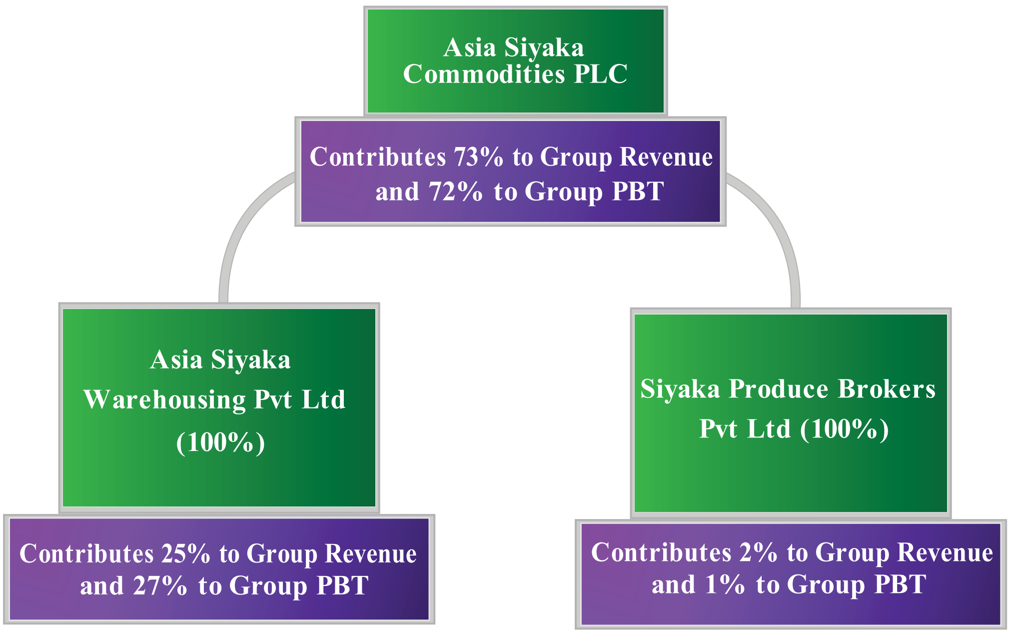
ASIA Siyaka

COMMODITIES PLC.

2015 Annual Report

About Us

Asia Siyaka Commodities PLC ("ASC") is one of Sri Lanka's top tea brokers, handling an average of 43 million kilogrammes of tea annually which amounts to approximately 14% of the country's total traded tea volumes. With an established track record of over 17 years, the Company has been at the forefront of transforming Sri Lanka's tea auction logistics, pioneering several innovative and pragmatic solutions. In addition to tea and several non-traditional commodity broking, the Company offers warehousing services at its state-of-the-art warehousing facility through its fully owned subsidiary, Asia Siyaka Warehousing (Pvt) Ltd and also acts as an intermediary in the sale of rubber through Siyaka Produce Brokers (Pvt) Ltd. The value creation process directly benefits over 135 factories, estates and mills, 17 regional plantation companies, 275,000 smallholders as well as 175 traders and exporters. ASC's team of 98 employees are bound by shared values and common goals and represent a diverse mix of industry experience, skills and talent.



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

Contents

Performance Highlights

Total Revenue:
LKR 607 million

Total Profit After Tax:
LKR 108 million

Market Share:
14%

Employees:
98

Total Training Hours:
1984

Financial Support to Clients:
LKR 1141 million

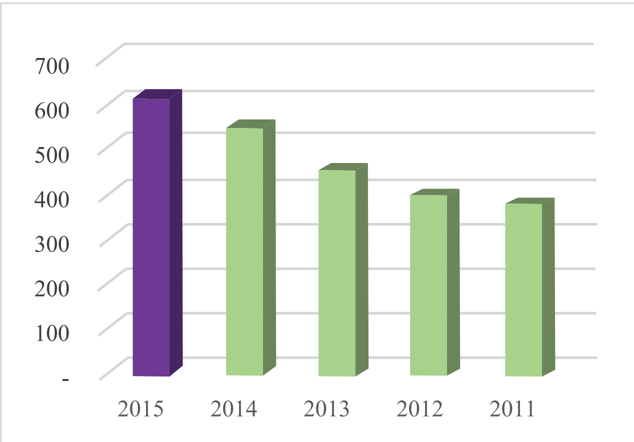
Staff Retention Ratio:
96%

Engagement with industry bodies:
84 meetings

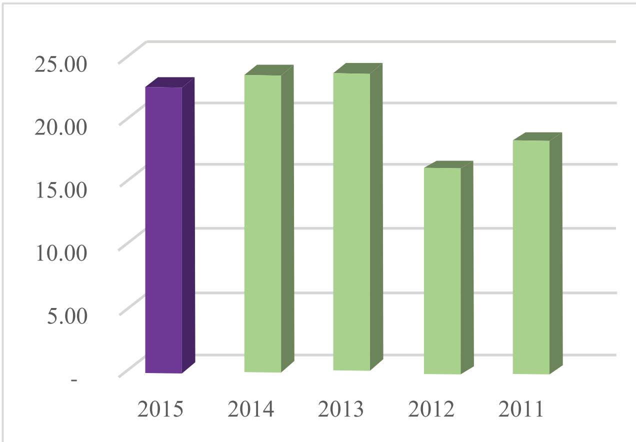
For the year ended 31 March	2015/2014	2014/2013	2013/2012	2012/2011	2011/2010
	Rs.	Rs.	Rs.	Rs.	Rs.
Opperations					
Gross Revenue	607,396,061	548,157,667	456,801,373	395,315,510	377,316,524
Profit Before Taxation	161,703,246	164,147,555	136,437,471	76,197,827	81,650,036
Profit After Taxation	108,439,349	117,414,088	96,776,325	52,401,946	39,333,687
Return on Equity (%)*	22.65	23.62	23.85	15.92	18.22
Statement of Financial Position as at 31 March					
Current Assets	1,803,045,289	1,313,401,208	1,173,605,728	792,941,762	717,680,738
Current Liabilities	1,471,606,225	1,030,146,340	913,487,622	645,938,587	604,240,165
Total Assets	2,249,734,516	1,793,022,620	1,542,715,056	1,184,893,272	1,113,957,096
Total Liabilities	1,535,668,181	1,098,927,240	970,616,957	706,156,283	665,731,427
Net Assets	714,066,335	694,987,505	572,098,099	478,736,989	448,225,669
Per Share					
Number of Shares 260,000,000					
Earnings (Rs.)	0.42	0.45	0.37	0.20	0.15
Net Assets (Rs.)	2.75	2.67	2.20	1.84	1.72

*Return on Equity: Calculated based on Profit Before Taxation

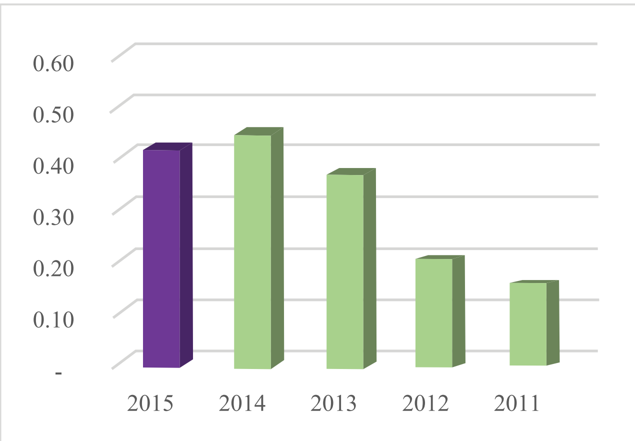
Gross Revenue (Rs. Mn)



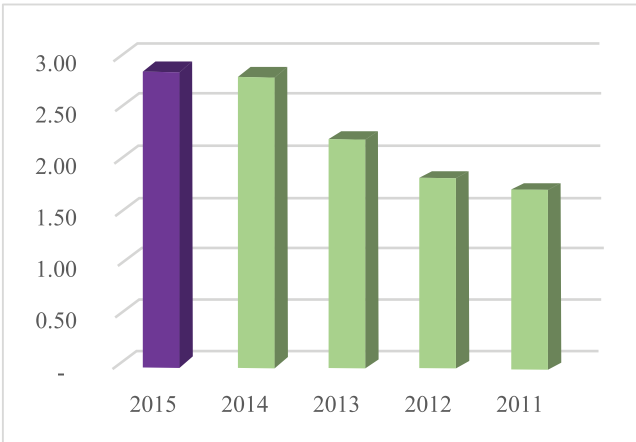
Return on Equity (%)



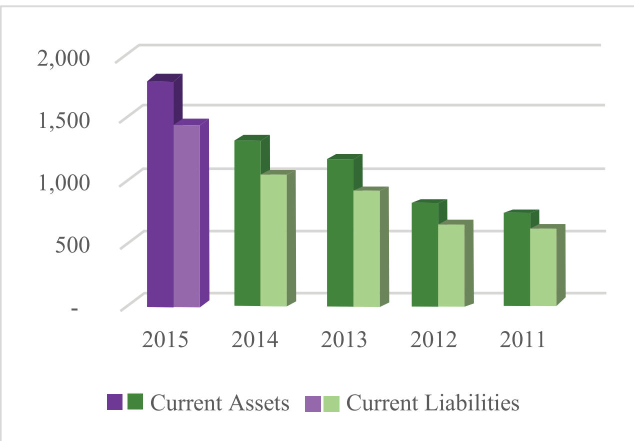
Earnings per Share (Rs.)



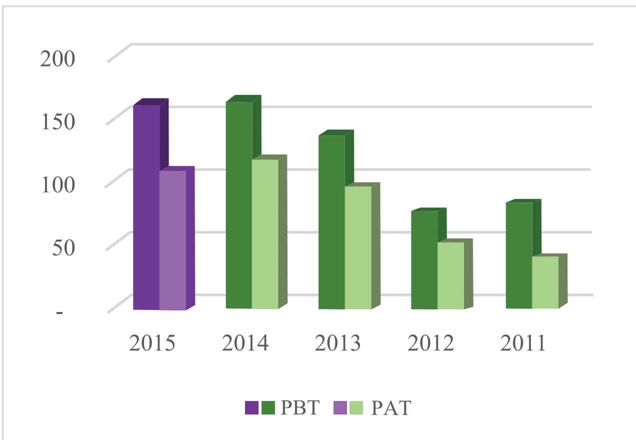
Net Assets per Share (Rs.)



Current Assets / Liabilities (Rs. Mn)



PBT / PAT (Rs. Mn)



Commitment Towards Quality

In demonstrating our commitment towards quality, we have obtained certifications which provide assurance to our stakeholders on systems and processes implemented within the Group. During the year, we successfully obtained ISO 9001: 2008 Quality Management System for our Tea Sampling Department ensuring the highest standard of quality to our buyers. In addition, our warehouse was the first ISO certified facility of its kind, obtaining ISO 9001:2008 in 2003 and HACCP/ISO 22000 in 2012.

Awarding of the ISO 9001: 2008 Certificate by the Vice President of TÜV SÜD South Asia Private Limited, Mumbai

Stakeholder Engagement

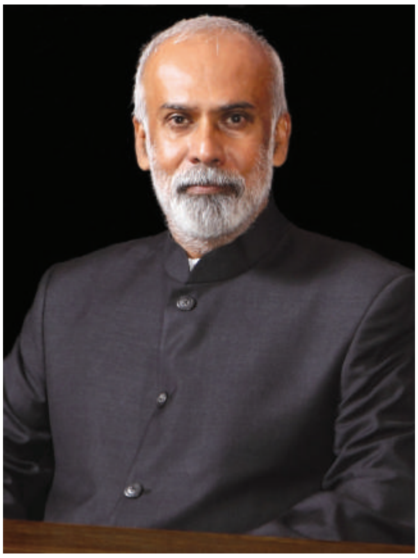
The Group engages with multiple stakeholders on a proactive basis in order to identify their needs and all legitimate material aspects, thereby enhancing the Group's ability to create value. Effective management of this process has also allowed the Group to identify critical areas for creating shared value across the industry value chain and revolutionise multiple aspects of the tea logistics process.

Stakeholder Group	Engagement	Stakeholder Needs
Shareholders	The Group publishes its annual report, quarterly financial statements and other announcements on material developments on a consistent basis. The Annual General Meeting is also used as an effective platform to engage with shareholders.	Adequate financial returns commensurate with the risk undertaken as well as long-term sustainability and growth of the Group.
Employees	An open door policy is maintained with all employees, supported by clearly defined HR policies and processes, performance appraisals, staff meetings and multiple work-life balance initiatives.	Employee concerns range from fair remuneration, opportunities for career and skill development to dignity of labour among others.
Clients - Commodity producers, warehousing clients and buyers of estate supplies	Client relationships are managed through a multi-dimensional approach to value creation including weekly and quarterly performance reviews, research reports analysing industry and country trends, technical advisory on estate and factory management and site visits.	Consistent demand and obtaining a fair price for their produce is paramount to our clients. Suppliers seek to clearly identify buyer requirements and changing market conditions in order to produce output that is in demand. The needs of our warehousing clients include quality retention, ease of transaction and system efficiencies.
Buyers	The Group manages its buyer relationships through a holistic engagement framework including continuous weekly engagement at the auction, face to face meetings at multiple levels, industry and country specific research reports, site visits and written communications.	The primary objectives of our buyers include obtaining high quality produce, transparent and fair pricing, ease of conducting transactions and efficient logistics.
Industry Bodies/Associations	Our team represents and/or hold leadership positions in several industry bodies and associations including the Colombo Brokers Association, Colombo Tea Traders Association, Sri Lanka Tea Board, Colombo Rubber Traders' Association, Ceylon Chamber of Commerce, Spices & Allied Products Producers' & Traders' Association among others. We play an active role in these industry bodies through participating in regular meetings, engaging in industry forums and other initiatives including promotional campaigns.	Engaging with all stakeholders in ensuring the long-term sustainability of the respective industries including contributions to policy making, planning and operational aspects of the respective sectors.

Stakeholder Group	Engagement	Stakeholder Needs
Community	Internship and other training opportunities are provided to students pursuing degrees in agriculture as part of our community engagement initiatives. We engage with tea small holders through conducting seminars, site visits and multi-level discussions. Furthermore, donations and other forms of support are provided to schools in estate communities.	The main concerns of the planting communities are centred on their socio economic progress. Students engaged in our internship programmes, seek opportunities for skill development, training and increased employability.
Government/Regulators	Requirements of the regulator are met through quarterly performance reviews and other announcements. We engage with the Government through our representation in industry associations, participation in economic and industry forums and contributions to policy making among others.	Compliance to legal and statutory regulations and timely payment of dues such as income tax, PAYE tax etc. Actively participate in initiatives to mobilise stakeholders and ensure sustainability of industries.

OUR
LEADERSHIP
ORGANIZATION
GOALS
QUALITY PROCESS
MANAGING
BUDGET
CONCEPTS
APPROACH
ANALYSIS
STAKEHOLDER
PLANNING
TIME
RISK
COST
BENEFIT
MANAGER
RESOURCES
MONITORING

Chairman's Review



It is with great pleasure that I present the Annual Report of Asia Siyaka Commodities PLC ("ASC" or the "Company") for the financial year ended 31 March 2015. The Company, together with its subsidiaries, Asia Siyaka Warehousing (Pvt) Ltd and Siyaka Produce Brokers (Pvt) Ltd (collectively referred to as the "Group") turned in a year of commendable performance despite multiple challenges presented by the external environment. Building on core strengths of the Group and unparalleled industry insights of our leadership, the Group continued to focus increasingly on higher value addition to its stakeholders. Noteworthy achievements during the year under review include growth in all the Group's key business lines, retaining market share and market position as one of the country's leading tea and commodity brokers and embarking on our second warehousing project.

Overall, the country's economic environment during the year was conducive to businesses, with interest rates at historical lows and the benign inflationary environment leading to increased consumer behaviour. The tea industry however, experienced multiple challenges due to geo political and economic turmoil in key buying countries; Syria, Iran, Libya and the Middle Eastern region experienced sharp economic downturn due to numerous reasons ranging from drop in oil prices to social unrest and trade restrictions among others. As a result, demand from Sri Lanka's key destination markets decelerated, particularly during the last 2 quarters of the financial year, leading to a sharp decline in global tea prices. Accordingly, average prices at the Colombo Tea Auction decreased 12% during the year under review. Meanwhile, adverse weather conditions during the major part of the year led to a sharp drop in the country's rubber production whilst prices persistently declined against the backdrop of dwindling global demand. On the other hand, the coconut industry experienced a good year upheld by higher production levels and increased prices amidst a shortfall in global supply. Production of minor export crops was negatively impacted by adverse weather conditions during the year.

During the year, our strategic imperatives were centred on enhancing the value proposition to our key stakeholders. We focussed on further expanding the range and depth of services offered to our customers, through strengthening our research capabilities and increasing our engagement with tea factories as well as plantation companies, smallholders and millers. This focus allowed the Group to retain its market position as the fourth leading tea broker in the country whilst market share was maintained at around 14%.

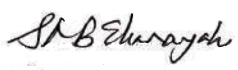
The Group's revenue expanded by 10.8% to LKR 607.40 million during the year, supported by growth in all its key business lines. Broking continued to be the Group's mainstay and a strategic approach towards value creation to all our stakeholders' ensured sustenance of our position as an industry leader and innovator in this business line. Despite non-conducive external market conditions both in the tea and rubber industries, our broking income increased by 7.2% during the year.

Meanwhile, building on our position as the industry's pioneer in value-added warehousing we were able to successfully increase our capacity utilisation levels during the year, leading to an 11.0% growth in this business line. Furthermore, the Group's financial services business line, a crucial component of our customer value addition process recorded a healthy 13.5% growth. Overall, the Group's pre-tax profit was largely unchanged from last year at LKR 161.70 million as overhead expenses escalated in line with increases in employee remuneration and capacity building initiatives.

During the next financial year, we will focus on building upon our core competencies to achieve operational growth and business expansion. Accordingly, the key focus area for the next financial year will be the construction of our second state-of-the-art warehousing facility which is expected to double our storage capacity. With the commissioning of this facility, the Group will grow as the largest warehouse operator at the Colombo Tea Auction whereas earning contributions from the new initiative are also expected to be significant. On the other hand, challenges in the industry are expected to prevail at least for the first half of the year, as the industry grapples with waning external demand, falling prices, the impending wage hike for plantation sector workers as well as low labour productivity and poor soil conditions. Notwithstanding the above, we remain confident of the Group's ability to weather these challenges, supported by the strength of our leadership and focussed approach to value creation.

Acknowledgements

I would like to take this opportunity to thank my colleagues on the Board for their continued support and valuable input extended to the Group. I also appreciate the efforts of the Management team and all staff whose commitment, loyalty and dedication is our most valuable asset and look forward to their support as we look to further fortify our position. In addition I am grateful to our customers, regulators, the Government and all other stakeholders for their continued support.



Dr. Anura Ekanayake
Chairman
22 July 2015

Managing Director's Review

It is indeed a pleasure to place before you the performance of the Company and its subsidiaries for the financial year ending 31 March 2015, a year in which the Group's mettle was tested by a challenging industry landscape. The Group demonstrated strong resilience to achieve a top line growth of 10.8% whereas total pre-tax profit for the year was LKR 161.70 million, translating to Earnings Per Share of LKR 0.42. ASC and its subsidiaries achieved broad-based expansion in all its key business lines, as we pursued a focussed and strategic approach towards growth.

Industry landscape in 2014/15…

Sri Lanka's tea production levels remained largely unchanged over the previous year, upheld by increased production of Low and High-grown varieties during the latter part of the year. The prevalent external market conditions however, posed multiple challenges for the industry, as several major consuming markets experienced geopolitical and economic turmoil. Demand from Middle East and North Africa, Sri Lanka's largest export region, dwindled during the year, attributed mainly to the sharp drop in oil prices and international political factors. Meanwhile, declining oil revenue, depreciation of the Russian Ruble amid economic sanctions affected demand from Russia and the Commonwealth of Independent States. Resultantly, tea prices started to decline from the third quarter of 2014 continuing its downward spiral for the first half of 2015. Meanwhile, the country's rubber industry also experienced a difficult year, as production fell due to unfavourable weather conditions whilst global demand contracted due to stock piling in key rubber consuming economies. The coconut industry rebounded during the year with increased production in most related products such as desiccated coconut, coconut cream and milk whilst prices moved upwards in line with increased export demand amidst global supply shortages. Meanwhile, production of minor export crops (including pepper, nutmeg and cloves) recorded a downturn during the year due to non-conducive climatic conditions.

Creating Value to our Stakeholders…

We consistently strive to improve the readability of our Annual report, and this year we have enhanced the quality of our report by adopting a value creation approach when presenting the relevant information. We believe this method of reporting is more appropriate to our operations, since ASC has strived to differentiate itself from competitive pressures through value addition to our customers and other stakeholders.

From a customer perspective, we endeavour to provide support to our customers throughout the entire production and sales process. These value added services include providing research and advisory on a range of aspects, modern warehousing facilities and financial support. During the year under review, we further widened the scope of our research capabilities in order to provide more in-depth, timely and comprehensive information to our customers, enabling factories to modify their production to manufacture teas that are, and will be in demand. Having long-since recognised the importance of ensuring quality across the entire value chain, we obtained ISO HACCP certification for the tea sampling room.

Apart from our customers, the Group plays a pertinent role in actively engaging industry stakeholders and contributing towards ensuring the long-term sustainability of the Sri Lankan tea industry. Our employees actively contributed time and effort to several promotional initiatives of the Tea Board of Sri Lanka and Colombo Tea Traders Association.

The Group's dynamic workforce is the key driving factor behind our success, and our value proposition to them includes investment in skill development and training, opportunities for career progression, attractive financial and non-financial incentives as well as year-round work-life balance initiatives which build fellowship and motivation.

