyaka Warehousing (Pvt) Ltd for Rs. 150Mn.
NDB Bank	Overdraft	Rs.75 Mn	Variable	Mortgage over book debts of Rs. 225 Mn and Corporate Guarantee from Asia Siyaka Warehousing (Pvt) Ltd for Rs. 225Mn.
	Short term loans	Rs. 150 Mn	Variable	
DFCC Vardhana Bank	Overdraft (or Money Market loans)	Rs. 150 Mn	Variable	Mortgage over book debts for Rs. 150 Mn and Corporate Guarantee from Asia Siyaka Warehousing (Pvt) Ltd for Rs.150 Mn and facility agreement for Rs.150Mn.
Commercial Bank	Overdraft	Rs. 125 Mn	Variable	Mortgage over book debts of Rs. 125 Mn and Corporate Guarantee from Asia Siyaka Warehousing (Pvt) Ltd. for Rs. 125 Mn and facility agreement.
Hatton National Bank	Overdraft	Rs. 10 Mn	Variable	Corporate Guarantee from Asia Siyaka Warehousing (Pvt) Ltd

28. EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the reporting period that require adjustments to or disclosure in the financial statements.

29. RELATED PARTY DISCLOSURES

29.1 Details of significant related party disclosures are as follows;

	Asia Siyaka Warehousing (Pvt) Ltd 2013 Rs.	Siyaka Produced Brokers (Pvt) Ltd 2013 Rs.	Total 2013 Rs.
Nature of Transaction			
As at 01 April	(76,502,353)	-	(76,502,353)
Sale of Goods and Services	(92,843,151)	-	(92,843,151)
Fund Received/ (Transferred)	10,780,522	-	10,780,522
Expenses incurred	-	938,679	(938,679)
Payments Made	13,937,216	(612,868)	13,324,348
As at 31 March	(144,627,766)	325,811	(144,301,955)

29.2 Transactions with Key Management Personnel of the Company

Related parties include KMPs defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company and its Subsidiary. Such KMPs include the Board of Directors, Chief Executive Officer and Other Senior Management Executives of the Group who meet the criteria described above.

	2013 Rs	2012 Rs
Short Term benefits	50,050,041	55,193,167
Post Employment Benefits	3,604,678	4,846,884

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise interest bearing loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The senior management of the Group oversees the management of these risks. The senior management of the Group determine on financial risks and the appropriate financial risk governance framework for the Group. The financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, equity investments classified as fair value through profit or loss.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt and short term borrowings with floating interest rates. The Group manages its risk by striking a balance between long term and short term debts. The company has easy access to funds at competitive interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of the long term and short term borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows;

	Group		Company	
	Change in basis points	Change in Profit before tax	Change in basis points	Change in Profit before tax
2013	100 (1%)	3,294,723	100 (1%)	3,294,723

Equity Price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about the future values of the investments securities.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 6,704,000/-. A increase in 5% of the ASPI could have an impact on approximately Rs.690,512 on the Company's/Group's equity. A decrease in 5% of the ASPI could have an impact on approximately Rs.690,512 on the Company's/Group's profit before tax.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD...)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables, Loans and advances) and from its financing activities, including deposits with banks.

Trade receivables

Customer credit risk is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Individual credit limits are defined in accordance with the prior experience with the customers. Outstanding customer receivables are regularly monitored. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actually incurred historical data. Hence the Group evaluate the concentration of risk with respect to trade receivable as low.

The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables, Loans and advances and Cash and cash equivalents are disclosed in Note 8, 9 and 10 respectively.

Liquidity risk

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand Rs	Less than 3 months Rs
Group		
Interest-bearing loans and borrowings on client financing	261,591,217	150,000,000
Trade payables	-	421,609,103
Bank Overdrafts	22,005,461	-
	<u>283,596,678</u>	<u>571,609,103</u>
Company		
Interest-bearing loans and borrowings on client financing	261,591,217	150,000,000
Trade payables	-	555,311,166
Bank Overdrafts	19,267,141	-
	<u>280,858,358</u>	<u>705,311,166</u>

Capital management

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group does not have long term debt in its capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2013 and 31 March 2012.