Resilient Performance in 2014/15

Despite both tea and rubber industries experiencing a difficult year, the Group was able to successfully withstand challenges presented to grow its top line by 10.8% to LKR 607.40 million during the year. Performance was upheld primarily due to the diversity in the Group's earnings profile, which enables it to mitigate its exposure to the relatively volatile tea and commodity sectors. Revenue expansion was broad-based with all key sectors of broking (+7.2%), warehousing (+11.0%) and financial services (+13.5%) recording commendable growth. Operating expenses increased 18.6% during the year, as the Group invested in capacity building initiatives, primarily in the warehousing business line and the tea sampling centre. Meanwhile, supported by tight treasury management we successfully optimised finance cost. Overall, the Group's pre-tax profits remained relatively unchanged over the previous year at LKR 161.70 million (2013/14: LKR 164.15 million).

Forward Outlook

Over the short-to-medium term we will seek to increase the diversity of our earnings profile whilst maintaining focus on our key competencies. Accordingly plans are underway to embark on the construction of a second warehousing facility which is expected to double the Group's warehousing capacity and significantly boost the bottom line. Construction will commence in September 2015 and the facility is expected to be operational during the next financial year.

Acknowledgements

I would like to extend my utmost gratitude to the Chairman, Dr. Anura Ekanayake and my colleagues on the Board for their valuable counsel, unstinted support, and continued confidence in me. I sincerely appreciate all efforts of our Siyaka Workforce who have always been a source of inspiration. My gratitude also goes out to all our customers, buyers, regulatory authorities, government and all other stakeholders for their continued support.

Anil R Cooke
Managing Director / CEO
22 July 2015

Board of Directors

Dr. Anura Ekanayake
Chairman

Skills and Experience: In a professional career spanning three and a half decades, he has held senior positions in both the public and private sectors. He has served on the boards of numerous companies in a variety of industries including finance, agriculture, retail trade, industry and exports. He holds a B.A. (Econ) Hons, M.Sc. (Agriculture) from University of Peradeniya and Ph.D (Economics) from The Australian National University. He is also a Fellow of the Institute of Certified Professional Managers, Sri Lanka.

Current Appointments: In addition to holding multiple Board positions in several companies which operate in agriculture, retail trade, industry and export sectors he chairs the Boards of Wealth Trust Securities Limited and Lanka Commodity Brokers Limited. Furthermore, he serves on the Board of Governors of the Institute of Policy Studies, Board of Studies of the Postgraduate Institute of Management and is a member of the Sovereign Ratings Advisory Committee of the Central Bank of Sri Lanka.

Previous Appointments: Dr. Ekanayake has previously served as Chairman of the Ceylon Chamber of Commerce, Industrial Association of Sri Lanka, Plantation Housing and Social Welfare Trust and International Natural Rubber Council, Kuala Lampur, Malasyia. He has also held senior positions in the Mahaweli Authority, Ministry of Plantation Industries, Sri Lanka State Plantations Corporation, Janatha Estates Development Board, Tea Research Institute, and Post Graduate Institute of Agriculture of University of Peradeniya among others.

Mr. Anil R Cooke
Managing Director

Skills and Experience: An industry veteran, Mr. Cooke has a wealth of experience counting 37 years as a broker, auctioneer, tea taster and valuer. He has been an active contributor in developing the marketing strategy for Sri Lanka's range of specialty Ceylon Teas and is frequently sought as a speaker at international tea events. He has also conducted international charity auctions locally and internationally. Mr.Cooke is a Member of the Chartered Institute of Marketing (UK).

Current Appointments: He currently serves as the Chairman of the Colombo Brokers Association, Director of the Sri Lanka Tea Board and is a Committee member of the Colombo Tea Traders Association. He is also a member of the Sri Lanka Tea Council and Promotion and Marketing Committee of the Sri Lanka Tea Board, a position he has held for over 10 years, Director of Asia Siyaka Warehousing (Pvt) Ltd and Siyaka Produce Brokers (Pvt) Ltd.

Previous Appointments: Previously served on the Board of Directors of Forbes & Walker Ltd and Forbes & Walker Tea Brokers (Pvt) Ltd.

Mr. D J Wedande
Executive Director

Skills and Experience: Mr. Wedande is a Founder Director of Siyaka (Pvt) Ltd and a Founder Senior Vice President of Asia Siyaka Commodities PLC. He has over 38 years of experience as an Auctioneer, Broker and Valuer in tea, rubber, coconut products and spices.

Current Appointments: Director of Asia Siyaka Warehousing (Pvt) Ltd and Siyaka Produce Brokers (Pvt) Ltd.

Previous Appointments: In addition to his experience at Forbes and Walker Ltd, Mr.Wedande previously held the position of Chief Executive Officer of Centreline Tea Brokers, Mombasa, Kenya.

Mr. Y Kuruneru
Executive Director

Skills and Experience: Counts over 25 years of experience in the fields of tea estate management, tea broking, tea tasting, valuing and tea manufacturing advisory services. He specializes in Tea Manufacturing advices with regular technical advisory visits to Tea Estates and Factories.

Current Appointments: In addition to his Board position at ASC, he serves as a Resource person at the National Institute of Plantations Management.

Mr. S G Amarasuriya
Executive Director

Skills and Experience: He counts over 33 years of experience in multi-disciplinary roles in the Tea industry.

Current Appointments: He holds a board position at Lanka Commodity Brokers Ltd.

Previous Appointments: He was a broker in Bartleet & Co. and a buyer at M. S. Hebtulabhoy & Co, Ltd, Stassen Exports and also a Director at Forbes and Walker Tea Brokers (Pvt) Ltd.

Mr. B A Hulangamuwa
Independent Non - Executive Director

Skills and Experience: 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.

Current Appointments: He is a Director of Sunshine Holdings PLC and Watawala Plantations PLC.

Mr. S Sirisena
Non - Executive Director

Skills and Experience: A marketing professional with over 37 years of experience in Plantation Management, Tea Exports and Tea Broking. He holds a Masters' Degree in Business Administration from the University of Queensland and is a Chartered Marketer.

Current Appointments: He currently serves as the Managing Director of Lanka Commodity Brokers Ltd.

Previous Appointments: Acted as The Chairman at the Colombo Tea Brokers' Association, Director at Sri Lanka Tea Board and a Committee member of the Ceylon Chamber of Commerce.

Mr. M Murath
Non - Executive Director

Skills and Experience: A finance professional, he holds over 27 years of local and international experience in finance and management. Mr.Murath holds a Bachelors' Degree in Commerce from the University of Madras and is an Associate member of the Institute of Chartered Accountants of Sri Lanka and Fellow Member of Institute of Chartered Management Accountants of Sri Lanka.

Current Appointments: He serves as the Finance Director of Lanka Commodity Brokers Ltd.

Mr. S T Gunatilleke
Independent Non - Executive Director

Skills and Experience: He has over 40 years' experience in plantation management in multiple capacities, representing the private sector as well as in consultancy roles to local and international bodies.

Previous Appointments: He has served as a Consultant to the United Nations Industrial Development Organization on Tea Plantation Management. Served on the Boards of Hayleys Plantation Services (Pvt) Limited, Thalawakalle Tea Estates PLC, DPL Plantations (Pvt) Limited, Kelani Valley Plantations PLC, Mabroc Teas (Pvt) Limited and was a Regional Director of Sri Lanka State Plantations Corporation.

Mr. H R V Caldera
Non - Executive Director

Skills and Experience: Mr. Vernon Caldera counts over 50 years in the Tea Industry, having joined the trade in 1964.

Current Appointments: He is currently a Consultant at Lanka Commodity Brokers Ltd.

Previous Appointments: He has held many senior positions including that of Director Tea at John Keells Ltd., Managing Director of Mercantile Brokers Ltd and Consultant at Forbes & Walker Tea Brokers (Pvt) Ltd. He was also a Non-Executive Director of Horana Plantations PLC.

Dr. I A Ismail
Independent Non - Executive Director

Skills and Experience: An eminent management professional, with varied and extensive experience in the private and state sector, Dr.Ismail holds a BSc (Hons) Degree from the University of Ceylon and a PhD from the University of St Andrews UK. He has attended the Advanced Management Programme at the Harvard Business School, and has also participated in many senior functional and general management training courses, mainly in the United Kingdom, Europe and India.

Current Appointments: He currently serves as a Director on the Boards of Amana Takaful PLC, Amana Holdings Limited, Amana Global Limited and Amana Capital Limited.

Previous Appointments: He has served in various capacities in State Institutions; among them as a Director of the National Apprentice Board, and as a member of the advisory committee of the Ministry of Foreign Affairs, the Research Planning Council of the CISIR, the Tertiary Vocational Education Commission and as a member of the Council of the Open University. He was also Vice Chairman of Unilever Ceylon Ltd.

Corporate & Senior Management Team

Anil Cooke
Director / Chief Executive Office

Dhammike Wedande
Director / Senior Vice President

Yashojith Kuruneru
Director / Senior Vice President

Vernon Caldera
Director / Consultant

Charmara Dissanayake
Senior Vice President

Sohan Samaranayake
Senior Vice President

Emil Diaz
Vice President - Warehousing

Roshantha Munasinghe
Vice President - Finance

Lakshman Kodytuakku
Consultant - Spices

Lalith Perera
Director - Produce Brokers

Tea Marketing Team

Kirk Wijesekera
Manager - Marketing High & Medium

Shanaka Yasaratne
Manager - Marketing Low Grown

Eashan Perera
Assistant Manager - Marketing High & Medium

Manufacturing Advisory Services

Avantha Nishshanka
Assistant Manager - Technical Low Grown

Corporate and Client Finance

Champika Withanage
Chief Accountant

Shanika Dias
Management Accountant

Shamila Cooray
Manager - Client Finance

Pramitha Perera
Assistant Manager - Client Finance

Jagath Wijerathne
Assistant Manager - Client Finance

Lalani Alahakoon
Assistant Manager - Produce Brokers

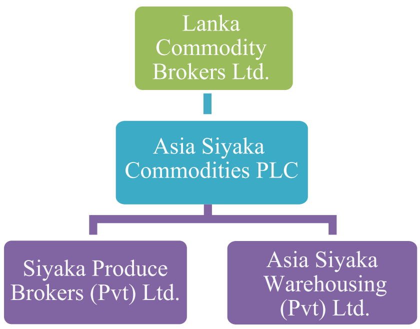
Administration and Human Resources

Ganga Udeni
Deputy Manager - HR

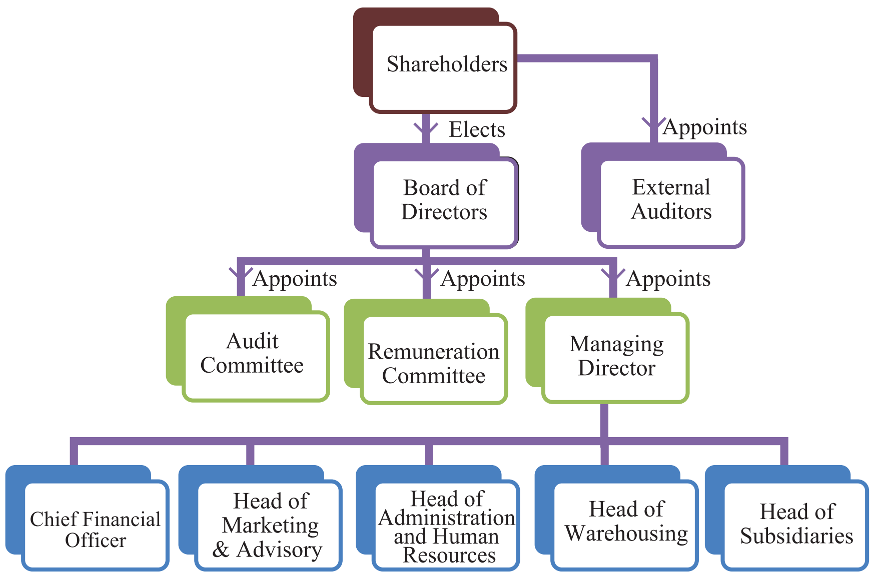
Vajira Nandatillake
Deputy Manager - Administration

Corporate Governance

Sound corporate governance has been the foundation for the growth and success of Asia Siyaka Commodities PLC. The company is a subsidiary of Lanka Commodity Brokers Ltd who own 74.6% of the shares of the company. Asia Siyaka Commodities PLC has two wholly owned subsidiaries which engage in commodity broking and warehousing as depicted below.



The Group's governance structure is as follows:



The Board is responsible for determining the strategic direction of the Group and ensuring that the Managing Director and the corporate management team collectively have the skills necessary to implement the strategic plan approved by the Board. Accordingly, governance framework which is compliant with the Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka and the Continuing Listing Rules of the Colombo Stock Exchange has been established to ensure compliance with relevant laws and regulations.

The strategic planning process in place takes in to account feedback received from key stakeholders through established engagement mechanisms as set out on page 07. Performance against the strategic plan is monitored on a regular basis at the Board meetings and guidance is provided to ensure a successful outcome in accordance with the corporate values and policies whilst balancing the interests of key stakeholders.

An Effective Board

The Board provides leadership and counsel to the corporate management team who manage the day-to-day affairs of the company. Roles of the Chairman and the Managing Director are segregated to ensure an appropriate balance of power within the organisation. The Board comprises four executive directors and seven non-executive directors of which three are independent directors enhancing the objectivity of the Board. Information about the directors are provided on the profiles of the directors on page 14-16 and directors' interests in contracts are fully disclosed on pages 46-49. The non-executive Chairman ensures that all directors have an opportunity to express their views on matters set before the Board. The Audit Committee and the Remuneration Committee support the Board to discharge of its responsibilities through oversight of specialised areas as described below. There is a sufficiency of financial acumen within the Board as two directors are members of the Institute of Chartered Accountants of Sri Lanka of which one serves as the Chairman of the Audit Committee. A sufficiently comprehensive framework of internal controls has been established to facilitate compliance and manage the risks arising from the company's operations whilst providing a reliable account of the same.

The Board members have access to P W Corporate Secretarial (Pvt) Ltd., who serve as the Secretaries to the Board and their expertise in matters regarding corporate governance. Appointment and removal of the Company Secretary is a matter that is taken up by the Board as a whole. Directors exercise independent judgement on matters set before the Board and also have the ability to request for expert opinion on matters of importance for which the costs will be borne by the company. Agendas and relevant Board papers are circulated at least one week in advance under normal circumstances to give sufficient time for directors to go through the information provided on matters set before the Board.

Directors' Appointments

Vacancies arising during the year are filled by the Board of Directors and these directors offer themselves for re-election at the following Annual General Meeting. All shareholders are kept informed of such appointments and resignations through the Colombo Stock Exchange.

Remuneration Committee

The composition of the Remuneration Committee is as follows:

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

Dr. I A Ismail
Non-Executive, Independent Director

The Remuneration Committee recommends schemes of remuneration for executive and non-executive directors and employees of the company. Remuneration levels are set with reference to the level of skills, experience and business acumen of the directors and takes in to consideration the remuneration levels prevailing in the sector and companies of similar size. Remuneration of both executive and non-executive directors' is determined by the Remuneration committee and no one director has the ability to determine his own remuneration. The Remuneration Committee comprise exclusively of non-executive directors and the Managing Director is invited to attend the meetings as required. The main objective of the remuneration policy is to ensure that the remuneration structures are in line with industrial standards.

Succession planning and appointment of key management personnel is also reviewed by the committee which recommends promotions and changes to agreed cadre. The Committee met one time during the year and the members' attendance is given in the table on Page 20.

Audit Committee

The Audit Committee has oversight responsibility for ensuring that there is a sufficiently robust system of internal controls in place to facilitate financial reporting and regulatory compliance. The Committee composition is as follows:

Mr. B A Hulangamuwa
Chairman, Non-Executive, Independent Director

Mr. S T Gunatilleke
Non-Executive, Independent Director

Mr. M Murath
Non-Executive Director

The Audit Committee met 06 times during the year and carried out the following in discharge of its duties :

- Review of risk management reports and risk dashboards
- Review of internal audit plan and internal audit reports
- Ensure that regulatory reporting and filing of returns is carried out accurately and in a timely manner

- Review of quarterly financial statements and recommending to the Board prior to publication

- Review of annual report including the financial statements, management discussion and analysis, and recommending to Board prior to publication

- Meet with external auditors and review audit plans, management letters and discuss any issues arising from the external audit

- Recommend appointment of external auditors

The Board recognises that goal posts continue to shift as regulatory frameworks and benchmark practices evolve. Consequently, the directors ensure that their knowledge is updated on a regular basis through seminars and workshops organised by the Sri Lanka Institute of Directors and other similar organisations.

Attendance of meetings

	Name of Director	Office Held	Attendance at Board Meetings	Attendance at Remuneration Committee Meetings	Attendance at Audit Committee Meetings
1	Dr. S A B Ekanayake	Chairman / Non-Executive Director	4/4	1/1	-
2	Mr. A R Cooke	Managing Director	4/4	-	-
3	Mr. D J Wedande	Executive Director	4/4	-	-
4	Mr. S G Amarasuriya	Executive Director	3/4	-	-
5	Mr. Y Kuruneru	Executive Director	4/4	-	-
6	Mr. M Murath	Non-Executive Director	4/4	-	5/6
7	Mr. S Sirisena	Non-Executive Director	3/4	1/1	-
8	Mr. S T Gunatilleke	Independent Director	2/4	0/1	5/6
9	Mr. B A Hulangamuwa	Independent Director	3/4	1/1	6/6
10	Dr. I A Ismail	Independent Director	4/4	1/1	-
11	Mr. H R V Caldera (Appointed w.e.f. 01.08.2014)	Non-Executive Director	3/4	-	-

Executive Committee

The Executive Committee comprises of eight representatives of the Board and eight other members representing the of Senior Management team of ASC and Shareholders. The Committee held eight meetings during the financial year under review.

The above board committees and sub committees are supported by a comprehensive & effective internal governance structure to oversee the overall operations and effective management of core functional areas of the group.

Ref.	Principle / Rule	Compliance Status	Applicable Section in the Annual Report
7.10.1	Non – Executive Director (NED) At least 02 members or 1/3 of the Board, whichever is higher should be NED	Compliant	As at the conclusion of the last AGM and throughout the financial year, there were 7 Non – Executive Directors
7.10.2	Independent Directors (ID) (a) Two or 1/3 of NEDs whichever is higher should be Independent. (b) Each NED to submit a signed and dated declaration of his/her independence or non-independence in the prescribed format.	Compliant Compliant	Three of the seven Non-Executive directors are independent.
7.10.3	Disclosures relating to Directors (a) The Board shall annually make a determination as to the independence or otherwise of the NED and names of Independent Directors should be disclosed in the Annual Report. (b) The basis of the Board to determine a Director is Independent, if criteria specified for independence is not met. (c) A brief resume of each Director should be included in the Annual Report and should include in the areas of expertise. (d) Forthwith provide a brief resume of new Directors appointed to the Board with details specified in 7.10.3(a), (b) and (c) to the exchange.	Compliant Not Applicable Compliant Compliant	Please refer page 18-22 The Corporate Governance Report No such determination was required as Independent Directors met the criteria. Please refer Pages 14-16 of the Report.
7.10.4	Criteria for Defining Independence As per the criteria defined in the CSE Listing Rules -7.1.4 from A to H	Compliant	Independent Directors met the criteria
7.10.5	Remuneration Committee – Listed Company shall have a Remuneration Committee. (a) Composition of Remuneration Committee - Shall Compromise of Non- Executive Directors a majority of whom will be independent. (b) Functions of Remuneration Committee -The Remuneration Committee shall recommend the remuneration of the Chief Executive Officer and other Executive Directors. (c) Disclosures in the Annual Report relating to the Remuneration Committee on Remuneration Policy, Names of the Directors of the Committee and aggregated remuneration paid to executive and non-executive directors.	Compliant Compliant Compliant Compliant	Please refer to the Remuneration Committee report on page 19 . Please refer to the Remuneration Committee report on page 19

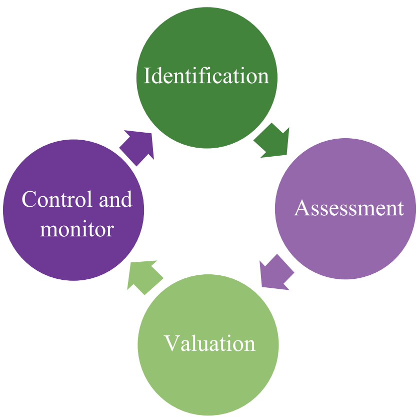
Ref.	Principle / Rule	Compliance Status	Applicable Section in the Annual Report
7.10.6	Audit Committee – The Company shall have an Audit Committee. (a) Composition of Audit Committee – I –Shall comprise of Non- Executive Directors a majority of whom should be independent. II - One Non-Executive Director shall be the Chairman of the Committee. III –Chairman of the Audit Committee or one member should be a member of Professional Body. IV - CEO and CFO shall attend the Committee Meetings. (b) Audit Committee Functions, Functions shall include: I – Overseeing the preparation, presentation and disclosures in the Financial Statements are in accordance with the Sri Lanka.	Compliant Compliant Compliant Compliant Compliant Compliant Compliant	Please refer the Audit Committee report on Page 19 . Chairman of the Audit Committee is a Non- Executive Director and a Fellow member of the Institute of Chartered Accountants of Sri Lanka CEO and CFO attended audit Committee meetings by invitation. Please refer to the Audit Committee Report on page 51.

By order of the Board
Asia Siyaka Commodities PLC

P W Corporate Secretarial (Pvt) Ltd
Director / Secretary
22 July 2015
Colombo

Risk Management

The Group is exposed to multiple risks stemming from the industry landscape as well as its internal operations. Given the nature of the industry we operate in, risk considerations form a crucial input in all business decisions and we have implemented systematic frameworks for the identification, measurement and mitigation of all risks. The ultimate responsibility for ensuring that risks are appropriately identified and mitigated lies with the Board of Directors. The Board has delegated the responsibility of ensuring the effectiveness of the Group's risk management systems and internal controls to its Audit Committee.