SHARE HOLDER INFORMATION

	As at 31.03.2013	As at 31.03.2013
01 SHARE PRICES FOR THE YEAR		
Market price per share		
Highest during the year	Rs.22.00 (12.09.2012)	N/A
Lowest during the year	Rs. 2.80 (28.03.2013)	N/A
As at the end of the year	Rs. 2.80	N/A

02 NET ASSET VALUE PER SHARE		
Net Asset Value per Share	RS. 0.77	RS. 0.59
03 EARNINGS PER SHARE		
Earnings per Share	RS. 0.19	RS. 0.17
04 DIVIDEND PER SHARE		
Dividend per Share	-	RS. 0.09

05 DIRECTORS SHAREHOLDING AS AT 31ST MARCH 2013

	NO OF SHARES	%
01 Dr. S A B Ekanayake	9,747,143	3.749
02 Mr. A R Cooke	8,839,118	3.400
03 Mr. M R Abeywardena	8,353,067	3.213
04 Mr. D J Wedanda	Nil	
05 Mr. W M R Iddawela	Nil	
06 Mr. K A K P Gunawardena	Nil	
07 Mr. K I M Ranasoma	Nil	
08 Mr. N T Bogahalande	Nil	
09 Mr. A A Wijepala	Nil	
10 Mr. M Murath	Nil	

06 SHARE DISTRIBUTION

Shareholding as at 31 March 2013

From	To	No of Holders	No of Shares	%
1	1,000	237	69,855	0.03
1,001	10,000	164	591,547	0.23
10,001	100,000	57	1,720,179	0.66
100,001	1,000,000	10	2,003,171	0.77
Over 1000,000		14	255,615,248	98.31
		482	260,000,000	100.00

07 CATERGORIES OF SHAREHOLDERS

	No of Holders	No of Shares	%
Local Individuals	472	82,386,399	31.69
Local Institutions	9	177,427,610	68.24
Foregin Individuals	1	185,991	0.07
Foregin Institutions	0	-	0.00
	482	260,000,000	100

08 PUBLIC HOLDING

Percentage of Public Holding as at 31 March 2013 was 21.49%

SHARE HOLDER INFORMATION

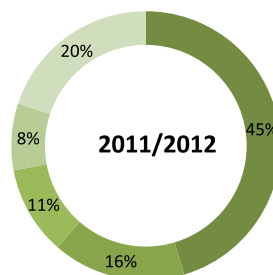
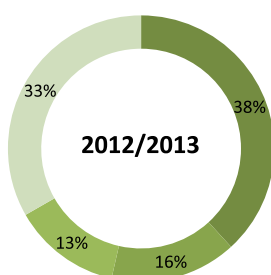
09 MAJOR SHARE HOLDERS AS AT 31ST MARCH 2013

	NO OF SHARES	%
01 Lanka Commodity Brokers Limited	132,600,000	51.000
02 LOLC Investments Limited	44,590,000	17.150
03 MR. A R Cooke	9,747,143	3.749
04 MR. L Alawattegama	9,747,143	3.749
05 Mr. U A Sirisekera	8,861,118	3.408
06 Mr. W M R Iddawela	8,839,118	3.400
07 Mr. R L Kumaratne	8,541,880	3.285
08 Mr. D J Wedande	8,353,067	3.213
09 Mr. Y Kuruneru	4,998,123	1.922
10 Mr. R C Dissanayake	4,214,557	1.621
11 Mr. R P Kaluarachchi	4,192,278	1.612
12 Mr. W K S N D Fernando	4,175,656	1.606
13 Mr. N A De Mel	3,427,351	1.318
14 Mr. S Wickramasekara	3,327,814	1.280
15 Dr. R R De Silva	343,528	0.132
16 Mr. S S Samaranayake	265,734	0.102
17 Mr. D A T Athukorala	250,000	0.096
18 Pan Asia Banking Corporation Plc / Mrs. S Gobinath	206,000	0.079
19 Mr. E D Dias	205,341	0.079
20 Mr. M Gokulanath	185,991	0.072
21 Others	257,071,842	98.874
Total	2,928,158	1.126
	260,000,000	100.000