Risk Identification

This process involves the identification of potential internal and external risks which may impact the Company. Risks are identified through consistently monitoring industry trends and outlooks and measuring performance against pre-defined risk parameters.

Risk Assessment

The Group maps and grades each of the identified risks based on the likelihood and potential level of impact as depicted in the chart below. Each risk is validated with the assessment criteria to determine the level of risk. Subsequently based on the position of the risk in the chart the mitigation plans and controls are developed and prioritized.

Control and Monitor

The company monitors and reviews the adequacy and effectiveness of its risk management tools and internal controls both internally and externally. In addition the Company has employed an Independent Internal Auditor to periodically verify the effectiveness of the risk management controls.

		Risk Management Actions		
Impact	Significant	Considerable Management Required	Must Manage & Monitor Risk	Extensive management essential
	Moderate	Risk may be worth accepting with monitoring	Management Effort Worthwhile	Management effort required
	Minor	Accept Risk	Accept, but monitor risk	Manage & Monitor Risk
		Low	Medium	High
			Likelihood	

Risk Evaluation

Determination of risk management priorities through establishment of qualitative and quantitative relationships between benefits and association of risks. The Risk Evaluation attempts to define what the estimated risk impact would be to people, processes and financial performance of the Company. It also includes evaluating the effectiveness of the Company's business continuity plans and disaster plans etc.

Tabled below are some key risk factors and control meassures that could effect the bussiness decisions of the Company.

Type of Risk	Risk control measures and Action plans to mitigate risk
Loss of Clients.	• The company continuously engages in value added services for clients in order to maintain a positive relationship. • Continuous manufacturing advices including third party consultation.
Credit Risk arising from increased exposure to financial services.	• The company maintains a close relationship with clients, monitoring and evaluating the creditworthiness and repayment ability on a consistent basis. • The company continually assesses the value of the stock in hand to ensure that exposure is within the collateral value. • All loans and advances are monitored through the credit committee after close evaluation of the inventory, balances outstanding and historical dealings with the company.
Interest Rate Risks.	• Lending is essentially short-term, mitigating exposure to fluctuations. • The lending rates are reviewed on a timely basis.
Operational Risks including Internal Control Weaknesses, Human error and Fraud.	• The Quarterly Internal Audit function is periodically assessed to align the review process with critical/key operations and processes.

Type of Risk	Risk control measures and Action plans to mitigate risk
Staff Retention and the shortage of experienced and qualified personnel.	• The company engages all staff in training and development opportunities. • Employees are equipped with the skills needed to respond to changes in the environment.
Loss of market share due to increased competition.	• Competitor activities are monitored on a continuous basis. • The company ensures that the client relationships are reviewed in terms of Value Addition through manufacturing advices in order to ensure the produce meets the prevailing market demands.
Political and Economic Risk.	• Close review of market conditions internationally and nationally, and provide marketing and manufacturing advices to respond to changes in the world market. • The company seeks advices from professional bodies to provide guidance and directions relating to legal consequences arising from various transactions entered into.
Risks from Natural or Man-made Disasters to the warehouse.	• CCTV cameras, Fire extinguishers, Security Checkups, Fire Drills, Smoke Detectors to avoid manmade disasters. The Company also complies with ISO 22000 standards. • Action plans and instructions in place for potential environmental changes. • Comprehensive insurance cover extending to weekly evaluation of tea stock.

Type of Risk	Risk control measures and Action plans to mitigate risk
Confidentiality and Integrity of information systems.	• The company has entered in to Service Level Agreements with IT companies in order to update/upgrade our existing software, systems, security definitions & further technical assistance in order to protect the confidentiality and integrity of information.
Regulatory Risk.	• Continual proactive engagement with all connected organizations to strengthen and ensure compliance and development of legal environment.
Competition from non-compliance to by-laws by non CBA brokers.	• Engage in constructive discussions in order to encourage other brokers to join the CBA.
Regional plantation companies investing in broking entities.	• The company continuously gets involved in various activities relating to competition to ensure that no broker resorts to unethical practices.

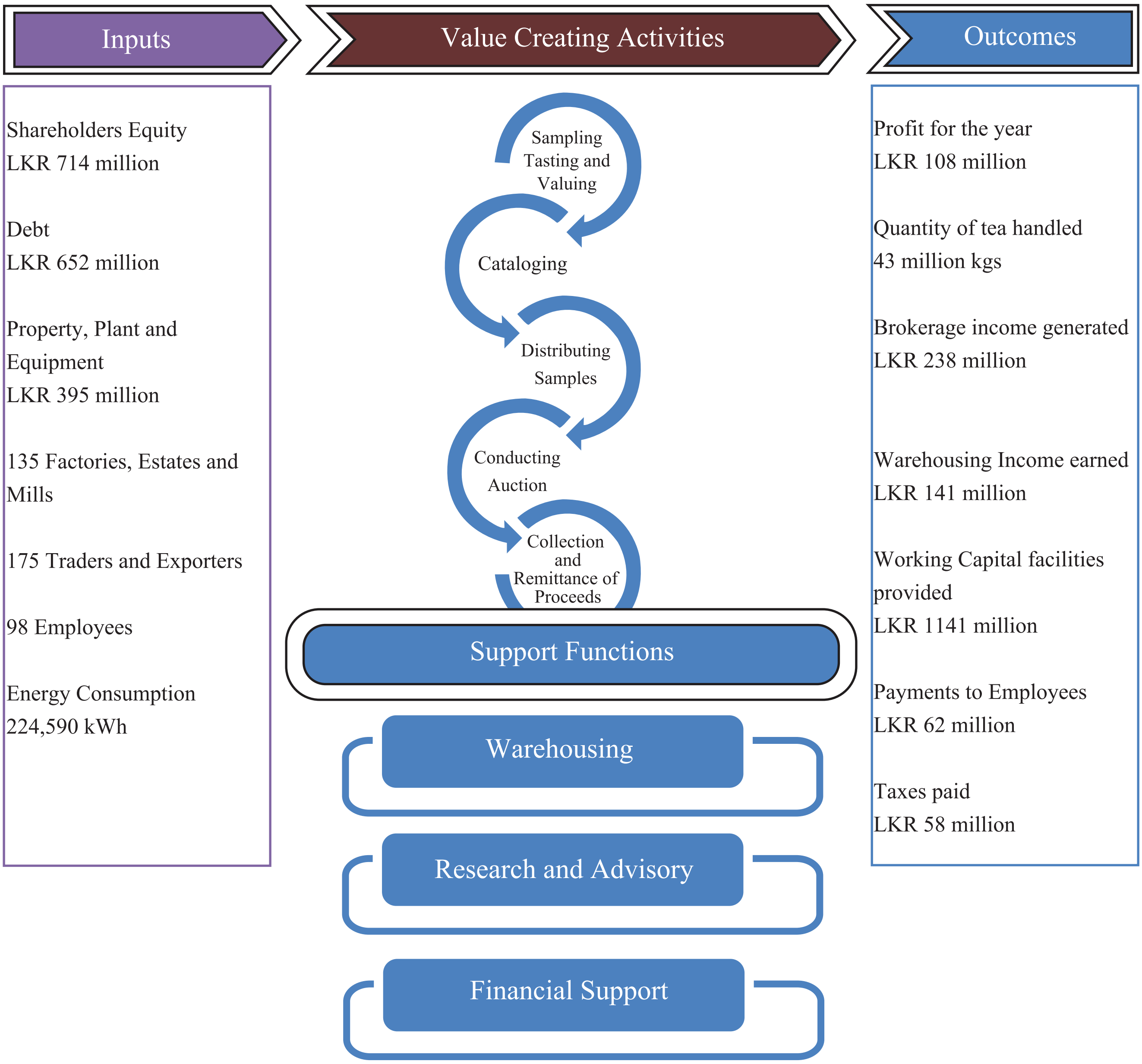
Potential Financial Risk in compliance with the Sri Lanka Accounting Standards (SLFRS) is disclosed on pages 88-89 under note 30 to the Financial Statement.

OUR VALUE CREATION

INDUSTRY
EMPLOYEES
CLIENTS
BUYERS
COMMUNITY

Stakeholder Value Creation

As one of Sri Lanka's leading market intermediaries in tea, rubber and non-traditional commodities, ASC plays a vital role in connecting agricultural smallholders, plantation companies and factories with local and international traders. In addition to facilitating transactions through the auction process, the Group provides a range of support functions to its stakeholders, including the provision of warehousing facilities, publication of weekly/monthly performance reviews and country specific research reports and bridging short-term working capital requirements of its clients. A series of innovative solutions introduced by the Group, particularly in warehousing and packaging have revolutionised the country's auction logistics process and redefined industry standards. Our state-of-the-art warehousing facility is the first of its kind in the global tea broking industry and is the first to comply with the ISO 22000 standards. During the year under review, we also obtained ISO HACCP certification for the Company's tea sampling room.

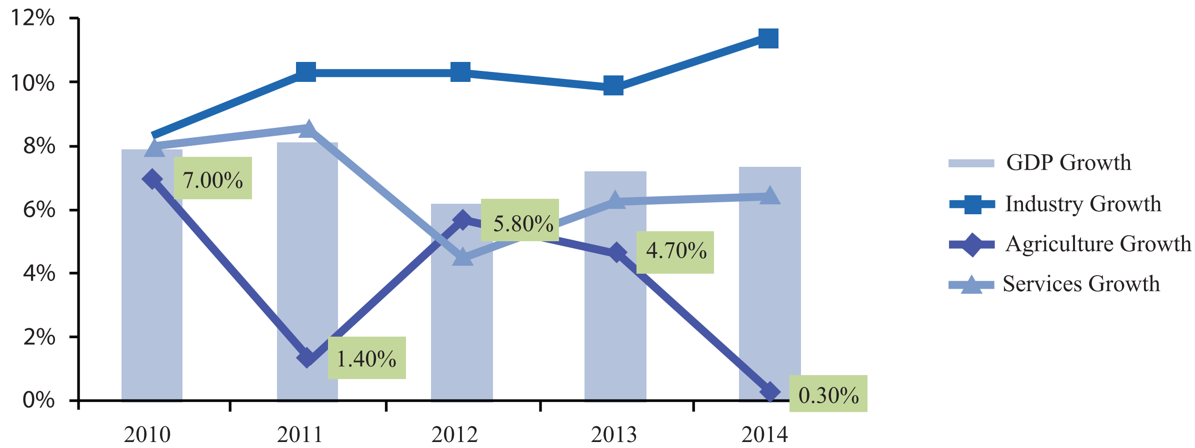


Management Discussion and Analysis

Operating Context

Sri Lanka's Gross Domestic Product (GDP) grew by 7.4% in 2014, marginally higher than the preceding year's growth rate of 7.3%. The Industrial sub-sector continued to drive overall growth, expanding by 11.4% during the year as government-led infrastructure development and construction activities fuelled sector growth. The Services sector performance was relatively stable, with a growth of 6.5% in 2014 (2013: 6.4%) as retail and wholesale trade, banking, insurance and retail sub-sectors demonstrated commendable growth. Meanwhile, the first quarter of 2015 saw the country's GDP growing by 6.4%, with the services sector leading expansion at a growth rate of 7.5%. The Agriculture and Industrial sectors grew at 0.7% and 6.5% respectively during the quarter.

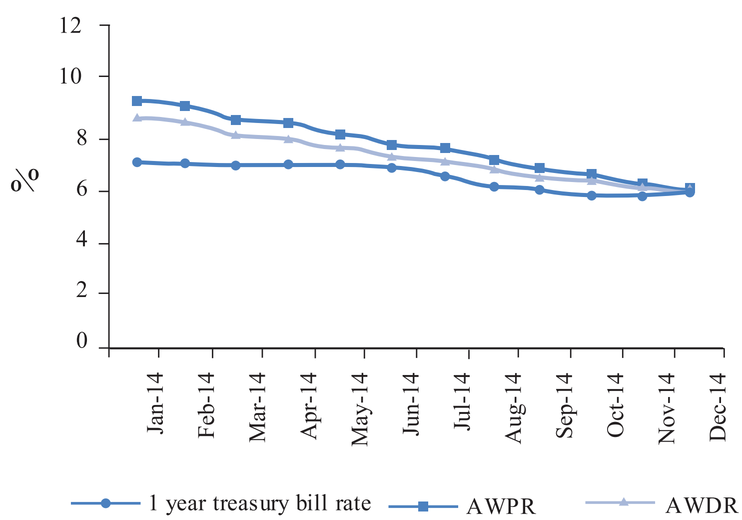
Sri Lanka GDP Growth by Sector



Source: Central Bank of Sri Lanka

The performance of the Agriculture sector was below expectations in 2014 with adverse weather conditions impacting paddy and rubber production. Consequently, the sector expanded by 0.3% during the year, compared to the growth of 4.7% recorded last year. The production of several of the country's key crops, including paddy, rubber as well as several minor export crops contracted during the year, whereas coconut and other food crops contributed towards sector growth. The tea sub-sector recorded a marginal slow-down from the previous year, with production volumes declining slightly amid the unfavourable weather conditions that prevailed for most part of the year. The first quarter of 2015 saw a rebound in the tea sector with production volumes improving in line with more favourable weather conditions.

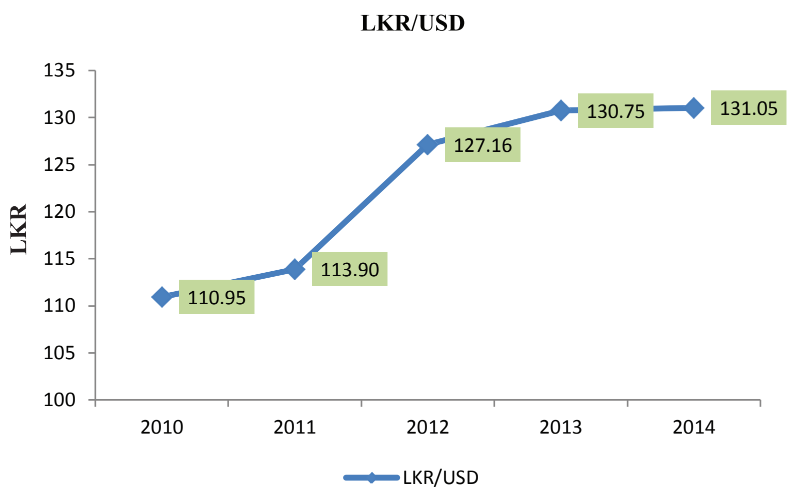
Sri Lanka Average Lending & Deposit Rate



Source: Central Bank of Sri Lanka

The government maintained a relatively relaxed monetary policy stance in 2014 and during the first half of 2015 with the objective of stimulating private sector investment and boosting economic growth. This resulted in high levels of market liquidity and a decline in yields on government securities as well as bank deposit and lending rates. The Average Weighted Prime Lending Rate fell from 9.96% in December 2013 to 6.35% by December 2014 and remained more or less unchanged by March 2015. Meanwhile, annual average inflation and core inflation declined in 2014, supported by stable prices of commodities, improved domestic supply conditions and the reduction in energy prices.

On the Exchange rate front, government policy was directed towards maintaining stability in the forex market. During the first three quarters of the year, the Sri Lankan Rupee appreciated against the greenback due to increased export earnings, workers remittances and financial inflows. Increased import demand however, and outflows from the government securities market resulted in the Rupee depreciating against the Dollar during the last quarter of the year. Overall the Rupee closed the year at LKR 131.05 per US Dollar by end-December 2014 and further depreciated to LKR 132.90 by end-March 2015. Meanwhile, the Rupee appreciated against all other major currencies during the year, including the Euro, Japanese Yen and Sterling Pound.



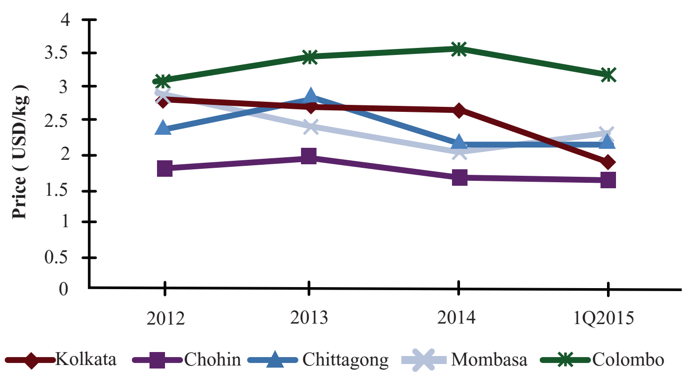
Source: Central Bank of Sri Lanka

Industry Environment

Tea

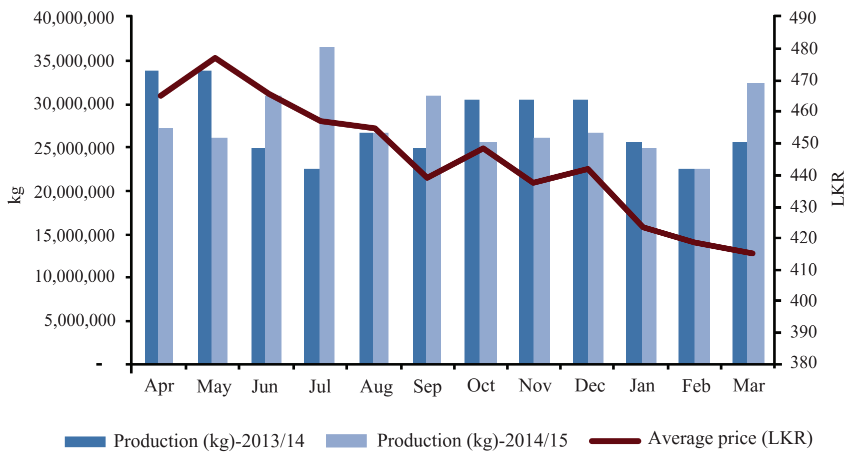
Global black tea production declined slightly during 2014, attributed mainly to lower production levels in India whilst Sri Lanka and Bangladesh also experienced marginally lower production levels than the preceding year. During the first quarter of 2015, global production fell to historical lows as Kenya experienced a pronounced reduction in cultivation due to prevalent droughts; Kenyan supply decreased 27% during the first quarter of 2015. Meanwhile, tea prices fell at several of the world's leading tea auctions during the year; the world average price thus declined to USD 2.56/kg in December 2014 from USD 2.72/kg the previous year and dropped further to USD 2.42/kg by end-March 2015.

World Average Tea Prices



Source: Sri Lanka Tea Board

Sri Lanka Tea Production & Average Prices

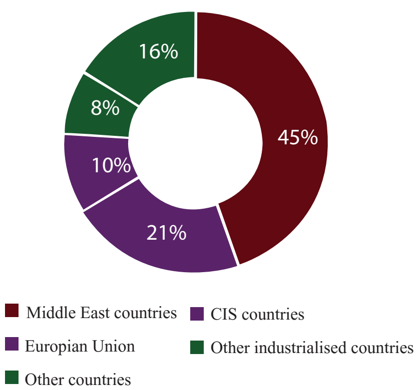


Source: Central Bank of Sri Lanka, ASC

Sri Lanka's tea production during the period under review (1st of April 2014 – 31st March 2015) of 336 million kilogrammes was marginally higher than the corresponding period of the previous year. The first two quarters of the year was affected by prolonged drought which resulted in a fall in production of all elevations. Meanwhile, production in the different elevations varied significantly during the latter half of the year with medium-grown tea experiencing a sharp drop in production whilst low-and high grown volumes were higher than the corresponding period of the preceding year. Smallholders continued to account for the larger share of the country's tea production, contributing approximately 72% of total tea production, the bulk of which is of the Low-grown varieties.

Tea prices which were elevated during the first half of 2014 amid shortages in the global supply of orthodox black tea, begun to trend downwards by the last quarter of 2014 and recorded a more pronounced decline during the first quarter of 2015. The key contributory factors leading to the decline in prices at the Colombo Tea Auction include the fall in oil prices which impacted demand stemming from Sri Lanka's major buying markets such as Russia and the Middle East and economic and political turmoil in several of the country's largest markets. During the period under review, the average selling price of Low-grown tea fell 13.2% whilst prices of the High and Medium grown varieties also declined by 5.6% during the reviewed period.

Earnings generated from the export of tea increased by 5.6% in 2014, a deceleration in comparison to the previous year as several of the country's key buying markets experienced geopolitical tensions. The Middle Eastern region which accounted for close to 45% of Sri Lanka's total tea exports suffered from a sharp drop in oil prices which adversely impacted demand whilst the depreciation of the Russian Ruble amidst economic sanctions affected demand from the Russian region. That said, Sri Lankan orthodox black tea continued to command premium pricing in the international market with prices averaging USD 4.97/kg, compared to the average international price of USD 2.72/kg.



Source: Central Bank of Sri Lanka

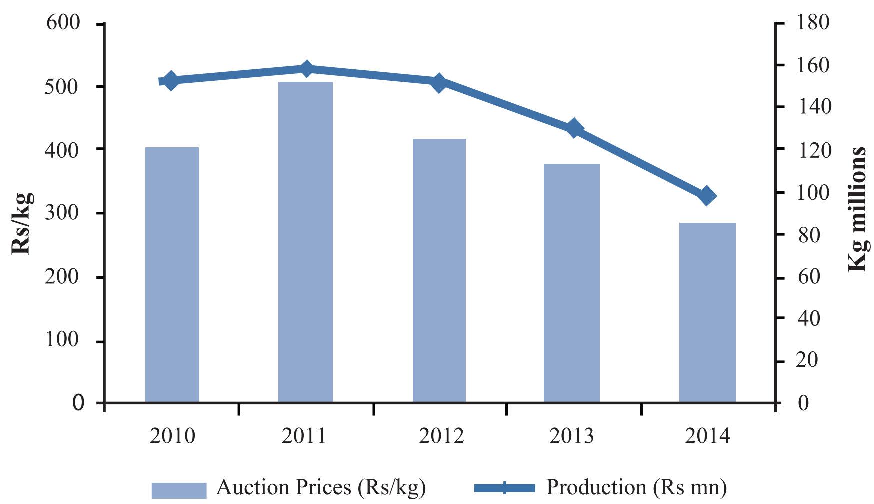
Outlook

Over the short-term, Sri Lanka is anticipated to experience relatively lacklustre demand for its teas as its key export destinations continue to be mired in economic and political tensions. Resultantly, prices are expected to be depressed for the most part of 2015. Meanwhile, producers are likely to face further cost pressures in line with the impending wage hike, which is currently under negotiation and will come into retrospective effect from April 2015. Against this backdrop, improving labour productivity and adopting new methods in harvesting is essential in ensuring the long-term sustainability of the industry.

Rubber

Sri Lanka's Rubber sector experienced another challenging year, characterised by adverse weather which affected production levels and a sharp decline in global prices resultant from stock piling in major consuming countries and the lower-than anticipated recovery in global demand. Sri Lanka's total rubber production dropped by 24% to 98,573 MT in 2014, the third consecutive year of decline. The sector experienced non-conducive weather patterns for most of the year; dry conditions during the first half of the year affected latex tapping whilst the cultivation during the second half of the year was hindered by heavy rains. Meanwhile, increased stockpiles in China and Japan together with the fall in crude oil prices which renders synthetic rubber a more attractive alternative to natural rubber resulted in a sharp decline in global rubber prices during the year. The average price of natural rubber per MT fell by 30% to USD 1,956 by end-2014, compared to USD 2,795 the preceding year. The same trends were observed at the Colombo Rubber Auction with prices falling to historical lows during the year.

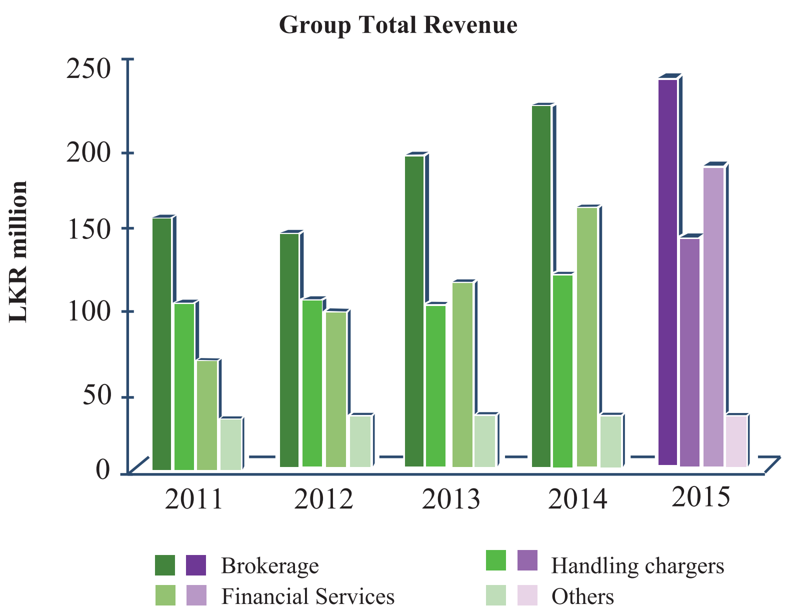
Sri Lanka Rubber Production & Prices



Source: Central Bank of Sri Lanka

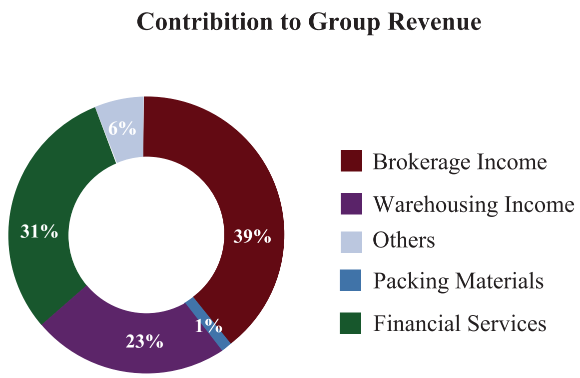
Financial Review

The Group demonstrated strong resilience in a year characterised by a challenging industry landscape to generate a profit of LKR 108.44 million, a slight reduction in comparison to the previous year's profit of LKR 117.41 million. ASC achieved commendable growth in its top line, whilst an increase in its cost base in line with capacity building initiatives resulted in a slight reduction in profits. During the year under review, the Group focussed on increasing its earnings contributions from its supplementary business lines, thereby achieving a better diversification of its earnings profile.



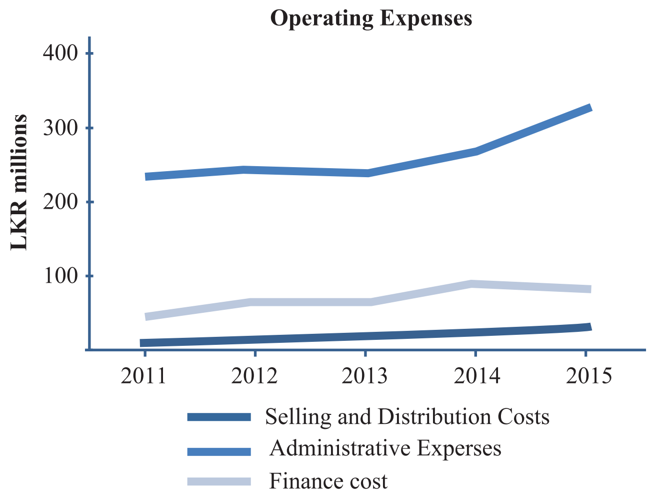
Revenue

The Group's total revenue increased by 10.8% during the year to reach LKR 607.40 million. Growth was broad-based with all the key business lines contributing positively to growth. Brokerage income is the Group's key revenue generator with a share of 39.1%, followed by financial services and warehousing. Despite vagaries in the plantation sector during the year (discussed in detail under the Industry Environment section) brokerage income increased by 7.2% as ASC focussed increasingly on consolidating its market position through enhancing value addition to its customers and buyers. Warehousing income increased by `11.0%, supported by an expansion in capacity utilisation levels and an upward revision in the rate during the last quarter of the year.



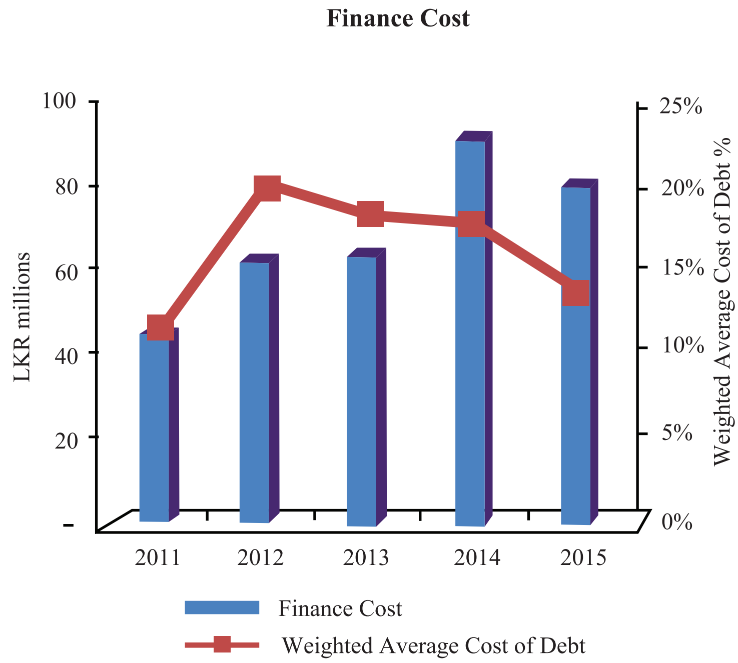
Operating Expenses

Total operating expenses grew by 18.6% to LKR 363.20 million during the year, driven mainly by Administrative expenses consisting of salaries, VAT on financial services and costs incurred in renting additional warehousing space and relocation of the Company's tea sampling space. Distribution expenses increased by 22.6% during the year, attributed to non-statutory general provisioning on the Group's financial services business line in order to mitigate the impacts of potential losses.



Finance Cost

The Group's finance cost remained relatively unchanged at LKR 80.50 million, despite a 27.2% increase in the Group's total borrowings. The Group was successful in negotiating favourable lending rates with its bank's resulting in the Weighted Average cost of debt declining to 13.8% from 17.3% the previous year.



Pre and Post-tax profits

The Group's pre-tax profits remained relatively unchanged over the previous year at LKR 161.70 million (2013/14: LKR 164.15 million). Meanwhile, tax expenses for the year amounted to LKR 53.26 million, resulting in the Group's net profit declining by 7.6% to LKR 108.44 million. Return on Assets for the year clocked in at 11.9%, compared to 14.6% the previous year.

Balance Sheet Strength

Total assets grew by 25.4% during the year to reach LKR 2.25 billion. Current Assets accounted for 80% of total assets and consisted mainly of loans and advances to customers and trade receivables. Total loans to customers increased by 15.0% to LKR 1.14 billion, reflecting the increasingly important role played by the Group in bridging the short-term working capital requirements of its customers.

Working Capital

The Group's net working capital increased 17% to LKR 331.0 million during the reviewed period, primarily due to an increase in trade receivables.

Liabilities

Shareholders' funds increased by 2.75% to LKR 714.07 million by end-March 2015 supported by increased profit retention. The Group's capital funded around 32% of its total assets. Meanwhile, total borrowings increased by 27.2% to LKR 651.9 million primarily to fund the expansion in the Group's financial services operations. The Gearing ratio increased slightly to 68%, from 61% the previous year.

Cash Flow

The Group recorded strong cash flows during the year, supported by increased operational activity. Net operational cash flow for the year was LKR 176.86 million, an increase of 52.1% in comparison to the previous year. Resultantly, the Group's liquidity position was healthy by end-March 2015.

Shareholder returns

LKR	2014/15	2013/14
Earnings per Share	0.42	0.45
Dividend per Share	0.38	0.38
Net Asset Value per Share	2.75	2.67
P/E Ratio	7.43	6.65
Share Price Appreciation	3%	7%

Creating Value for our Customers

Our customers are primarily regional plantation companies and private tea factories which engage in processing teas purchased from smallholders. As a market intermediary we play a pivotal role in facilitating transactions at the auction, thereby providing an efficient platform for factories to sell their produce to exporters and parties who engage in further value addition. Since inception, ASC has sought to differentiate itself from the competition by focussing on multi-dimensional value creation to its customers thereby widening the scope of the broker's role.

Customer Value Creation

Broking	Warehousing	Advisory	Financial Assistance
Brokerage Income: LKR 238 million	Warehousing Income: LKR 141 million	Total Beneficiaries: 71,600	Facilities Provided: LKR 1,141million

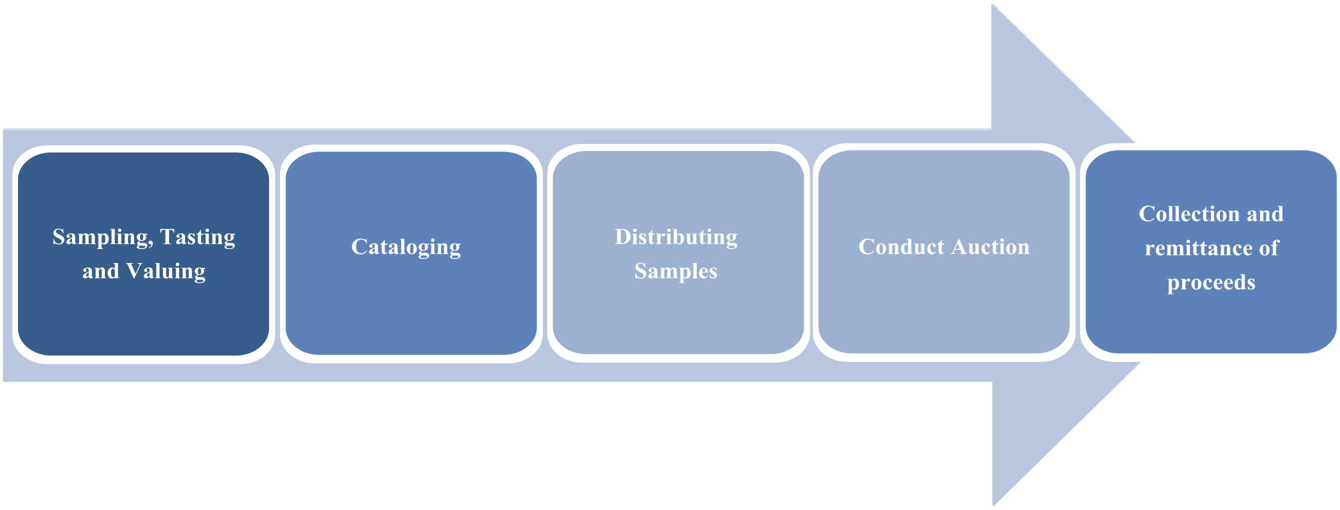
Our Value Proposition

Tea broking is a highly regulated industry which offers limited avenues for differentiation. We have, however been successful in creating a distinct competitive edge through offering a unique value proposition to our customers, by engaging and providing support throughout their entire production and sales process. These value added services include advisory on a range of aspects (discussed in detail below), modern warehousing facilities and financial support. ASC revolutionised the industry with the construction of the first of its kind, state-of-the-art warehousing facility, which through its innovative racking system enabled quality to be retained whilst achieving substantial reductions in the tea to cash cycle. The facility redefined industry standards and set the benchmark for warehouses that were subsequently constructed by other brokers. With the retention of quality, Sri Lankan tea thus emerged as the freshest teas in the global market with a prolonged shelf life, thus enhancing the entire value proposition of Sri Lankan tea.

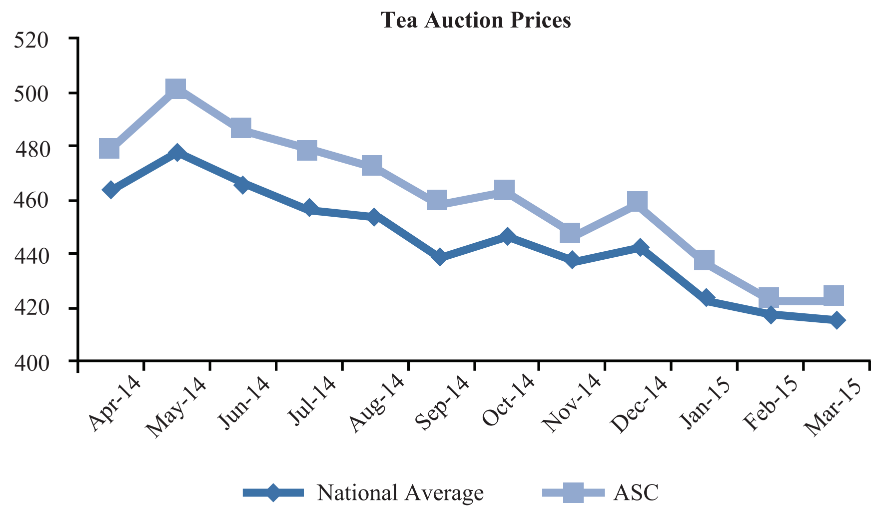
Broking

The Group acts as a market intermediary for tea, rubber and non-traditional commodities of which the former is the most significant contributor to income. As part of its facilitating role, ASC performs multiple functions related to the auction process as illustrated below.

Broking



Supported by the dynamism and skills of its workforce and the relationships it has developed with all relevant stakeholders, the Group has consistently emerged as a top performer at the Colombo Tea Auction both in terms of the prices commanded and market share. In 2014/15, ASC on average commanded a market share of approximately 16% in the sale of Low-grown teas and 11% in the high and medium elevations, which collectively translated to a market share of around 14%. Meanwhile, the Group's research capabilities and consistent focus on enhancing quality has allowed it to command premium pricing over the national average.



Source: Central Bank of Sri Lanka

The performance of the Group's Rubber broking business line was relatively subdued during the year, as the industry landscape presented multiple challenges including a sharp decline in global prices and fall in production levels. Despite these challenges, the Group was successful in increasing the volumes handled, although brokerage income moderated in line with the steep reduction in prices. Nevertheless, rubber broking continues to be a potential area of growth for the Group and over the short-to-medium term ASC will seek to capitalise on its expertise and relationships in the tea broking industry to acquire market share in this line of business.

The Group also acts as a market intermediary for a range of non-traditional crops including desiccated coconut, palm oil and spices which are primarily export crops. The Company renewed focus on this business line during the year under review, and was successful in securing contracts with several leading spice exporters. Total brokerage income from this business line amounted to LKR 7.93 million during the year.

Warehousing

The Group's state of the art warehousing facility was constructed in 2000 and is the first tea broker warehouse in the country to be ISO certified. It continues to comply with the requirements of the ISO 22000 standards. The Group's warehousing solution incorporate modern racking systems which ensure that quality is retained and wastage minimised. Furthermore by significantly improving the tea to cash cycle as well as reducing the finance cost associated with storage, the Group has successfully created value at both ends, both to its customers as well as the buyers. During the year, the warehouse was operating at close to full capacity, catering to the Group's own warehousing requirements as well as that of third parties.

Looking ahead, the Group intends to commence construction of its second warehouse during the next financial year. This is expected to more than double the Group's warehousing capacity and add diversity to the Group's earnings profile, which is currently tilted towards the relatively volatile broking industry. Expected to commence operations in mid 2016. The new warehouse is anticipated to be a significant contributor to the Group's bottom line over the next few years.

Advisory Services

The Group offers multiple advisory services to its customers, ranging from market intelligence to guidance on factory and estate management. By consistently engaging with exporters and other buyers, ASC is able to clearly identify trends in consumer preferences and demand, which are in turn communicated to its customers, enabling the factories to modify its production to manufacture teas that are in demand. The dissemination of market intelligence to its customers through weekly/monthly reports and research reports on a timely and accurate basis, has contributed towards ASC commanding a premium for its teas at the Colombo Tea Auction. In addition ASC's team of skilled industry veterans engage with customers through site visits, discussions and written communication on optimal estate and factory management techniques.

Creating Value for our Buyers

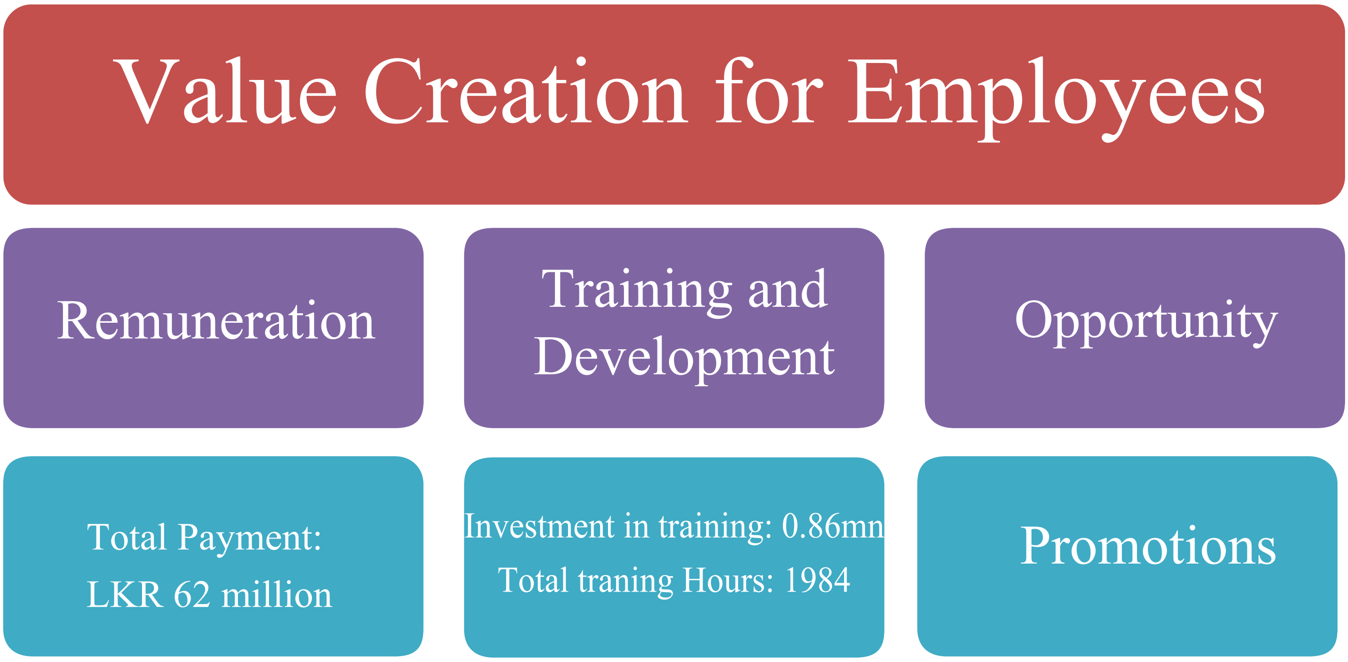
Value Creation to Buyers

Broking | **Corresponding Buyer Requirements** | **Quality Focus**

The buyers at the auction consist mainly of tea exporters and parties who purchase teas for further value addition. The Group's integrated value creation process is designed to support both ends of the spectrum, creating mutual value to the factories and buyers.

In addition to facilitating the auction process and remitting proceeds to the suppliers, the Group consistently engages with its buyers to identify potential trends in demand patterns, shifts in tastes/preferences and other industry trends. This information is in turn provided to factories, which are then able to adjust their production processes to manufacture the required product for the market. Resultantly, exporters are given the opportunity to purchase teas tailored to their specific requirements and which are likely to attract demand from the ultimate end-users. Furthermore, the Group's market oriented efforts towards supporting its customers through advisory on factory and estate management as well as innovative production methods, environmental certifications and other techniques have resulted in the Group being successful in offering teas of the highest quality to its buyers. The focus on quality has allowed the Group to command premium pricing at the auction on a consistent basis.