VALUE ADDED STATEMENT

	Group				Company			
	2012/2013 Rs.'000	%	2011/2012 Rs.'000	%	2012/2013 Rs.'000	%	2011/2012 Rs.'000	%
Gross Revenue	456,801,373		395,315,510		335,430,798		274,831,566	
Other Income	2,835,312		11,151,334		2,696,892		37,598,460	
	459,636,685		406,466,844		338,127,690		312,430,026	
Cost of materials and services obtained	(113,174,140)		(126,700,258)		(83,982,328)		(94,066,410)	
Value Addition	346,462,545		279,766,586		254,145,362		218,363,616	
Value Allocated to:								
To Employees								
Salaries, wages and other benefits	132,344,089	38	127,001,363	45	101,846,650	40	94,589,326	43
To Providers of funds								
Interest to money lenders	53,242,721	15	44,700,730	16	64,507,250	25	53,731,266	25
To Government								
Financial Value Added Tax	4,918,746		4,375,389		4,918,746		4,596,361	
VAT / NBT / Stamp Duty	2,443,337		976,995		1,808,812		686,581	
Rates & Taxes	404,330		417,580		5,000		15,000	
Income Tax	37,769,970		24,120,750		28,529,977		14,497,981	
	45,536,383	13	29,890,714	11	35,262,535	14	19,795,923	9
To Providers of capital								
Dividend paid to share holders	-	-	22,500,000	8	-	-	22,500,000	10
To expansion and growth								
Profit retained	93,361,110		29,901,945		49,050,467		21,093,071	
Depreciation and Amortization	21,484,177		26,096,703		2,422,403		6,724,928	
Deferred Taxation	494,065		(324,869)		1,056,057		(70,898)	
	115,339,352	33	55,673,779	20	52,528,927	21	27,747,101	13
	346,462,545	100	279,766,586	100	254,145,362	100	218,363,616	100

	Group		Group	
	2012/2013	%	2011/2012	%
To Employees	132,344,089	38	127,001,363	45
To Providers of funds	53,242,721	15	44,700,730	16
To Government	45,536,383	13	29,890,714	11
To Providers of capital	-	-	22,500,000	8
To expansion and growth	115,339,352	33	55,673,779	20
	346,462,545	100	279,766,586	100



■ To Employees
 ■ To Providers of funds
 ■ To Government
 ■ To Providers of capital
 ■ To expansion and growth

GLOSSARY OF FINANCIAL TERMS

ACCOUNTING POLICIES

The specific principals, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

EARNING PER SHARE

Profit attributable to ordinary shareholders divided by the number of ordinary shares.

AMORTISATION

The systematic allocation of depreciable amount of an intangible asset over its useful life.

NET ASSETS

Sum of fixed assets and current assets less total liabilities.

NET ASSETS PER SHARE

Net assets at the end of the period divided by the number of ordinary shares in issue.

RETURN ON EQUITY

Profit before tax divided by equity at the end of the period.

DIVIDENDS

Distribution of profits to holders of equity investments.

RELATED PARTIES

Parties who could control or significantly influence the financial and operating policies of the company.

VALUE ADDITION

The quantum of wealth generated by the activities of the group and its application.

PAT

Profit After Taxation.

PBT

Profit Before Taxation.

BORROWINGS

Bank loans, overdrafts, obligations and interest bearing liabilities.

CONTINGENT LIABILITY

A possible obligation that arises from past events 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 enterprise.

CURRENT RATIO

Current assets divided by current current liabilities.

CASH & CASH EQUALANT

Liquid investments with original maturity periods of three months or less.

SHAREHOLDER FUNDS

Total of issued and fully paid up capital, and reserves.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Asia Siyaka Commodities PLC will be held at the Auditorium of The Ceylon Chamber of Commerce on 23rd September 2013 at 9.30 a.m. for the following purposes:

1. ORDINARY BUSINESS

- 1.1 To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and the Statement of Accounts for the year ended 31st March 2013 and the Report of the Auditors thereon.
- 1.2 To re-elect Mr. M Murath who retires in terms of Articles 94 of the Articles of Association, as a Director of the Company.
- 1.3 To re-elect Mr. S T Gunatilleke who retires in terms of Articles 94 of the Articles of Association, as a Director of the Company.
- 1.4 To re-elect Mr. S Sirisena who retires in terms of Articles 94 of the Articles of Association, as a Director of the Company.
- 1.5 To re-elect Mr. B A Hulangamuwa who retires in terms of Articles 94 of the Articles of Association, as Director of the Company.
- 1.6 To re-appoint Messrs Ernst & Young, Chartered Accountants, the retiring Auditors and to authorise the Directors to determine their remuneration.
- 1.7 To authorise the Directors to determine donations for the year ending 31st March 2014 and up to the date of the next Annual General Meeting."

2. SPECIAL BUSINESS

- 2.1 To pass the ordinary resolution set out below to appoint Dr. I A Ismail who is 76 years of age, as a Director of the Company;

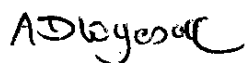
IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not apply to Dr. I A Ismail who is 76 years of age and that he be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007"

- 2.2 To consider and if thought fit to pass the following resolution as a Special Resolution as set out below for the amendment to the Articles of Association:

IT IS HEREBY RESOLVED THAT the Articles of Association be amended by the deletion of Article 109 and the substitution thereof the following:

109. The quorum necessary for the transaction of the business of the Directors may be from time to time be determined by the Board and, unless so determined at any other number, shall be five. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors."

By Order of the Board
ASIA SIYAKA COMMODITIES PLC



P W Corporate Secretarial (Pvt) Ltd
Director / Secretaries
At Colombo

14 August 2013

Notes:

- 1) A shareholder entitled to attend or attend and vote at the Meeting is entitled to appoint a Proxy who need not be a shareholder, to attend or attend and vote instead of him/her. A Proxy may vote on a poll (and join in demanding a poll) but not on a show of hands.
- 2) A Form of Proxy is enclosed in this Report.
- 3) The completed Form of Proxy should be deposited at the Office of the Secretaries of the Company, No. 3/17, Kynsey Road, Colombo 08 by 9.30am on 20th September 2013

FORM OF PROXY

*I/We.....of.....Being a *Shareholder /Shareholders of Asia Siyaka Commodities PLC, do hereby appointofor failing him/her

Dr. S A B Ekanayake	of Colombo or failing him
Mr. A R Cooke	of Colombo or failing him
Mr. D J Wedande	of Colombo or failing him
Mr. Y Kuruneru	of Colombo or failing him
Mr. S G Amarasuriya	of Colombo or failing him
Mr. M Murath	of Colombo or failing him
Mr. S Sirisena	of Colombo or failing him
Mr. S T Gunatilleke	of Colombo or failing him
Mr. B A Hulangamuwa	of Colombo or failing him

as *my/our proxy to represent me/us and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 23rd September 2013 at the Auditorium of The Ceylon Chamber of Commerce, and any adjournment thereof and at every poll which may be taken in consequence thereof:

1	ORDINARY BUSINESS	FOR	AGAINST
1.1	To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and the Statement of Accounts for the year ended 31st March 2013 and the Report of the Auditors thereon.	☐	☐
1.2	To re-elect Mr. M Murath who retires in terms of Articles 94 of the Articles of Association, as a Director of the Company.	☐	☐
1.3	To re-elect Mr. S T Gunatilleke who retires in terms of Articles 94 of the Articles of Association, as a Director of the Company.	☐	☐
1.4	To re-elect Mr. S Sirisena who retires in terms of Articles 94 of the Articles of Association, as a Director of the Company.	☐	☐
1.5	To re-elect Mr. B A Hulangamuwa who retires in terms of Articles 94 of the Articles of Association, as a Director of the Company.	☐	☐
1.6	To re-appoint Messrs Ernst & Young, Chartered Accountants, the retiring Auditors and to authorise the Directors to determine their remuneration.	☐	☐
1.7	To authorise the Directors to determine donations for the year ending 31st March 2014 and up to the date of the next Annual General Meeting.	☐	☐
2	SPECIAL BUSINESS		
2.1	To pass the ordinary resolution set out below to appoint Dr. I A Ismail who is 76 years of age, as a Director of the Company;	☐	☐
	"IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not apply to Dr. I A Ismail who is 76 years of age and that he be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007"		
2.2	To consider and if thought fit to pass the following resolution as a Special Resolution as set out below for the amendment to the Articles of Association:	☐	☐
	"IT IS HEREBY RESOLVED THAT the Articles of Association be amended by the deletion of Article 109 and the substitution therefor of the following:		

109. The quorum necessary for the transaction of the business of the Directors may be from time to time be determined by the Board and, unless so determined at any other number, shall be five. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors."