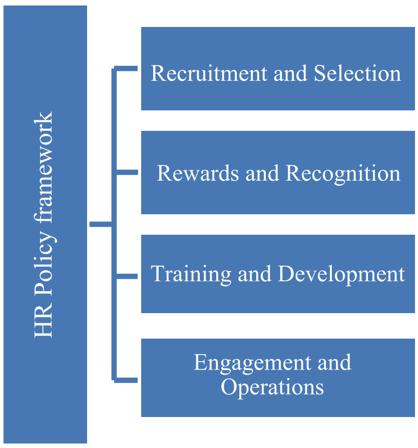
Creating Value to our Employees



Our dynamic and skilled team of 98 employees is our most valuable asset and have been a key strength in sustaining our comparative edge in a highly competitive industry. A conducive work environment characterised by a culture of learning and growth, high level of employee engagement and opportunities for career progression have enabled the Group to attract and retain the industry's most sought after human capital.

Human Resource Governance

All human resource related aspects within the Group are governed by formal policy frameworks which ensure consistent treatment to all employees. The apex responsibility for effective management of human capital lies with the Company's Human Resource Department.



Recruitment and Selection

We are an equal opportunity employer and do not discriminate based on age, gender or ethnicity. Recruitment and selection is conducted on an open competitive basis in accordance with manpower requirements. During the year under review, we recruited 05 new staff and provided internship opportunities for 07 University graduates and Management Trainees pursuing degrees in agriculture and related fields.

Rewards and Recognition

All employees undergo performance appraisals at least on an annual basis. The performance reviews encourage feedback and is used as an effective platform to identify skill gaps, assess training needs and evaluate areas for further improvement. Remuneration is competitive and linked to performance. Our employees are also eligible for a range of benefits including the following;

- Salary advances
- Festival advances
- Vehicle allowance
- Travelling allowance
- Distress loans
- Health and Life Insurance
- Medical cost reimbursements

Employee Engagement

We maintain a high level of engagement with our employees through regular staff meetings, annual performance appraisals, and year-round work life balance initiatives. In addition all senior management members maintain an open door policy to encourage employee feedback and suggestions. During the year under review employees participated in several non-work related activities including the Annual Get-together, which helped foster a sense of fellowship and camaraderie.

Training and Development

Developing our people is a key strategic priority, as equipping our employees with the required skills, knowledge and attitudes is paramount to achieving our corporate goals. Training needs are identified primarily through the annual performance appraisal and customers responses. Training initiatives include orientation for new staff, in-house training, professional education as well as participation in related seminars/ conferences among others.

During the year under review, our staff underwent 1984 training hours in total, which translated to an average of approximately 9 hours per employee.

Category	Training Hours
Corporate Managers	554
Managers	635
Executives	565
Non-Executives/Associates	230
Total	1984

Creating Value to the Industry

ASC, its subsidiaries and its employees hold membership and governing positions in multiple industry associations which are engaged in ensuring the long-term sustainability of the respective industries. As an organisation, our employees are encouraged to actively participate and contribute insights and volunteer hours to these associations with the objective of addressing challenges faced by the respective industries, promoting best practices, and lobbying Government for the implementation of regulatory and legal structures among others. The Group and its employees currently hold membership in the following industry bodies;

- Colombo Brokers Association
- Colombo Tea Traders Association
- Sri Lanka Tea Board
- Ceylon Chamber of Commerce
- Spices and Allied Products Producers and Traders Association
- Rubber Traders Association

Meanwhile, the following management personnel hold governing positions in the respective Associations.

- Mr.Anil R Cooke - Chairman of the Colombo Brokers Association, Director of the Sri Lanka Tea Board and Committee member of the Colombo Tea Trader's Association. He is also among the panel of experts at the Tea Research Institute, a position he has held for several years.

During the year under review, our employees contributed their industry insights, experience, dynamism, skills and ideas to multiple initiatives geared at strengthening the respective sectors. These initiatives are;

- Ceylon Speciality Estate Tea of the Year Competition and Promotion

Organised by The Sri Lanka Tea Board and the Colombo Tea Trader's Association in collaboration with the Tea Promotion Unit of the Consulate General of Sri Lanka office in Dubai, the event was the first of its held in the Middle East/Gulf/North Africa Region. It was a collective effort by industry stakeholders to promote the Ceylon Tea brand with a view to enhancing market recognition in the global tea fraternity.

- The Annual Charity Tea Auction organised by the Sri Lanka Tea Board and Sri Lanka Tea Traders Association

Community Engagement

As a responsible corporate citizen we are cognisant of the important role we can play in developing the communities we operate in. The Group's community engagement initiatives are focused towards uplifting the standard and quality of education of two groups; school children in estate communities and undergraduate students pursuing degrees in agriculture and related fields of study.

Internship Opportunities

We provide comprehensive practical training and internship opportunities for students pursuing the following academic programmes;

- Degree in Tea Technology and Value Addition conducted by the Faculty of Animal Science and Export Agriculture of University of Uva Wellassa.
- Department of Crop Science, Faculty of Agriculture, University of Peradeniya.
- Department of Food Science & Technology, Faculty of Agriculture, University of Peradeniya.
- In-Plant Training for Plantation Management Specialization at the Faculty of Agriculture and Plantation Management, Wayamba University.
- Programmes of National Institute of Plantation Management (NIPM).

Through the undergraduate training programme, we recruit students from the above universities and institutes and provide them comprehensive on-the-job training and opportunities for skill development. The training programmes enable the students to obtain a well-rounded, pragmatic and diverse exposure to multiple aspects of our trade and are designed to employ them with skills to improve employability. Meanwhile, the Group provides internship opportunities for undergraduates pursuing industrial training attachments during the third year of study. In addition to providing technical skills and industry expertise, we also strive to develop the soft skills often sought by potential employers, including communication, leadership and presentation skills.

Supporting Educational needs of Estate Communities

During the year under review, the Group donated funds for the development of a library and other facilities at a rural school in Bulathkohupitiya. We intend to continue this initiative as an ongoing programme with the objective of supporting the education requirements of schools in estate communities. For this purpose, the Group also hopes to partner with local education authorities, charity organisations and other educational institutes.

During a training session held for undergraduates

Opening ceramony of the library of Kg/Narangala Kanishta Vidiyalaya, Bulathkohupitiya.

Environmental Commitment

As a Group engaging primarily in market intermediation, the environmental footprint of our operations are relatively limited. The only significant environmental impacts arise from our warehousing operations, primarily in the consumption of energy. As a Group, we remain committed to minimising the environmental footprint of our warehousing operations through optimising energy consumption. For this purpose, the following steps were taken by ASC during the year under review;

- An energy audit was conducted to identify energy flows and dynamics of the Group's warehouse facility.

- Energy tracking and monitoring systems were implemented to identify opportunities for reducing energy inputs.

- Priority was given to improve natural lighting flows and natural air flows for cooling purpose to reduce energy inputs.

- Trucks and stackers in the warehouse are powered by electricity, reducing dependence on fossil fuels.

- Over the medium to long-term, the Group is also committed to utilising solar energy to power its warehousing facility.

In addition to the warehouse the Group's head office has also been designed to maximise the use of natural lighting thereby reducing the energy input and dependence on fossil fuels. Furthermore, energy efficient lighting and cooling systems have been installed in the head office building to reduce energy consumption.

BUSINESS
INVESTORS
TEA BROKING
PROFITABILITY
ANALYSIS
CORPORATE
REVENUE
PLANNING

FINANCIAL STATEMENTS

POTENTIAL
REPORTING
PERIOD
GROWTH
ADVISORY

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 2015

General

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 re-registered 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 principal activities of the Company are carrying on the business of Tea Brokers, Produce Brokers, Auctioneers, Appraisers, Valuers, Commission Agents and General Agents.

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 12 and 13 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 are given on pages 53 to 90.

Auditors' Report

The Report of the Auditors on the Financial Statements of the Company is given on page 52.

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 57 to 67 Figures pertaining to the previous periods have been re-stated where necessary to conform to the current year's presentation.

Directors

The names of the Directors who held office as at the end of the accounting period are given below and their brief profiles appear on pages 14 to 16.

Name of Director

Dr. S A B Ekanayake	Chairman
Mr. A R Cooke	Managing Director
Mr. D J Wedande	Executive Director
Mr. M Murath	Non-Executive Director
Mr. S Sirisena	Non-Executive Director
Mr. S G Amarasuriya	Executive Director
Mr. Y Kuruneru	Executive Director
Mr. B A Hulangamuwa	Independent Non-Executive Director
Mr. S T Gunatilleke	Independent Non-Executive Director
Dr. I A Ismail	Independent Non-Executive Director
Mr. H R V Caldera	Non-Executive Director

Mr. S Sirisena retires by rotation at the conclusion of the Annual General Meeting in terms of Article 87(i) of the Articles of Association and being eligible is recommended by the Directors for re-election.

The Directors have recommended the re-appointment of Dr I A Ismail who is 78 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 re- appointment of Dr. I A Ismail.

The Directors have recommended the re-appointment of Mr. H R V Caldera who is 70 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 re- appointment of Mr. H R V Caldera.

Directors of subsidiary Companies

Asia Siyaka Warehousing (Private) Limited

Mr. A R Cooke
Mr. D J Wedande
Mr. M Murath
Mr. S G Amarasuriya

Siyaka Produce Brokers (Private) Limited

Mr. A R Cooke
Mr. D J Wedande
Mr. M Murath
Mr. S G Amarasuriya
Mr. V L T Perera

Composition of the Board

The Board of Asia Siyaka Commodities PLC comprises eleven members of whom seven are Non -Executive Directors. Four members of the Board serve as Executive Directors.

The Board has determined that three Non-Executive Directors – Dr. I A Ismail, Mr. B A Hulangamuwa and Mr. S T Gunatilleke are 'Independent' as per the criteria set out in the Listing Rules of the Colombo Stock Exchange.

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 2015 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 compensation in Note 29.2 to the Financial Statements on page 87.

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 its affairs. A further statement in this regard is included on page 50.

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 627,930 is payable by the Company to the Auditors for the year under review comprising Rs 335,930 as audit fees and Rs 362,000 for non-audit services.

The Auditors have expressed their willingness to continue in office. The Audit Committee at a meeting held on 23 June 2015 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 2015.

Directors' Shareholding

The relevant interests of Directors in the shares of the Company as at 31st March 2014 and 31st March 2015 are as follows.

	Shareholding as at 31/03/2015	**Shareholding as at 31/03/2014**
Dr. S A B Ekanayake*	-	-
Mr. A R Cooke	9,747,143	9,747,143
Mr. D J Wedande	8,353,067	8,353,067
Mr. M Murath*	-	-
Mr. S Sirisena*	-	-
Mr. S G Amarasuriya*	-	-
Mr. Y Kuruneru	2,499,063	2,499,063
Mr. B A Hulangamuwa	-	-
Mr. S T Gunatilleke	-	-
Dr. I A Ismail	-	-
Mr. H R V Caldera	-	-

*Dr. S A B Ekanayake is the Chairman of Lanka Commodity Brokers Limited, which holds 194,036,845 shares constituting 74.63% of the issued shares of the Company.

*Messrs. M Murath, S Sirisena, and S G Amarasuriya serve as Directors of Lanka Commodity Brokers Limited.

Shareholders

There were 970 shareholders registered as at 31st March 2015. The details of distribution are given on page 92 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 92 to 93 under Share Information.

Reserves

The reserves of the Company with the movements during the year are given on page 55.

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 03 to the Financial Statements on page 68 to 71.

Investments

Details of the Company's quoted and unquoted investments as at 31st March 2015 are given in Note 06 to the Financial Statements on page 23.

Donations

The Company made donations amounting to Rs 239,231/- 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.

Specific steps taken by the Company in managing the risks are detailed in the section on Risk Management on pages 23 to 26.

There were no material issues pertaining to employees and industrial relations of the Company during the year.

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 the Balance Sheet date 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 85 there were no material Contingent Liabilities as at the Statement of Financial Position date.

Events occurring after the Statement of Financial Position date

Except for the matters disclosed in Note 28 to the Financial Statements on page 86 there are no material events as at the date of the Financial Statements 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.

An Audit Committee and a Remuneration Committee function as Board sub committees, with Directors who possess the requisite qualifications and experience. The composition of the said committees is as follows.

Audit Committee

Mr. B A Hulangamuwa - Chairman
Mr. M Murath
Mr. S T Gunatilleke

Remuneration Committee

Dr. S A B Ekanayake- Chairman
Mr. B A Hulangamuwa
Mr. S T Gunatilleke
Mr. S Sirisena
Dr. I A Ismail

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 18 to 22 explains the measures adopted by the Company during the year.

Annual General Meeting

The Notice of the Annual General Meeting appears on page 96.

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

Chairman　　Director

P W Corporate Secretarial (Pvt) Ltd
Secretaries

22 July 2015

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 2015/16, including cash flows and borrowing facilities, consider that the Company has adequate resources to continue in operation.

By Order of the Board
ASIA SIYAKA COMMODITIES PLC

P W Corporate Secretarial (Pvt) Ltd
Secretaries

22 July 2015.

Report of the Audit Committee

Asia Siyaka Commodities PLC management is responsible for it's internal control and financial reporting including the preparation of consolidated financial statements. Independent Accountants 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 accountants 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 accountants.

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 31 March 2015. 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.

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.

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.

On behalf of the Audit Committee;

B A Hulangamuwa

S T Gunatilleke

22 July 2015
Colombo

Ernst & Young
Chartered Accountants
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MPDC/SANJ

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

Report on the Financial Statements

We have audited the accompanying financial statements of Asia Siyaka Commodities PLC ("the Company"), and the consolidated financial statements of the Company and its subsidiaries ("Group"), which comprise the statement of financial position as at 31 March 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory Information.

Board's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

b) In our opinion:

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

Ernst & Young
Charterd Accountants
29 June 2015
Colombo

Statement of Financial Position

As at 31 March 2015

		Group		Company	
ASSETS		**2015**	**2014**	**2015**	**2014**
	Note	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Non-Current Assets					
Property, Plant and Equipment	3	395,103,033	419,740,352	12,620,102	14,539,836
Intangible Assets	4	6,213,515	4,522,121	6,213,515	4,522,121
Lease Rentals Paid in Advance	5	32,195,000	33,135,000	-	-
Investments	6	-	7,123,000	99,137,635	106,260,635
Investment Property	7	6,000,000	6,000,000	6,000,000	6,000,000
Goodwill	4.3	-	1,013,731	-	-
Deferred Tax Asset	21	7,177,679	8,979,333	6,733,043	8,626,580
		446,689,227	480,513,537	130,704,295	139,949,172
Current Assets					
Inventory	8	5,339,392	1,862,513	5,339,392	1,776,530
Trade Receivables	9	491,187,603	227,285,121	532,843,887	223,778,389
Loans and Advances	10	1,140,991,071	992,400,110	1,073,060,152	975,551,262
Other Receivables, Prepayments and Advances		33,198,096	25,840,095	8,759,318	10,699,349
Short Term Available for Sale Investments	6	8,505,700	-	8,505,700	-
Cash and Cash Equivalents	11	123,823,427	66,013,369	115,560,415	55,180,413
		1,803,045,289	1,313,401,208	1,744,068,864	1,266,985,943
Total Assets		2,249,734,516	1,793,914,745	1,874,773,159	1,406,935,115
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	12	100,000,000	100,000,000	100,000,000	100,000,000
Reserves		312,713,352	311,330,652	1,801,700	419,000
Revenue Reserves		301,352,983	283,656,853	167,691,540	133,924,373
Total Equity		714,066,335	694,987,505	269,493,240	234,343,373
Non Current Liabilities					
Retirement Benefit Obligation	13	28,363,569	34,336,768	24,046,583	30,809,214
Deferred Tax Liability	21	35,698,387	34,444,132	1,712,437	539,372
		64,061,956	68,780,900	25,759,020	31,348,586
Current Liabilities					
Trade Payables	14	766,530,632	447,536,559	886,301,940	574,292,688
Income Tax Payable		15,210,773	19,499,533	13,484,931	15,421,739
Interest Bearing Borrowings on Client Financing	15	651,946,560	512,602,208	651,946,560	512,602,208
Sundry Creditors including Accrued Expenses		34,538,148	32,033,408	24,407,356	23,369,531
Bank Overdrafts	11	3,380,112	18,474,632	3,380,112	15,556,990
		1,471,606,225	1,030,146,340	1,579,520,899	1,141,243,156
Total Liabilities		1,535,668,181	1,098,927,240	1,605,279,919	1,172,591,742
Total Equity and Liabilities		2,249,734,516	1,793,914,745	1,874,773,159	1,406,935,115

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 57 through 90 form an integral part of these financial statements.

29 June 2015
Colombo

Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2015

		Group		Company	
	Note	2015	2014	2015	2014
		Rs.	Rs.	Rs.	Rs.
Gross Revenue	16	607,396,061	548,157,667	444,696,390	407,332,882
Cost of Sales		(6,549,231)	(6,824,248)	(6,549,231)	(6,824,248)
Net Revenue		600,846,830	541,333,419	438,147,159	400,508,634
Other Income and Gains	17	2,622,991	7,693,635	53,059,341	60,770,605
Distribution Expenses		(32,674,877)	(26,642,744)	(24,285,701)	(18,718,407)
Administrative Expenses		(329,514,001)	(279,620,951)	(215,513,409)	(194,352,168)
Other Expenses		(1,013,731)	-	-	-
Operating Profit		**240,267,212**	**242,763,359**	**251,407,390**	**248,208,664**
Finance Cost	18	(80,504,023)	(80,124,699)	(93,973,197)	(93,999,766)
Finance Income	19	1,940,057	1,508,895	5,426,257	2,150,846
Net Finance Cost		(78,563,966)	(78,615,804)	(88,546,940)	(91,848,920)
Profit Before Tax	20	**161,703,246**	**164,147,555**	**162,860,450**	**156,359,744**
Income Tax Expense	21	(53,263,897)	(46,733,467)	(38,253,706)	(28,616,434)
Profit for the year		**108,439,349**	**117,414,088**	**124,606,744**	**127,743,310**
Other Comprehensive Income for the year, net of tax					
Items that may not be Reclassified Subsequently to Statement of Profit or Loss					
Actuarial Gain for the year	13	11,163,207	4,647,935	11,056,143	4,539,447
Income Tax Effect		(3,106,426)	(1,281,894)	(3,095,720)	(1,271,045)
		8,056,781	3,366,041	7,960,423	3,268,402
Revaluation Surplus		-	111,655,863	-	-
Income Tax Effect		-	(11,165,586)	-	-
		-	100,490,277	-	-
Items that will not be Reclassified Subsequently to Statement of Profit or Loss					
Fair Value Change in Available for Sale Assets		1,382,700	419,000	1,382,700	419,000
Other Comprehensive Income for the year, net of tax		9,439,481	104,275,318	9,343,123	3,687,402
Total Comprehensive Income for the year, net of tax		**117,878,830**	**221,689,406**	**133,949,867**	**131,430,712**
Basic/Diluted Earnings Per Share	22	0.42	0.45	0.48	0.49
Dividend Per Share	23	0.38	0.38	0.38	0.38

The accounting policies and notes on pages 57 through 90 form an integral part of these financial statements.

Statement of Changes in Equity

Year ended 31 March 2015

Group	Stated Capital Rs.	Revaluation Reserve Rs.	Available for Sale Reserve Rs.	Revenue Reserves Rs.	Total Rs.
As at 1 April 2013	100,000,000	210,421,375	-	261,676,724	572,098,099
Net Profit for the Year	-	-	-	117,414,088	117,414,088
Other Comprehensive Income	-	100,490,277	419,000	3,366,041	104,275,318
Total Comprehensive Income	-	100,490,277	419,000	120,780,129	221,689,406
Dividend Paid	-	-	-	(98,800,000)	(98,800,000)
As at 31 March 2014	100,000,000	310,911,652	419,000	283,656,853	694,987,505
As at 1 April 2014	100,000,000	310,911,652	419,000	283,656,853	694,987,505
Net Profit for the Year	-	-	-	108,439,349	108,439,349
Other Comprehensive Income	-	-	1,382,700	8,056,781	9,439,481
Total Comprehensive Income	-	-	1,382,700	116,496,130	117,878,830
Dividend Paid	-	-	-	(98,800,000)	(98,800,000)
As at 31 March 2015	100,000,000	310,911,652	1,801,700	301,352,983	714,066,335

Company	Stated Capital Rs.	Revaluation Reserve Rs.	Available for Sale Reserve Rs.	Revenue Reserves Rs.	Total Rs.
As at 1 April 2013	100,000,000	-	-	101,712,661	201,712,661
Net Profit for the Year	-	-	-	127,743,310	127,743,310
Other Comprehensive Income	-	-	419,000	3,268,402	3,687,402
Total Comprehensive Income	-	-	419,000	131,011,712	131,430,712
Dividend Paid	-	-	-	(98,800,000)	(98,800,000)
As at 31 March 2014	100,000,000	-	419,000	133,924,373	234,343,373
As at 1 April 2014	100,000,000	-	419,000	133,924,373	234,343,373
Net Profit for the Year	-	-	-	124,606,744	124,606,744
Other Comprehensive Income	-	-	1,382,700	7,960,423	9,343,123
Total Comprehensive Income	-	-	1,382,700	132,567,167	133,949,867
Dividend Paid	-	-	-	(98,800,000)	(98,800,000)
As at 31 March 2015	100,000,000	-	1,801,700	167,691,540	269,493,240

The accounting policies and notes on pages 57 through 90 form an integral part of these financial statements.

Statement of Cash Flows

Year ended 31 March 2015

	Note	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Cash Flows From / (Used in) Operating Activities					
Profit before Income Tax Expense		161,703,246	164,147,555	162,860,450	156,359,744
Adjustment for					
Depreciation and Amortization	3.3 & 3.12	32,085,080	26,293,182	5,845,573	4,106,284
Finance Cost	18	80,504,023	80,124,699	93,973,197	93,999,766
Finance Income	19	(1,940,057)	(1,508,895)	(5,426,257)	(2,150,846)
Gratuity Charge	13.2	5,334,733	6,284,885	4,438,237	5,568,684
Loss /(Gain) on Sale of Property, Plant and Equipment		330,323	(2,839,955)	328,629	(1,410,491)
Impairment Loss of Goodwill on Acquisition	4.3	1,013,731	-	-	-
Provision for Impairment of Loans and Advances		4,941,601	-	4,941,601	-
Provision for Impairment of Trade Receivables		1,134,122	4,047,242	1,018,680	3,931,800
Amortization of Lease Rentals Paid in Advance	5.1	940,000	940,000	-	-
Operating Profit before Working Capital Changes		286,046,802	277,488,713	267,980,110	260,404,941
(Increase) / Decrease in Inventories		(3,476,880)	119,602	(3,562,862)	46,135
(Increase) / Decrease in Trade and Other Receivables		(274,769,114)	179,480,764	(310,518,655)	171,764,273
(Increase) / Decrease in Loans and Advances		(153,532,562)	(330,572,726)	(102,450,491)	(313,723,878)
Increase / (Decrease) in Trade and Other Payables		321,498,813	21,886,786	313,047,077	13,008,161
Increase / (Decrease) in Interest Bearing Borrowings on Client Financing		139,344,352	101,010,991	139,344,352	101,010,991
		315,111,411	249,414,130	303,839,532	232,510,623
Income Tax Paid		(57,603,175)	(51,598,250)	(40,219,632)	(32,379,133)
Retirement Benefit Obligation Costs paid	13.1	(144,725)	(1,453,591)	(144,725)	(1,269,836)
Finance Cost Paid	18	(80,504,023)	(80,124,699)	(93,973,197)	(93,999,766)
Net cash flow From Operating Activities		176,859,488	116,237,590	169,501,977	104,861,888
Cash Flows From / (Used in) Investing Activities					
Acquisition of Property, Plant and Equipment and Intangible Assets	3.5, 3.14, 4.1	(7,155,167)	(27,772,751)	(3,571,354)	(14,799,833)
Sales Proceeds from Fixed Asset Disposals		60,200	5,227,456	-	1,410,491
Finance Income Received	19	1,940,057	1,508,895	5,426,257	2,150,846
Net Cash Flows Used in Investing Activities		(5,154,910)	(21,036,400)	1,854,903	(11,238,496)
Cash Flows From / (Used in) Financing Activities					
Dividend Paid		(98,800,000)	(98,800,000)	(98,800,000)	(98,800,000)
Net Cash Flows Used in Financing Activities		(98,800,000)	(98,800,000)	(98,800,000)	(98,800,000)
Net Increase / (Decrease) in Cash and Cash Equivalents		72,904,578	(3,598,810)	72,556,881	(5,176,608)
Cash and Cash Equivalents at the Beginning of the Year	11	47,538,737	51,137,547	39,623,423	44,800,031
Cash and Cash Equivalents at the End of the Year	11	120,443,315	47,538,737	112,180,303	39,623,423

The accounting policies and notes on pages 57 through 90 form an integral part of these financial statements.

Notes to the Financial Statements
Year ended 31 March 2015

1. CORPORATE INFORMATION

1.1 Reporting Entity

Asia Siyaka Commodities PLC is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and the principal place of business is situated at 1st Floor, 'Deutsche House', No. 320, T. B. Jayah Mawatha, Colombo 10.

1.2 Consolidated Financial Statements

The financial statements for the year ended 31 March 2015, comprise "the Company" referring to Asia Siyaka Commodities PLC as the holding company and "the Group" referring to the companies whose accounts have been consolidated herein.

1.3 Principal Activities and Nature of Operations

Holding company

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

Subsidiaries

The companies within the Group and its business activities are disclosed in Note 2.3.

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

1.4 Parent Entity and Ultimate Parent Entity

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

1.5 Date of Authorization for Issue

The financial statements of Asia Siyaka Commodities PLC for the year ended 31 March 2015 were authorized for issue in accordance with a resolution of the Board of Directors on 29 June 2015.

2. GENERAL ACCOUNTING POLICIES

2.1 Statement of Compliance

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 (CA Sri Lanka) and the requirements of the Companies Act No. 07 of 2007.

2.2 Basis of Preparation

The financial statements of the Company have been prepared on a historical cost basis, except for available-for-sale financial assets, buildings on leasehold lands and storage system that have been measured at fair value.

The financial statements are presented in Sri Lankan Rupees (Rs).

2.3 Basis of Consolidation

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

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns

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

- The contractual arrangement with the other voting holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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

Profit or loss and each component of other comprehensive income (OCI) are attributed

2. GENERAL ACCOUNTING POLICIES Contd...

to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The financial statements of the subsidiaries are prepared for the same reporting year using uniform Accounting Policies for transactions, in similar circumstances and are applied consistently.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

Susidiaries

The details of subsidiaries are as follows

Company Name	**Asia Siyaka Warehousing (Pvt) Ltd**	**Siyaka Produce Brokers (Pvt) Ltd**
Nature of Operations	The principal activities and the nature of operations are to carry on business of providing warehousing facilities for clients of parent and other selected third parties.	The principal activities and the nature of operations are to carry on business of Rubber Brokers, Auctioneers, Appraisers, Valuers, Commission Agents and General Agents.
Year of Ownership/ Incorporation	18.01.1999	15.02.2008
Ownership Percentage	100%	100%

2.4 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements of the Group require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets , liabilities and the disclosure of contingent liabilities, at the end of the reporting period. In the process of applying the Group's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Revaluation of Property, Plant and Equipment

The Group measures buildings in leasehold lands and storage systems at revalued amounts where changes in fair value being recognised in the statement of other comprehensive income. The Group engages independent, qualified valuation specialists to determine fair value. Such valuer uses assumptions and valuation techniques to determine the fair value.

(ii) Impairment of Non- Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

2. GENERAL ACCOUNTING POLICIES Contd...

(iii) Retirement Benefit Obligation

The employee benefit liability of the Group is based on the actuarial valuation carried out by independent actuarial specialist. The actuarial valuations involve making assumptions about discount rates, salary increment rate, staff turnover rate, mortality rate and retirement age. The complexity of the valuation, the underlying assumptions and its long term nature, the retirement benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details of the key assumptions used in the estimates are contained in Note 13.4

2.5 Summary of Significant Accounting Policies

2.5.1 New and Revised Accounting Policies

The accounting policies adopted by the Group are consistent with those used in the previous year except for the following:

2.5.1.1 SLFRS 10 Consolidated Financial Statements

SLFRS 10 establishes a single control model that applies to all entities including special purpose entities. SLFRS 10 replaces the parts of previously existing LKAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. SLFRS 10 changes the definition of control such that an investor controls an investee has exposure or rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. SLFRS 10 has had no impact on the consolidation of investments held by the Group.

2.5.1.2 SLFRS 11 Joint Arrangements

SLFRS 11 replaces LKAS 31 Interests in Joint Ventures and SIC13 Jointly controlled Entities Non-monetary Contributions by Ventures. SLFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead JCEs that meet the definition of a joint venture under SLFRS 11 must be accounted for using the equity method.

2.5.1.3 SLFRS 12 Disclosure of Interests in Other Entities

SLFRS 12 requires that an entity disclose information about significant judgements and assumptions it has made (and changes to those judgements and assumptions) in determining;

- that it has control of another entity.
- that it has joint control of an arrangement or significant influence over another entity.
- the type of joint arrangement (i.e.joint operation or joint venture) when the arrangement has been structured through a separate vehicle.

An entity must disclose, for example, significant judgements and assumptions made in determining that;

- it does not control another entity even though it holds more than half of the voting rights of the other entity.
- it controls another entity even though it holds less than half of the voting rights of the other entity.
- it is an agent or principal as defined by SLFRS 10.
- it does not have significant influence even though it holds 20 per cent or more of the voting rights of another entity.
- it has significant influence even though it holds less than 20 per cent of the voting rights of another entity

The Group does not have any interest in unconsolidated structured entities. Interests in such entities require the disclosures under SLFRS 12.

2.5.1.4 SLFRS 13 Fair Value Measurement

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. SLFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under SLFRS when fair value is required or permitted. The application of SLFRS 13 has not materially impacted the fair value measurements carried out by the Group.

2.5.2 Comparative Information

The presentation and classification of the financial statements of the previous years have been amended where relevant for better presentation and to be comparable with those of the current year. Please refer Note 26 for disclosure on prior year reclassifications.

2.5.3 Foreign Currency Translation

The financial statements are presented in Sri Lankan Rupees, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets

2. GENERAL ACCOUNTING POLICIES Contd...

and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising from settlement or translation of monetary items are taken to statement of profit or loss and other comprehensive income. 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.

2.5.4 Taxation

(a) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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.

2. GENERAL ACCOUNTING POLICIES Contd...

2.5.5 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.

2.5.6 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.

2.5.7 Current versus Non-Current Classification

The Group presents assets and liabilities in statement of financial position based on current or non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5.8 Fair Value Measurement

The Group measures financial instruments such as quoted investments under available-for-sale financial assets and non-financial assets such as buildings on leasehold land and storage systems at fair value. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions in Note 3.10
- Quantitative disclosures of fair value measurement hierarchy in Note 3.8
- Investment in unquoted equity shares in Note 6.1

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the company.The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (un-adjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is

2. GENERAL ACCOUNTING POLICIES Contd...

significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group determines the policies and procedures for both recurring fair value measurement, such as buildings on lease hold lands, storage systems and available for sale financial assets, and for non-recurring measurement. External valuers are involved for valuation of significant assets such as buildings on lease hold lands, storage systems and investment properties. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained.

2.5.9 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 and impairment losses thereon. All other property, plant and equipment are stated at cost less accumulated depreciation and 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 over the estimated economic life of such assets.

The estimated useful life of assets is as follows:

Assets	Years
Buildings on Leasehold Land	Lower of 30 years or Lease Term
Furniture and Fittings	6.67
Storage System	6.67
Office Equipment	4 - 6.67
Computer Equipment	5
Motor Vehicle	4

The residual values, useful lives and depreciation method are reviewed at each reporting date and adjust prospectively when appropriate.

(d) Revaluation

Buildings on leasehold land and storage systems are measured at fair value less accumulated depreciation 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 revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit or loss, in which case the increase is recognised in the statement of profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve.

Cost of repairs and maintenance are charged to the statement of profit or loss and other comprehensive 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 profit or loss and other comprehensive income in

2. GENERAL ACCOUNTING POLICIES Contd...

the year the asset is derecognised.

2.5.10 Operating Leases

Operating lease payments are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight line basis over the lease term.

2.5.11 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.

2.5.12 Intangible Assets

2.5.12.1 Basis of Recognition

An intangible asset is recognised if it is probable that the future economic benefits associated with the asset will flow to the company and the cost of the asset can be reliably measured.

2.5.12.2 Basis of Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against statement of profit or loss and other comprehensive income in the year in which the expenditure is incurred.

2.5.12.3 Useful Economic Lives, Amortization and Impairment

The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end and such changes are treated as accounting estimate changes. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income. Intangible assets with indefinite useful lives are not amortized but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The estimated useful life of assets is as follows:

Assets	Years
Goodwill on Acquisition	Indefinite
Software	2

2.5.12.4 Disposal Gains and Losses

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised.

2.5.12.5 Business Combination and Goodwill

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognized amount of any non-controlling interests in the acquire, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in the statement of profit or loss and other comprehensive income.

Goodwill is initially measured at cost being the excess of the consideration transferred over the Group's net identifiable assets acquired and liabilities assumed.

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 maybe 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 acquire 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 recognized. The

2. GENERAL ACCOUNTING POLICIES Contd...

impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets prorate 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 in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

2.5.13 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 profit or loss and other comprehensive 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) De-recognition

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 Amortized 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 profit or loss and other comprehensive 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 profit or loss and other comprehensive 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 profit or loss and other comprehensive 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 statement of profit or loss and other comprehensive income is removed from other comprehensive income and recognised in the statement of profit and loss. Impairment losses on equity investments are not reversed through the statement of profit and loss; 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 and loans and borrowings.

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 profit or loss and other comprehensive 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 profit or loss and other comprehensive income.

g) De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive 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

2.5.14 Trade and Other Receivables

Trade debtors, including amounts owing by subsidiaries, deposits and other debtors (excluding non-financial assets classified under deposits and other receivables which are measured at cost) classified and accounted for as loans and receivables. Based on the nature, the relevant accounting policies for this category of financial assets are stated in Note 2.5.14 above.

2.5.15 Cash and Cash Equivalents

Cash and cash equivalents are cash at bank and in hand, demand 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.

2.5.16 Provisions

Provisions are recognized when the 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 profit or loss and other comprehensive 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.

2.5.17 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, staff turnover rate, future salary increment rate 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 2015, 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 are eligible for Provident Fund Contributions and Trust Fund Contributions in line with respective statutes and regulations. These are recognized as an expense in the statement of profit or loss and other comprehensive income as incurred.

The Group contributes 12% of gross emoluments of the employees to Employees’ Provident Fund, Estate Supplier’s Provident Society, Ceylon Planter’s Provident Society and 3% of gross emoluments of the employees to Employees’ TrustFund.

2.5.18 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) 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 dispatch of the goods.

c) Interest Income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale,

2. GENERAL ACCOUNTING POLICIES Contd...

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. Interest income is included in finance income in the statement of profit or loss and other comprehensive income.

d) Others

Other income is recognised on accrual basis.

2.5.19 Segment Information

2.5.19.1 Reporting Segments

The Group's internal organisation and management is structured based on individual products and services which are similar in nature and process and where the risk and return are similar. The primary segments represent this business structure. Since the individual segments are located close to each other and operate in the same industry environment catering to clientele from the same geographical location, the need for geographical segmentation does not arise.

2.5.19.2 Segment Information

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group. An individual segment manger is determined for each operating segment and the results are regularly reviewed by the Board of Directors. The Board of Directors 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 which in certain respects, as explained in the operating segments information is measured differently form operating profit or loss in the consolidated financial statements.

2.6 Standards Issued but Not Yet Effective

2.6.1 SLFRS 9 -Financial Instruments: Classification and Measurement

SLFRS 9 as issued reflects the first phase of work on replacement of LKAS 39 and applies to classification and measurement of financial assets and liabilities.

This standard was originally effective for annual periods commencing on or after 01 January 2015. However the effective date has been subsequently deferred.

2.6.2 SLFRS 15-Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. This standard is effective for annual periods beginning on or after 01 January 2017.

Pending the detailed review of the above standards, the extent of the impact has not been determined by the management.

3. PROPERTY, PLANT AND EQUIPMENT

Group

		Balance As at 01.04.2014	Additions	Disposals/ Transfers	Balance As at 31.03.2015
3.1	**Gross Carrying Amounts**				
		Rs.	Rs.	Rs.	Rs.
	At Cost/Valuation				
	Buildings	336,944,600	-	-	336,944,600
	Furniture and Fittings	18,526,000	925,692	(4,273,798)	15,177,894
	Office Equipment	89,473,841	3,057,037	(6,272,989)	86,257,889
	Storage System	14,686,759	-	-	14,686,759
	Computers and Accessories	20,909,304	1,645,244	(7,774,310)	14,780,238
	Motor Vehicles	24,094,678	-	-	24,094,678
		504,635,182	5,627,973	(18,321,097)	491,942,058
	Assets on Finance Leases				
	Land Development Cost	24,954,081	-	-	24,954,081
		24,954,081	-	-	24,954,081
	Total Value of Depreciable Assets	529,589,263	5,627,973	(18,321,097)	516,896,139
3.2	**In the Course of Construction**				
	Capital Work In Progress	-	111,020	-	111,020
		-	111,020	-	111,020

3.3 Depreciation

	Balance As at 01.04.2014	Charge for the year	Disposals/ Transfers	Balance As at 31.03.2015
	Rs.	Rs.	Rs.	Rs.
At Cost/Valuation				
Buildings	-	11,231,487	-	11,231,487
Furniture and Fittings	10,909,935	1,801,742	(4,198,664)	8,513,013
Office Equipment	68,712,904	7,447,314	(5,979,819)	70,180,399
Storage System	-	2,203,014	-	2,203,014
Computers and Accessories	18,079,174	954,390	(7,752,095)	11,281,469
Motor Vehicles	8,764,880	5,683,958	-	14,448,838
	106,466,893	29,321,905	(17,930,578)	117,858,220
Assets On Finance Leases				
Land Development Cost	3,382,017	663,889	-	4,045,906
	3,382,017	663,889	-	4,045,906
	109,848,910	29,985,794	(17,930,578)	121,904,126

3. PROPERTY, PLANT AND EQUIPMENT Contd...

3.4 Net Book Values

	2015 Rs.	2014 Rs.
At Cost/Valuation		
Buildings	325,713,113	336,944,599
Furniture and Fittings	6,664,881	7,616,065
Office Equipment	16,077,490	20,760,937
Storage System	12,483,745	14,686,759
Computers and Accessories	3,498,769	2,830,130
Motor Vehicles	9,645,840	15,329,798
	374,083,838	398,168,288
Assets on Finance Leases		
Land Development Cost	20,908,175	21,572,064
	20,908,175	21,572,064
In the Course of Construction		
Capital Work In Progress	111,020	-
	111,020	-
Total Carrying Amount of Property, Plant and Equipment	395,103,033	419,740,352

3.5 During the financial period, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 5,738,994/- (2014 - Rs.22,479,015/-) cash payment amounting to Rs.5,738,994/- (2014 - Rs. 22,479,015/-).

3.6 Property, Plant and Equipment includes fully depreciated assets still in use having a gross carrying amount of Rs. 53,748,876/- (2014- Rs.30,890,131/-).

3.7 The Useful Lives of the Assets are Estimated as follows;

	2015 Years	2014 Years
Buildings	30	30
Furniture and Fittings	6.67	6.67
Office Equipment	4 - 6.67	4 - 6.67
Storage System	6.67	6.67
Computers and Accessories	5	5
Motor Vehicles	4	4
Land Development Cost	Over the lease term	Over the lease term

3. PROPERTY, PLANT AND EQUIPMENT Contd...

Group

3.8 Non-Financial Assets Fair Value Hierarchy

As at 31 March

		Level 1		Level 2		Level 3	
Assets Measured at Fair Value	**Valuation Date**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Buildings on Leasehold Land	31/3/2014	-	-	-	-	-	336,944,600
Storage System	31/3/2014	-	-	-	-	-	14,686,759

3.9 In determining the fair value, highest and best use of the property has been considered including the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also the valuers have made reference to market evidence of the transaction prices for similar properties, with appropriate adjustments for the size and location.

3.10 Details of Group's Building on Leasehold Land and Storage System stated at Valuation are indicated below;

Location	Valuation Technique	Property Valuer	Significant Unobservable Inputs	Estimates for Unobservable Inputs	Sensitivity of Fair Value to Unobservable Inputs
Buildings on Leasehold Land	Open Market Value	K.A.Perera Chartered Valuation Surveyor	Price per sq.ft	Rs.750/- to Rs.2,750/-	Positively Correlated Sensitivity
Storage System	Open Market Value	K.A.Perera Chartered Valuation Surveyor	Inflation Rate	11%	Positively Correlated Sensitivity
			Depreciation Rate	12.50%	Negatively Correlated Sensitivity

3.10.1 The carrying amount of revalued assets that would have been included in the Financial Statements had the assets been carried at cost less depreciation is as follows:

Class of Asset	Cost	Cumulative Depreciation if Assets were carried at cost	Net Carrying amount 2015	Net Carrying amount 2014
Building	106,683,854	47,873,478	58,810,376	62,366,504
Storage System	22,101,895	22,101,895	-	-
	128,785,749	69,975,373	58,810,376	62,366,504

3. PROPERTY, PLANT AND EQUIPMENT Contd...

3.11 Gross Carrying Amounts

At Cost	Balance As at 01.04.2014 Rs.	Additions Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2015 Rs.
Furniture and Fittings	16,697,234	612,957	(3,207,469)	14,102,722
Office Equipment	15,526,311	63,986	(5,279,130)	10,311,167
Computers and Accessories	20,623,496	1,478,238	(7,774,310)	14,327,424
Motor Vehicles	1,572,031	-	-	1,572,031
Total Value of Depreciable Assets	54,419,072	2,155,181	(16,260,909)	40,313,343

3.12 Depreciation

At Cost	Balance As at 01.04.2014 Rs.	Charge for the year Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2015 Rs.
Furniture and Fittings	9,150,073	1,769,117	(3,194,226)	7,724,964
Office Equipment	11,432,474	1,015,757	(4,985,960)	7,462,272
Computers and Accessories	17,984,568	887,153	(7,752,095)	11,119,626
Motor Vehicles	1,312,121	74,260		1,386,381
Total Depreciation	39,879,236	3,746,287	(15,932,281)	27,693,242

3.13 Net Book Values

At Cost	2015 Rs.	2014 Rs.
Furniture and Fittings	6,377,758	7,547,161
Office Equipment	2,848,896	4,093,837
Computers and Accessories	3,207,798	2,638,928
Motor Vehicles	185,650	259,910
Total Carrying Amount of Property, Plant and Equipment	12,620,102	14,539,836

3.14 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 2,155,181/- (2014 - Rs. 9,506,097/-). Cash payment amounting to Rs. 2,155,181/- (2014 - Rs. 9,506,097/-) were made during the period for purchase of Property, Plant and Equipment.

3.15 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of Rs.32,636,128/- (2014 - Rs. 30,890,131/-) of which Property, Plant and Equipment having a gross carrying amount of Rs.17,250,386/- is still in use.