Signed this..... day of Two Thousand and Thirteen.

.....
Signature

- 1) *Please delete the inappropriate words.
- 2) Instructions as to completion are noted on the reverse thereof.
- 3) If you wish your Proxy to speak at the meeting you should interpolate the words "and to speak" immediately after the words "to vote".

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the Form of Proxy after filling in legibly your full name and address and sign in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than Directors as your proxy, please insert the relevant details in the space provided overleaf.
3. In terms of Article 73 of the Articles of Association of the Company;
 - (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 signed as provided by its Articles of Association by person/s authorised to do so, on behalf of the Corporation. The Company may, but shall not be bound to require evidence of the authority of any person so signing
 - (iii) a proxy need not be a Shareholder of the Company.
4. In terms of Article 68 of the Articles of Association of the Company

In the case of joint-holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, 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 stand in the Register of Members in respect of the joint holding.
5. To be valid the completed Form of Proxy shall be deposited at the Office of the Secretaries of the Company, No. 3/17, Kynsey Road, Colombo 08 by 9.30am on 20th September 2013

CORPORATE INFORMATION

NAME OF THE COMPANY - ASIA SIYAKA COMMODITIES PLC

COMPANY REGISTRATION NO - PV 3562/PB/PQ

LEGAL FORM - A Public Quoted Company with Limited Liability

DATE OF INCORPORATION

The Company was incorporated bearing Company Registration No. PV 3562 on 16th February 1998 and was converted to a public limited liability company on 28th March 2012 under Company Registration No. PV 3562/PB.

The shares were listed in the Colombo Stock Exchange on 12th September 2012.

NATURE OF BUSINESS

To carry on the business of Tea Brokers, Rubber Brokers, Produce Brokers, Auctioneers, Appraisers, Valuers, Commission Agents and General Agents.

HEAD OFFICE AND REGISTERED OFFICE

1st Floor, 'Deutsche House'

No.320, T.B. Jayah Mawatha, Colombo 10.

Telephone: +94 114600700

Fax: +94 112678145

E-mail: tea@siyaka.lk

Website: www.asiasiyaka.com

SUBSIDIARY COMPANIES

Asia Siyaka Warehousing (Pvt) Ltd

Siyaka Produce Brokers (Pvt) Ltd

SECRERARIES

P W Corporate Secretarial (Pvt) Ltd

3/17, Kynsey Road

Colombo 08.

Telephone: +94 11 4640360-3

Fax: +94 11 4740588

AUDITORS

Ernst & Young, Chartered Accountants

201, De Saram Place

P.O. Box 101

Colombo 10.

BANKERS

NDB Bank PLC

Bank of Ceylon

Commercial Bank of Ceylon PLC

Sampath Bank PLC

Peoples Bank

Seylan Bank PLC

DFCC Vardhana Bank PLC

HSBC Ltd

Hatton National Bank PLC

BOARD OF DIRECTORS

Dr. S.A.B. Ekanayake - Chairman	Appointed w.e.f. 20.02.2013
Mr A R Cooke - Managing Director	
Mr D J Wedande - Executive Director	
Mr W M R Iddawela - Executive Director	Resigned w.e.f. 31.03.2013
Mr N T Bogahalande - Executive Director	Resigned w.e.f. 17.07.2013
Mr K A K P Gunawardena	Resigned w.e.f. 31.05.2013
Dr K I M Ranasoma	Appointed w.e.f. 05.07.2012
Mr M R Abeywardena	Resigned w.e.f. 15.04.2013
Mr A A Wijepala	Resigned w.e.f. 07.05.2013
Mr. M. Murath	Appointed w.e.f. 20.02.2013
Mr. S.T. Gunatilleke	Appointed w.e.f. 22.05.2013
Mr. S. Sirisena	Appointed w.e.f. 22.05.2013
Mr. S.G. Amarasuriya	Appointed w.e.f. 22.05.2013
Mr. Y. Kuruneru - Executive Director	Appointed w.e.f. 22.05.2013
Mr. B.A. Hulangamuwa	Appointed w.e.f. 22.05.2013