3.16 The Useful Lives of the Assets is Estimated as follows;

	Years 2015	2014
Furniture and Fittings	6.67	6.67
Office Equipment	6.67	6.67
Computers and Accessories	5	5
Motor Vehicles	4	4

4. INTANGIBLE ASSETS

	Group/ Company		
	Computer Software	Capital Advance	Total
	2015	2015	2015
Cost	Rs.	Rs.	Rs.
Balance as at the Beginning of the year	3,086,460	2,207,276	5,293,736
Additions	4,581,783	1,416,173	5,997,956
Disposal/Transfers during the year	-	(2,207,276)	(2,207,276)
Balance as at the End of the year	7,668,243	1,416,173	9,084,416
Amortization			
Balance as at the Beginning of the year	771,615	-	771,615
Charge for the year	2,099,286	-	2,099,286
Balance as at the End of the year	2,870,901	-	2,870,901
Carrying Value	4,797,342	1,416,173	6,213,515

4.1 During the financial year, the Company acquired Intangible Assets to the aggregate value of Rs. 5,997,956/- (2014 - Rs.5,293,736/-), cash payment amounting to Rs.1,416,173 /- (2014 - Rs.5,293,736/-) were made during the period for purchase of Intangible Assets.

4.2 Capital advances include the advance payments to acquire Software Applications.

4.3 GOODWILL

Group	2015 Rs.	2014 Rs.
Balance as at the Beginning of the year	1,013,731	1,013,731
(-) Provision for Impairment (4.4)	(1,013,731)	-
Balance as at the End of the year	-	1,013,731

4.4 The Goodwill on acquisition of Siyaka Produce Brokers (Private) Ltd was provided for full impairment after assessing it's recoverable value by conducting a Value In Use (VIU) exercise.

5. LEASE RENTALS PAID IN ADVANCE

Group	2015 Rs.	2014 Rs.
Lease Rentals paid in Advance	47,000,000	47,000,000
Accumulated Amortization	(14,805,000)	(13,865,000)
Lease Rentals paid in Advance net of Amortization	32,195,000	33,135,000

5.1 Summary

At the Beginning of the year	33,135,000	34,075,000
Amortization for the year	(940,000)	(940,000)
At the End of the year	32,195,000	33,135,000

5.2 Amortization of Lease Rentals paid in Advance

To be Amortized within One year	(940,000)	(940,000)
To be Amortized within Two to Five years	(3,760,000)	(3,760,000)
To be Amortized after Five years	(27,495,000)	(28,435,000)
	(32,195,000)	(33,135,000)

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. INVESTMENTS

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Investment in Subsidiaries (6.1)	-	-	99,137,635	99,137,635
Available For Sale Investments (6.1 & 6.2)	8,505,700	7,123,000	8,505,700	7,123,000
	8,505,700	7,123,000	107,643,335	106,260,635

6.1 Non-Current Investments

Investment in Subsidiaries

	Group 2015	Group 2014	Company 2015	Company 2014
Asia Siyaka Warehousing (Pvt) Ltd	-	-	92,000,000	92,000,000
Siyaka Produce Brokers (Pvt) Ltd	-	-	7,137,635	7,137,635
	-	-	99,137,635	99,137,635

	Holding %	
	2015	2014
Asia Siyaka Warehousing (Pvt) Ltd	100%	100%
Siyaka Produce Brokers (Pvt) Ltd	100%	100%

Available For Sale Investments

	Group 2015	Group 2014	Company 2015	Company 2014
Vallibel One PLC-Quoted	-	7,123,000	-	7,123,000

6.2 Short Term Available For Sale Investments

	Group		Company	
Available For Sale Investments	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Vallibel One PLC-Quoted	8,505,700	-	8,505,700	-

6.3 Financial Assets Fair Value Hierarchy

As at 31 March	Level 1		Level 2		Level 3	
	2015	2014	2015	2014	2015	2014
Available-for-Sale Investments	8,505,700	7,123,000	-	-	-	-

6.4 During the reporting period ended 31 March 2015 and 2014, there were no transfers between Level 1 and Level 2 Fair Value measurements.

7. INVESTMENT PROPERTY

	Group / Company	
	2015	2014
	Rs.	Rs.
Deniyaya Land	6,000,000	6,000,000

7.1 Based on the internal assessment the Directors are of the opinion that the fair value of the investment property does not significantly differ from the revaluation done in the prior year by Mr. B.L.A. Padmasiri, an Independent Valuer in reference to market based evidence and estimated as Rs. 11,000,000/-.

7.2 In October 2011, Ministry of Land and Land Development has issued an Extra Ordinary Gazette 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.

7.3 Details of Investment Property Fair Value Disclosure;

Location	Deniyaya Land
Valuation Date	31/3/2014
Valuation Technique	Open Market Value
Property Valuer	B.L.A Padmasiri - Incorporated Valuer
Significant Unobservable Inputs	Price per Acre
Estimates for Unobservable Inputs	Rs. 250,000/-

8. INVENTORY

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Packing Material	1,613,386	1,645,477	1,613,386	1,645,477
Stationery	129,446	131,053	129,446	131,053
Spares	-	85,983	-	-
Inventories Held for Resale	3,596,560	-	3,596,560	-
	5,339,392	1,862,513	5,339,392	1,776,530

9. TRADE RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Trade Receivables - Others	502,893,888	243,455,066	480,749,814	218,241,766
Less: Provision for Impairment of Trade Receivables - Others (9.2)	(11,706,285)	(16,169,945)	(11,560,499)	(16,054,503)
	491,187,603	227,285,121	469,189,315	202,187,263
Trade Receivables - Related Parties (9.1)	-	-	63,654,572	21,591,126
	491,187,603	227,285,121	532,843,887	223,778,389

9. TRADE RECEIVABLES Contd...

9.1 Trade Receivables - Related Parties

	Company	
	2015	2014
Siyaka Produce Brokers (Pvt) Ltd	63,654,572	21,591,126
	63,654,572	21,591,126

9.2 Provision for Impairment of Trade Receivables

	Group 2015 Rs.	Company 2015 Rs.
Balance at the Beginning of the year	(16,169,945)	(16,054,503)
Amount Reversed during the year	4,463,660	4,494,004
Balance at the End of the year	(11,706,285)	(11,560,499)

9.3

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:

	Total	Neither past due nor Impaired	Past due but not impaired 8-120 days
	Rs.	Rs.	Rs.
Group			
Trade Receivables - Others	491,187,603	436,982,579	54,205,024
	491,187,603	436,982,579	54,205,024
Company			
Trade Receivables - Others	469,189,314	426,427,970	42,761,345
Trade Receivables - Related Parties	63,654,572	63,654,572	-
	532,843,886	490,082,542	42,761,345

10. LOANS AND ADVANCES

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Short Term Loans to Clients	242,263,112	135,590,460	242,263,112	135,590,460
Advances to Clients	903,335,289	856,809,650	835,404,370	839,960,802
Less : Provision for Impairment of Loans and Advances (10.1)	(4,607,330)	-	(4,607,330)	-
	1,140,991,071	992,400,110	1,073,060,152	975,551,262

10.1 Provision for Impairment of Loans and Advances

As at 31 March 2015, Loans and Advances of an initial value of Rs.4,607,330/- (2014 - Nil) were impaired and fully provided for. The movement of the Provision for Impairment of Loans and Advances is given below.

	2015
	Rs.
Balance at the Beginning of the year	-
Impairment Provision for the year	4,607,330
Balance at the End of the year	4,607,330

10.2 As at 31 March, the Ageing analysis of Loans and Advances is as follows:

	Total	Neither past due nor Impaired	Past due but not Impaired 22 to 90 days days
Group	Rs.	Rs.	Rs.
Loans and Advances	1,140,991,071	311,699,039	829,292,032
	1,140,991,071	311,699,039	829,292,032
Company			
Loans and Advances	1,073,060,152	311,699,039	761,361,113
	1,073,060,152	311,699,039	761,361,113

11. CASH AND CASH EQUIVALENTS

	Group		Company	
Components of Cash and Cash Equivalents	**2015**	**2014**	**2015**	**2014**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Favorable Cash and Cash Equivalent balance				
Cash and Bank balances	123,823,427	66,013,369	115,560,415	55,180,413
	123,823,427	66,013,369	115,560,415	55,180,413
Unfavorable Cash and Cash Equivalent balance				
Bank Overdrafts	(3,380,112)	(18,474,632)	(3,380,112)	(15,556,990)
Total Cash and Cash Equivalent balance for the purpose of Statement of Cash Flows	120,443,315	47,538,737	112,180,303	39,623,423

12. STATED CAPITAL

	2015		2014	
	Number	**Rs.**	**Number**	**Rs.**
Fully Paid Ordinary Shares	260,000,000	100,000,000	260,000,000	100,000,000

13. RETIREMENT BENEFIT OBLIGATION

	Group		Company	
	2015	**2014**	**2015**	**2014**
13.1 Retirement Benefits Obligation-Gratuity	**Rs.**	**Rs.**	**Rs.**	**Rs.**
At the Beginning of the Year	34,336,768	34,153,410	30,809,214	31,049,814
Charge for the Year (13.2)	5,334,733	6,284,885	4,438,237	5,568,684
Actuarial Gain for the Year	(11,163,207)	(4,647,935)	(11,056,143)	(4,539,447)
Benefits Paid	(144,725)	(1,453,591)	(144,725)	(1,269,836)
At the End of the Year	28,363,569	34,336,768	24,046,583	30,809,214

13.2 Retirement Benefit Obligation costs recognized under Administrative Expenses in the Statement of Profit or Loss

	Group		Company	
	2015	**2014**	**2015**	**2014**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Current Service Cost	2,173,873	2,528,010	1,665,408	2,153,205
Interest Cost	3,160,860	3,756,875	2,772,829	3,415,479
	5,334,733	6,284,885	4,438,237	5,568,684

13. RETIREMENT BENEFIT OBLIGATION Contd....

13.3 Messrs. Actuarial & Management Consultants (Private) Limited Actuaries, carried out an actuarial valuation of the Retirement Benefit Obligation - Gratuity using the Projected Unit Credit (PUC) method as at 31 March 2015 and 2014. Appropriate and compatible assumptions were used in determining the cost of Retirement Benefits Obligation.

13.4 The Principal Assumptions used are as follows:

	Group		Company	
	2015	2014	2015	2014
Discount Rate per annum	10%	9%	10%	9%
Salary Increment Rate per annum	5% - 8%	5% - 8%	5% - 8%	8%
Staff Turnover Rate per annum	3% - 5%	6% - 14%	5%	14%
Expected Remaining Service Life years	9.11 - 10.5	5.3 - 8.7	9.11	5.3
Retirement Age years	55 - 60	55 - 60	55 -60	55 - 60

13.5 Sensitivity of Assumptions employed in Actuarial Valuation

The following table demonstrate the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the Retirement Benefit Obligation measurement.

The effect of per unit changes in Discount Rate and Salary Increment Rate on Statement of Other Comprehensive Income and Statement of Financial Position -Retirment Benefit Obligation is as follows.

		Group		Company	
Increase/(Decrease) in Discount Rate	Increase/ (Decrease) in Salary Increment Rate	Effect on Change to Statement of Other Comprehensiv e Income	Effect on Retirment Benefit Obligation	Effect on Change to Statement of Other Comprehensive Income	Effect on Retirment Benefit Obligation
		Rs.	Rs.	Rs.	Rs.
1%	*	(1,425,807)	(1,425,807)	(1,178,435)	(1,178,435)
-1%	*	1,588,735	1,588,735	1,312,600	1,312,600
**	1%	1,734,470	1,734,470	1,430,900	1,430,900
**	-1%	(2,000,420)	(2,000,420)	(1,301,588)	(1,301,588)

* Salary Increment Rate 5% - 8% for the Group/Company

** Discount Rate 10% and 9% for Group and Company respectively

14. TRADE PAYABLES

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Trade Payables - Others	766,530,632	447,536,559	758,165,088	440,751,393
Trade Payables - Related Parties (14.1)	-	-	128,136,852	133,541,295
	766,530,632	447,536,559	886,301,940	574,292,688

14.1 Amount Payable to Related Parties	Relationship	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Asia Siyaka Warehousing (Pvt) Ltd	Subsidiary	-	-	128,136,852	133,541,295
		-	-	128,136,852	133,541,295

The amount due to Asia Siyaka Warehousing (Pvt) Ltd is subject to interest charge at 10% (2014: 10%)

15. INTEREST BEARING BORROWINGS ON CLIENT FINANCING

	Group / Company	
	2015	2014
	Rs.	Rs.
Short Term Loans and Overdrafts Obtained for Client Financing	500,000,000	250,000,000
Bank Overdrafts for Client Financing	151,946,560	262,602,208
	651,946,560	512,602,208

The Group has pledged its assets as security for the Interest Bearing Loans and Borrowings obtained as stated in Note 27.

16. GROSS REVENUE

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Brokerage Income	237,991,848	221,920,399	233,912,512	216,607,369
Packing Material Operations	7,014,383	7,523,662	7,014,383	7,523,662
Warehousing Income	141,466,827	127,399,484	-	-
Interest on Loans and Client Advances	187,136,748	164,818,022	179,614,709	162,566,003
Others	33,786,255	26,496,100	24,154,786	20,635,848
	607,396,061	548,157,667	444,696,390	407,332,882

17. OTHER INCOME AND GAINS

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Dividend Income	167,595	293,295	49,937,595	54,728,894
Profit on Sale of Property Plant and Equipment	-	2,839,955	-	1,410,491
Security Insurance	2,335,793	1,959,430	2,335,793	1,959,430
Commission Income	89,568	66,822	755,918	629,487
Creditors Write Back	30,035	2,042,303	30,035	2,042,303
Others	-	491,830	-	-
	2,622,991	7,693,635	53,059,341	60,770,605

18. FINANCE COST

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Bank Charges	3,980,895	7,175,799	3,936,679	7,128,820
Interest on Short Term Financing	76,523,128	72,948,900	76,520,958	72,948,281
Interest on Intercompany Advances	-	-	13,515,560	13,922,665
	80,504,023	80,124,699	93,973,197	93,999,766

19. FINANCE INCOME

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Interest on Savings Accounts	602,441	589,675	602,441	589,674
Interest Income on Penalties	1,130,356	527,673	1,130,356	527,673
Interest Income on Intercompany Receivables	-	-	3,507,783	857,027
Other Interest	207,260	391,547	185,677	176,472
	1,940,057	1,508,895	5,426,257	2,150,846

20. PROFIT BEFORE TAX

Stated after Charging	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Employee Benefits including the following	62,282,948	64,575,771	45,280,695	51,039,171
Defined Contribution Plan Costs	10,346,624	9,748,612	8,517,187	8,102,459
Retirement Benefit Obligation - Gratuity	5,334,733	6,284,884	4,438,237	5,568,683
Depreciation	32,085,080	26,293,183	5,845,573	4,106,284
VAT on Financial Services	11,741,233	10,483,705	11,746,033	10,483,705
NBT on Financial Services	450,000	-	450,000	-
External Audit Fees	813,597	587,926	368,500	325,426
Internal Audit Fees	942,915	240,000	551,775	120,000

21. INCOME TAX EXPENSE

	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Current Income Tax				
Current Income Tax Charge	54,776,905	51,720,646	38,993,847	34,171,739
Over Provision of Tax Expense in respect of Prior years	(1,462,490)	(2,830,628)	(711,023)	(3,999,107)
	53,314,415	48,890,018	38,282,824	30,172,632
Deferred Income Tax				
Reversal of Deferred Tax (Note 21.3)	(50,518)	(2,156,551)	(29,118)	(1,556,199)
	53,263,897	46,733,467	38,253,706	28,616,434

21.1 Reconciliation between Accounting Profit and Taxable Income

	Group 2015	Group 2014	Company 2015	Company 2014
Accounting Profit (Profit before Taxation)	161,703,245	164,147,555	162,860,450	156,359,744
Non-Deductible Items	61,760,080	57,122,170	32,289,189	30,388,605
Deductible Items	(73,822,522)	(88,801,110)	(55,885,900)	(70,754,823)
Taxable Income	149,640,803	132,468,616	139,263,739	115,993,526
Income Tax on Profit at 10%	9,347,758	10,689,782	-	-
Income Tax on Profit at 28%	45,429,147	41,030,864	38,993,847	34,171,739
Current Income Tax Charge	54,776,905	51,720,646	38,993,847	34,171,739

	Group 2015	Group 2014	Company 2015	Company 2014
21.2 Effective Tax Rate	34%	32%	24%	22%

21. INCOME TAX EXPENSE Contd...

21.3 Deferred Tax

	Group		Company	
Deferred Tax Asset	**2015**	**2014**	**2015**	**2014**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Statement of Financial Position				
At the Beginning of the year	8,979,333	9,004,305	8,626,580	8,693,948
Charge/(Reversal) for the year	(1,801,654)	(24,972)	(1,893,537)	(67,368)
At the End of the year	7,177,679	8,979,333	6,733,043	8,626,580
Statement of Profit or Loss				
Retirement Benefit Obligation	(1,304,771)	(1,256,922)	(1,202,183)	(1,203,678)
	(1,304,771)	(1,256,922)	(1,202,183)	(1,203,678)
Statement of Other Comprehensive Income				
Retirement Benefit Obligation- Actuarial Gain/Loss	3,106,426	1,281,894	3,095,720	1,271,045
	3,106,426	1,281,894	3,095,720	1,271,045
Deferred Tax Liability				
Statement of Financial Position				
At the Beginning of the year	(34,444,132)	(24,178,178)	539,372	891,893
Reversal/(Charge) for the year	(1,254,255)	(10,265,954)	1,173,065	(352,521)
At the End of the year	(35,698,387)	(34,444,132)	1,712,437	539,372
Statement of Profit or Loss				
Capital Allowances for Tax Purposes	1,254,253	(899,629)	1,173,065	(352,521)
	1,254,253	(899,629)	1,173,065	(352,521)
Statement of Other Comprehensive Income				
Capital Allowances for Tax Purposes - Revaluation	-	11,165,586	-	-
	-	11,165,586	-	-
Net Deferred Tax Liabilities / Asset				
Deferred Tax Assets				
Tax Effect of Retirement Benefit Obligations	7,177,681	8,979,335	6,733,043	8,626,580
Deferred Tax Liabilities				
Tax Effect of Property, Plant and Equipment	(35,698,387)	(34,444,132)	(1,712,437)	(539,372)
Net Deferred Tax (Liability) /Asset	(28,520,706)	(25,464,797)	5,020,606	8,087,208

21. INCOME TAX EXPENSE Contd...

	Group		Company	
	2015	2014	2015	2014
Statement of Profit or Loss	Rs.	Rs.	Rs.	Rs.
Retirement Benefit Obligation	(1,304,771)	(1,256,922)	(1,202,183)	(1,203,678)
Capital Allowances for tax purposes	1,254,253	(899,629)	1,173,065	(352,521)
	(50,518)	(2,156,551)	(29,118)	(1,556,199)
Statement of Other Comprehensive Income				
Retirement Benefit Obligation - Actuarial Gain/Loss	3,106,426	1,281,894	3,095,720	1,271,045
Capital Allowances for tax purposes - Revaluation	-	11,165,586	-	-
	3,106,426	12,447,480	3,095,720	1,271,045

22. EARNINGS PER SHARE

22.1 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.

22.2 The following reflects the income and share data used in the Basic Earnings Per Share computation.

	Group		Company	
	2015	2014	2015	2014
Amount Used as the Numerator:	Rs.	Rs.	Rs.	Rs.
Net Profit for the year	108,439,349	117,414,088	124,606,744	127,743,310
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
Basic Earning Per Share	0.42	0.45	0.48	0.49

22.3 There were no potentially Dilutive Ordinary Shares outstanding at any time during the year.

23. DIVIDEND PER SHARE

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Total Gross Dividends	98,800,000	98,800,000	98,800,000	98,800,000
Number of Shares	260,000,000	260,000,000	260,000,000	260,000,000
Dividend Per Share	0.38	0.38	0.38	0.38

23.1 Dividend Pay Out Ratio	91%	84%	79%	77%

24. SEGMENTAL INFORMATION AND REVENUE

Primary Reporting Format - Business Segments

As at 31 March 2015, the qualifying segments under business segment reporting are as follows;

- Commodity Brokering
- Warehousing

The following tables present revenue and profit and certain assets and liability information regarding the Group's Business 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 Brokering		Warehousing		Elimination of Inter-Segment		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue								
Sales to External Customers	456,438,577	415,017,749	150,957,483	133,139,918	-	-	607,396,061	548,157,667
Total Revenue	456,438,577	415,017,749	150,957,483	133,139,918	-	-	607,396,061	548,157,667
Results								
Finance Costs	(97,491,446)	(94,870,672)	(35,920)	(33,719)	17,023,342	14,779,692	(80,504,023)	(80,124,699)
Finance Income	5,440,762	2,362,210	13,522,638	13,926,377	(17,023,342)	(14,779,692)	1,940,057	1,508,895
Depreciation & Amortization	(5,845,573)	(4,152,255)	(26,239,507)	(22,140,926)	-	-	(32,085,080)	(26,293,181)
Amortization of Leasehold Land	-	-	(940,000)	(940,000)	-	-	(940,000)	(940,000)
Gratuity Expense	(4,510,122)	(5,568,683)	(824,611)	(716,201)	-	-	(5,334,733)	(6,284,884)
Profit before Income Tax	165,079,564	163,585,190	47,407,412	61,046,365	(50,783,731)	(60,484,000)	161,703,246	164,147,555
Assets and Liabilities								
Segment Assets	1,957,996,629	1,446,369,522	582,666,947	600,801,548	(290,929,059)	(253,256,325)	2,249,734,516	1,793,914,745
Segment Liabilities	1,679,610,415	1,204,770,038	47,849,190	49,289,622	(191,791,424)	(155,132,421)	1,535,668,181	1,098,927,239

25. COMMITMENTS AND CONTINGENCIES

25.1 Capital Commitments

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Capital Commitments Approved for setting up a Warehouse but not provided for	515,000,000	-	-	-
	515,000,000	-	-	-

25.2 Contingencies

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

The financial statements amounts for the year ended 31 March 2014 were reclassified as follows which had led to better presentation.

Group	As per Annual Report published in 2013/14 Rs.	Impact of Reclassification Rs.	As per Annual Report published in 2014/15 Rs.
Finance Cost (26.1)	(90,608,404)	10,483,705	(80,124,699)
Administrative Expenses (26.1)	(269,137,246)	(10,483,705)	(279,620,951)
Deferred Tax Asset (26.2)	8,087,208	892,125	8,979,333
Deferred Tax Liability (26.2)	33,552,007	892,125	34,444,132

Company	As per Annual Report published in 2013/14 Rs.	Impact of Reclassification Rs.	As per Annual Report published in 2014/15 Rs.
Finance Cost (26.1)	(104,483,471)	10,483,705	(93,999,766)
Administrative Expenses (26.1)	(183,868,463)	(10,483,705)	(194,352,168)
Deferred Tax Asset (26.2)	8,087,208	539,372	8,626,580
Deferred Tax Liability (26.2)	-	539,372	539,372

26.1 The VAT on Financial Services expense was reclassified to administrative expenses.

26.2 The Deferred Tax Liability on Property Plant and Equipment was separately recognized in the Statement of Financial Position.

27. ASSETS PLEDGED

Details of Assets Pledged together with the related banking facilities are as follows

Bank	Nature of Facility	Facility Limit	Interest	Security/Assets pledged
NDB Bank	Overdraft	Rs.75 Mn	Variable	Mortgage over book debts of Rs. 325Mn and Corporate Guarantee from Asia Siyaka Warehousing (Pvt) Ltd for Rs. 325Mn.
	Short term loans	Rs.250 Mn	Variable	
DFCC Vardhana Bank	Overdraft	Rs. 150 Mn	Variable	Mortgage over book debts for Rs. 200Mn and Corporate Guarantee from Asia Siyaka Warehousing (Pvt) Ltd for Rs.200Mn and facility agreement for Rs.150Mn.
	Short term loans	Rs.50 Mn	Variable	
Commercial Bank	Overdraft	Rs. 150 Mn	Variable	Mortgage over book debts for Rs. 200Mn and Corporate Guarantee from Asia Siyaka Warehousing (Pvt) Ltd for Rs.200Mn and facility agreement.
	Short term loans	Rs.50 Mn	Variable	
Hatton National Bank	Overdraft	Rs. 150 Mn	Variable	Corporate Guarantee for Rs. 250Mn from Asia Siyaka Warehousing (Pvt) Ltd and Mortgage over book debts of Rs. 250 Mn
	Short term loans	Rs.100 Mn	Variable	
Sampath Bank	Overdraft	Rs. 90 Mn	Variable	Mortgage over book debts of Rs.90 Mn and Corporate Guarantee for Rs. 90Mn from Asia Siyaka Warehousing (Pvt) Ltd.
Amana Bank	Short term loans	Rs. 150 Mn	Variable	Corporate Guarantee for Rs. 150Mn 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;

	Lanka Commodity Brokers Ltd Rs.	Asia Siyaka Warehousing (Pvt) Ltd Rs.	Siyaka Produce Brokers (Pvt) Ltd Rs.	Total Rs.
Nature of Relationship	**Parent**	**Subsidiary**	**Subsidiary**	
Nature of Transaction				
As at 01 April 2014	1,580,437	(133,541,295)	21,591,126	(110,369,732)
Sale of Goods and Rendering of Services	4,012,506	(133,139,450)	-	(129,126,944)
Funds Received/ (Transferred)	(5,498,960)	62,090,000	(79,836,554)	(23,245,514)
Expenses incurred	(2,895,897)	(17,595,803)	-	(20,491,700)
Payments made	2,837,481	38,849,696	121,800,000	163,487,177
Dividend Transfer	-	55,200,000	100,000	55,300,000
As at 31 March 2015	35,568	(128,136,852)	63,654,572	(64,446,712)

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and subject to interest of 10% per annum except for balances from parent. The guarantees received from Asia Siyaka Warehousing (Private) Ltd is amounting to Rs.1,215Mn (2014-Rs.640Mn). For the year ended 31 March 2015, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2014 - Nil). This assessment is undertaken in each financial year by examining the financial position of the related party and the market in which the related party operates.

29.2 Transactions with Key Management Personnel (KMP) 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 it's Subsidiaries. Such KMPs include the Board of Directors, Chief Executive Officer and Other Senior Management Executives of the Group who meet the criteria described above.

	2015 Rs	2014 Rs
Salaries and Other Short Term Benefits	59,274,743	51,583,600
Post Employment Benefits	-	1,023,037
	59,274,743	52,606,637

29. RELATED PARTY DISCLOSURES Contd...

29.3 Following Directors are also Directors of the Related Entities

(i) Dr. S.A.B. Ekanayake who is the Chairman of the Company is also the Chairman of Lanka Commodity Brokers Ltd.

(ii) Mr. A.C. Cooke and Mr. D.J. Wedande who are Directors of the Company are also Directors of Asia Siyaka Warehousing (Pvt) Ltd and Siyaka Produce Brokers (Pvt) Ltd. which are fully owned subsidiaries of the Company.

(iii) Mr. S Sirisena, Mr. S.G. Amarasuriya and Mr. M Murath who are Directors of the Company are also Directors of Lanka Commodity Brokers Ltd.

(iv) Mr. S. G. Amarasuriya and Mr.M. Murath who are Directors of the Company are also Directors of Asia Siyaka Warehousing (Pvt) Ltd and Siyaka Produce Brokers (Pvt) Ltd. which are fully owned subsidiaries of the Company.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise interest bearing loans and borrowings and 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 summarized below.

Market risk

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 Group 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 Rs.
2015	100 (1%)	6,537,033
2014	100 (1%)	5,126,416

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES Contd...

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. 8,505,700/- (2014: Rs. 7,123,000/-). An increase in 5% of the ASPI could have a positive impact on approximately Rs. 552,871/- (2014: Rs.420,257/-) on the Company's/Group's equity. A decrease in 5% of the ASPI could have a negative impact on approximately Rs.552,871/- (2014: Rs.420,257/-) on the Company's/Group's profit before tax.

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 analyzed 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 disclosed in Note 9, 10 and 11 respectively.

Liquidity risk

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

	2015		
	On demand	Less than 3 months	Total
Group	Rs.	Rs.	Rs.
Interest-Bearing Loans and Borrowings on Client Financing	151,946,560	501,197,671	653,144,230
Trade Payables	-	766,530,631	766,530,632
Bank Overdrafts	3,380,112	-	3,380,112
	155,326,672	1,267,728,302	1,423,054,973

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES Contd...

	2014		
	On demand	Less than 3 months	Total
	Rs.	Rs.	Rs.
Interest-Bearing Loans and Borrowings on Client Financing	362,602,208	150,238,356	512,840,564
Trade Payables	-	447,536,559	447,536,559
Bank Overdrafts	18,474,632	-	18,474,632
	381,076,840	597,774,915	978,851,755

	2015		
	On demand	Less than 3 months	Total
Company	Rs.	Rs.	Rs.
Interest-Bearing Loans and Borrowings on Client Financing	151,946,560	501,197,671	653,144,230
Trade Payables	-	886,301,940	886,301,940
Bank Overdrafts	3,380,112	-	3,380,112
	155,326,672	1,387,499,611	1,542,826,282

	2014		
	On demand	Less than 3 months	Total
	Rs.	Rs.	Rs.
Interest-Bearing Loans and Borrowings on Client Financing	362,602,208	150,238,356	512,840,564
Trade Payables	-	574,292,688	574,292,688
Bank Overdrafts	15,556,990	-	15,556,990
	378,159,198	724,531,044	1,102,690,242

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 maximize 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 2015 and 31 March 2014.

CORPORATE
FINANCE
MARKET
ANALYSIS
STAKEHOLDER
PLANNING
STRATEGY
ORGANIZATION
BUSINESS
PROJECT
ADVISORY
CUSTOMER
PROGRESS
SUCCESS

SHAREHOLDER INFORMATION

Shareholder Information

SHARE PRICES FOR THE YEAR

MARKET PRICE PER SHARE	During YE 31/03/2015	During YE 31/03/2014	During YE 31/03/2013
Highest for the year	3.70	3.90	22.00
Lowest for the year	3.00	2.20	2.80
As at end of the year	3.10	3.00	2.80

Notes

The highest share price of Rs.3/70 was recorded on 24/06/2014, 23/09/2014 & 18/11/2014 whereas the lowest share price of Rs. 3/- was recorded on 03/04/2014

OTHER SHAREHOLDER INTRESTS - COMPANY

	As at 31/03/2015	As at 31/03/2014	As at 31/03/2013
Net Asset Value per share	1.03	0.90	0.77
Earnings Per share	0.48	0.49	0.19
Dividends per share	0.38	0.38	0.09

DIRECTORS & CEO'S SHAREHOLDING AS AT 31ST MARCH 2015

Name of Individual	No. of Shares	%
Dr. S A B Ekanayake	Nil	0
Mr. A R Cooke	9,747,143	3.749
Mr. D J Wedande	8,353,067	3.213
Mr. Y Kuruneru	2,499,063	0.961
Mr. M Murath	Nil	0
Mr. S Sirisena	Nil	0
Mr. S T Gunathileke	Nil	0
Mr. S G Amarasuriya	Nil	0
Mr. B A Hulangamuwa	Nil	0
Mr. I A Ismail	Nil	0
Mr. H R V Caldera (Appointed on 01st August 2014)	Nil	0

SHARE DISTRIBUION
SHAREHOLDING AS AT 31ST MARCH

	2015			2014			2013		
From - To	Shareholders	No.of Shares	%	Shareholders	No.of Shares	%	Shareholders	No.of Shares	%
1-1000	387	118,015	0.05	333	88,942	0.03	237	69,855	0.03
1001-10000	344	1,496,577	0.57	209	865,075	0.33	164	591,547	0.23
10001-100000	182	6,173,290	2.38	84	2,850,726	1.10	57	1,720,179	0.66
100001-1000000	47	13,868,493	5.33	26	7,731,228	2.97	10	2,003,171	0.77
Over 1000000	10	238,343,625	91.67	8	248,464,029	95.57	14	285,615,248	98.31
	970	260,000,000	100	660	260,000,000	100	482	260,000,000	100

CATERGORIES OF SHAREHOLDERS

	2015			2014			2013		
	Shareholders	No.of Shares	%	Shareholders	No.of Shares	%	Shareholders	No.of Shares	%
Local Individuals	933	57,364,447	22.06	642	45,298,424	17.42	472	82,386,399	31.69
Local Institutions	34	201,674,431	77.57	18	214,701,576	82.58	9	177,427,610	68.24
Foregin Individuals	3	961,122	0.37	0	0	0.00	1	185,991	0.07
Foregin Institutions	0	0	0.00	0	0	0.00	0	0	0.00
	970	260,000,000	100.00	660	260,000,000	100.00	482	260,000,000	100.00

PUBLIC HOLDING

The Public holding of 16.622% as at 31st March 2015 comprises of 964 shareholders

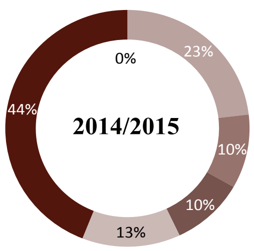
20 MAJOR SHAREHOLDERS

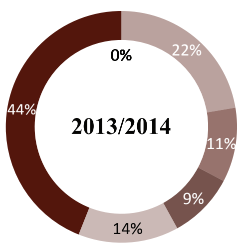
Name of Shareholder	As at31/03/2015		As at31/03/2014		As at31/03/2013	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Pan Asia Banking Corporation PLC/LankaCommodity Brokers Limited	194,036,845	74.63	212,942,149	81.90	132,600,000	51.00
Mr. A R Cooke	9,747,143	3.75	9,747,143	3.75	9,747,143	3.75
Mr. L Alawattegama	9,747,143	3.75	9,747,143	3.75	9,747,143	3.75
Mr. D J Wedande	8,353,067	3.21	8,353,067	3.21	8,353,067	3.21
Chadstone (Pvt) Limited	5,000,000	1.92	-	-	-	-
Mrs. D N Keerthisinghe	3,626,450	1.39	-	-	-	-
Mr. Y Kuruneru	2,499,063	0.96	2,499,063	0.96	4,998,123	1.92
Mr. W M K S N D Fernando	2,125,656	0.82	2,125,656	0.82	4,175,656	1.61
Mr. R C Dissanayake	1,879,808	0.72	1,879,808	0.72	4,214,557	1.62
Mr. D A Edussuriya	1,328,450	0.51	588,000	0.23	-	-
Mr. U A Sirisekera	1,000,000	0.38	1,000,000	0.38	8,861,118	3.41
Mr. B L S Peiris	1,000,000	0.38	250,000	0.10	-	-
Pan Asia Banking Corporation PLC/Mr. S Gobinath	1,000,000	0.38	900,000	0.35	206,000	0.08
Mr. F N Herft	850,000	0.33		-	-	-
Mr. R P Kaluarachchi	580,000	0.22	1,170,000	0.45	4,192,278	1.61
Mr. K C Vignarajah	555,000	0.21	555,000	0.21	-	-
Mr. M H M Nazeer	544,961	0.21	-	-	-	-
Mr. M M F Zareena	536,100	0.21	-	-	-	-
Mr. R L Kumararatne	450,000	0.17	-	-	-	-
Miss. P I T S C Wijewarnasooriya	400,000	0.15	-	-	-	-
	245,259,686	94.33	251,757,029	96.83	187,095,085	71.96
Others	14,740,314	5.67	8,242,971	3.17	72,904,915	28.04
Total	260,000,000	100.00	260,000,000	100.00	260,000,000	100.00

Value Added Statement

	Note	Group 2014/2015 Rs.'000	%	Group 2013/2014 Rs.'000	%	Company 2014/2015 Rs.'000	%	Company 2013/2014 Rs.'000	%
Revenue		607,396,061		548,157,667		444,696,390		407,332,882	
Other Income	1	2,622,991		7,693,635		53,059,341		60,770,605	
		610,019,051		555,851,302		497,755,731		468,103,487	
Cost of materials and services obtained	2	(190,411,639)		(120,760,588)		(75,860,969)		(85,291,388)	
Value Addition		419,607,412		435,090,714		421,894,762		382,812,099	
Value Allocated to:									
To Employees									
Salaries, wages and other benefits	3	175,350,594	23	151,504,939	22	135,660,513	25	119,783,286	26
To Providers of funds									
Interest to money lenders	4	76,523,128	10	72,948,900	10	90,036,518	16	86,870,946	18
To Government									
Financial Value Added Tax		11,746,033		10,483,705		11,746,033		10,483,705	
VAT / NBT / Stamp Duty		8,280,511		7,198,536		4,945,051		4,359,115	
Rates & Taxes		404,330		404,331		5,000		5,000	
Income Tax		53,263,897		46,733,467		38,253,706		28,616,434	
		73,694,771	10	64,820,039	9	54,949,790	10	43,464,254	9
To Providers of capital									
Dividend paid to share holders		98,800,000	13	98,800,000	14	98,800,000	18	98,800,000	20
To expansion and growth									
Profit retained		301,352,983		283,656,853		167,691,540		133,924,373	
Depreciation and Amortization		32,085,080		27,233,181		5,845,573		4,106,284	
Deferred Taxation		(50,518)		(2,156,551)		(29,118)		(1,556,198)	
		333,387,544	44	308,733,483	44	173,507,995	31	136,474,459	28
		757,756,038	100	702,241,147	100	552,954,816	100	490,826,731	100
		(338,148,626)		(261,784,812)		(131,060,054)		(102,323,463)	

	Group 2014/2015	%	Group 2013/2014	%
To Employees	175,350,594	23	156,938,725	22
To Providers of funds	76,523,128	10	72,948,900	10
To Government	73,694,771	10	64,820,039	9
To Providers of capital	98,800,000	13	98,800,000	14
To expansion and growth	333,387,544	44	308,733,483	44
	757,756,038	100	702,241,147	100





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

Glossary of financial terms

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 liabilities.

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

SHAREHOLDER FUNDS
Total of issued and fully paid up capital and reserves.

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

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

AMORTISATION
The systematic allocation of the 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 CREATION
The performance of actions that increase the worth of goods, services or even a Business.

ISO
International Standards Organization

HACCP
Hazard Analysis Critical Control Point System. Internationally accepted food safety Standard.

WORKING CAPITAL
Current Assets exclusive of liquid funds and interest bearing financial receivables less operating liabilities plus non-interest bearing provisions.

STAFF TURNOVER RATIO
The ratio of the number of employees that leave a company through attrition, dismissal, or resignation during a period to the number of employees on payroll during the same period.

ACCRUAL BASIS
Recording revenue & expenses in the period in which they are earned or incurred regardless of whether cash received or disbursed in that period.

DEFERRED TAXATION
Sum set aside for tax in the accounts of an entity that will become liable in a period other than that under review.

REVENUE RESERVE
Reserves considered as being available for distributions and investments.
OR
The portion of a business' profits retained by the company for investment in future growth, and are not redistributed to the shareholders through regular or special dividends

DIVIDEND PAYOUT RATIO
Profit paid out to shareholders as dividends as a percentage of profits made during the year.

GSA
The Gross Sales Average. This is the average sales price obtained (over a period of time, for a kilos of produce) before any deductions such as brokerage etc.

NSA
The Net Sales Average

EPS
Earnings per Share
Profit Attributable to Ordinary shareholders divided by the number of ordinary shares in ranking for dividend.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the 03rd Annual General Meeting of Asia Siyaka Commodities PLC will be held at the Auditorium of The Ceylon Chamber of Commerce on 24th August 2015 at 10.00 a.m. for the following purposes:

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 2015 and the Report of the Auditors thereon.

2. To re-elect Mr. S Sirisena who retires in terms of Articles 87(i) of the Articles of Association, as a Director of the Company.

3. To pass the ordinary resolution set out below to re- appoint Dr. I A Ismail who is 78 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 78 years of age and that he be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007."

4. To pass the ordinary resolution set out below to re- appoint Mr. H R V Caldera who is 70 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 Mr. H R V Caldera who is 70 years of age and that he be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007."

5. To re-appoint Messrs Ernst & Young, Chartered Accountants, the retiring Auditors and to authorise the Directors to determine their remuneration.

6. To authorise the Directors to determine donations for the year ending 31st March 2016 and up to the date of the next Annual General Meeting.

By Order of the Board
ASIA SIYAKA COMMODITIES PLC

A D Weyesol

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

22 July 2015

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 not later than 36 hours before the time appointed for the meeting.

Form of Proxy

*I/We…………………………………………………of……………………………….... being a *Shareholder /Shareholders of Asia Siyaka Commodities PLC, do hereby appoint ……………………………………….….......of ……………………………………... or 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. 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
Mr. S G Amarasuriya	of Colombo or failing him
Mr. Y Kuruneru	of Colombo or failing him
Dr. I A Ismail	of Colombo or failing him
Mr. H R V Caldera	

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 24th August 2015 at the Auditorium of The Ceylon Chamber of Commerce, and any adjournment thereof and at every poll which may be taken in consequence thereof.

		For	Against
1.	To receive and consider the Annual Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2015 with the Report of the Auditors thereon.	☐	☐
2.	To re-elect Mr. S Sirisena as Director in terms of Article 87 (i) of the Articles of Association of the Company.	☐	☐
3.	To pass the ordinary resolution set out in the Notice of Meeting under item 3 for the re-appointment of Dr. I A Ismail.	☐	☐
4.	To pass the ordinary resolution set out in the Notice of Meeting under item 4 for the re-appointment of Mr. H R V Caldera	☐	☐
5.	To appoint Messrs. Ernst & Young Chartered Accountants asAuditors of the Company and to authorize the Directors to fix their remuneration.	☐	☐
6.	To authorize the Directors to determine donations for the year ending 31st March 2016 and up to the date of the next Annual General Meeting.	☐	☐

Signed this…………… day of ………………………. Two Thousand and Fifteen.

……………………
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 not later than 36 hours before the time appointed for the meeting.

Corporate Information

NAME OF THE COMPANY - ASIA SIYAKA COMMODITIES PLC
COMPANY REGISTRATION NO - PV3562/PB/PQ
LEAGAL FORM - A Public Quoted Company with Limited Liability

Date of Incorporation

The Company was incorporated bearing Company Registration No. PV3562 on February 16, 1998 and was converted to a public limited liability company on March 28, 2014 under Company Registration No. PV3562/PB

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

Nature of Business

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

Head office & Registered office

1st Floor, "DEUTSCHE HOUSE"
No. 320, T B Jayah Mawatha,
Colombo 10
Telephone : +94 114 600700
Fax: +94 112 678145
E-mail: tea@siyaka.lk
Website: www.asiasiyaka.com

Board of directors

Dr. S A B Ekanayake	Chairman
Mr. A R Cooke	Managing Director
Mr. D J Wedande	Executive Director
Mr. M Murath	Non-Executive Director
Mr. S Sirisena	Non-Executive Director
Mr. S G Amarasuriya	Executive Director
Mr. Y Kuruneru	Executive Director
Mr. B A Hulangamuwa	Independent Non-Executive Director
Mr. S T Gunathilake	Independent Non-Executive Director
Dr. I A Ismail	Independent Non-Executive Director
Mr. V Caldera	Non-Executive Director

Subsidiary Companies

Siyaka Produce Brokers (Pvt) Limited
Asia Siyaka Warehousing (Pvt) Limited

Secretaries

P W Corporate Secretarial (Pvt) Limited
3/17, Kynesy Road
Colombo 08
Telephone : +94 114 640360-3
Fax : +94 114 740588

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
Hatton National Bank PLC
Amana Bank PLC