

# ERRATA

Pages 20 and 21 of the Annual Report require the following clarifications:

## Board of Directors

Messrs, S.K. Wickremesinghe, Ajith Fernando and G.D.C.L.S Herath are independent non-executive directors.

Mr. L. Balasuriya, being the Managing Director/ Chief Executive Officer of the company, is an executive director.

All other directors of the company are non- executive.

The report of the Audit Committee should be included after page 45 of the Annual Report.

# Report of the Audit Committee

The board of directors established the Audit Committee with responsibility for overseeing the preparation and presentation of the company's financial statements and ensuring adequate disclosure in the statements in accordance with the Companies Act, No. 7 of 2007 and applicable Sri Lanka Accounting Standards. Arising from this, the committee is responsible for ensuring the adequacy and efficiency of internal controls adopted by the company in maintaining accounting records and preparing financial statements and makes recommendations to the board of directors on matters regarding the internal and external auditors including their independence, performance, terms of engagement and remuneration.

## Composition

The Audit committee is chaired by Mr. S.K. Wickremesinghe, Chairman of the board of directors, and the following non-executive directors are members of the committee.

- Mr. Cyril Herath
- Mrs. Lakshmi Fernando
- Mr. Ajith Fernando

Mr. Ajith Fernando is a Fellow member of the Chartered Institute of Management Accountants of the United Kingdom.

Mrs. Surangi Kasturirathne is the Secretary of the committee.

The Managing Director/Chief Executive Officer, the Deputy Chief Executive Officer, the Assistant General Manager-Accounts, the Senior Financial Officer, Internal Auditor, representatives of the internal auditors and representatives of the external auditors attend all meetings by invitation. Senior managers of the company also attend whenever their presence is requested.

## Policy and Scope

The Committee discharges its responsibilities through a series of meetings during the year. At these meetings, the committee reviews reports of the internal auditors and the external auditors of the company and interim and final financial statements of the company ensuring their compliance with statutory and other requirements. Attendance of the members at these meetings is set out on page 44 of this annual report.

The committee determined that there is no conflict of interests between the company and its auditors. A statement to this effect has been received from the auditors in terms of section 163 (3) of the Companies Act, No. 7 of 2007.



**S. K. Wickremesinghe**

*Chairman  
Audit Committee*

10th June 2011

The report of the Remuneration Committee should be included after page 45 of the Annual Report.

# Report of the Remuneration Committee

The Remuneration Committee, appointed by the board of directors, comprises of four non-executive directors.

The Managing Director attends all meetings of the committee by invitation.

## Composition

Mr. S. K. Wickremesinghe (Chairman)

Mr. Cyril Herath

Dr. Mahendra Balasuriya

Mr. Ajith Fernando

By invitation

Mr. Lakshman Balasuriya

Brief profiles of the members are set out on pages 20 and 21 of the Annual Report.

## Policy

The company's remuneration policy aims to attract, motivate and retain talent in a highly competitive environment with the appropriate professional, managerial and operational expertise necessary to achieve the objectives of the company. The company remuneration framework for the Managing Director and the corporate management team is designed to create and enhance value for all stakeholders of the company and to ensure alignment between short and long-term interests of the company.

## Scope

The committee reviews all significant human resource policies and initiatives, salary structures and terms and conditions relating to staff at senior executive level. The committee deliberates upon and recommends to the board of directors the remuneration packages, annual increments and bonuses of the Managing Director, members of the corporate management and senior staff.

The Managing Director, who is responsible for the overall management of the company, attends all meetings by invitation and participates in the deliberations except when his own interest, performance and compensation are discussed.

## Fees

All non-executive directors receive a fee for attendance at board meetings and for serving on sub-committees.

## Committee Meetings


A formal meeting of the committee was held in February 2011. The decisions taken were circulated and ratified by the board of directors.

Attendance of the members at meetings is set out in page 45 of this annual report.

## Access to Professional

### Advice

The committee is authorised to seek external professional advice as and when it deems it is necessary.



**S.K. Wickremesinghe**

*Chairman*

*Remuneration Committee*

Colombo,  
Sri Lanka

10th June 2011

The following note to the financial statements should be included after note 21.2 on page 76.

## Notes to the Financial Statements

### 21.3 Land

As at 31st March	Extent	2011 Rs.	Current Valuation	2010 Rs.
<b>Land</b>				
Deen's Road, Colombo 10	6.000 P	500,000	24,000,000	500,000
12 Kotugodella Veediya, Kandy Lot 1	9.875 P	7,542,068	76,300,000	7,542,068
7/4 Mawilmada Road, Kandy	38.380 P	7,779,960	26,034,334	7,779,960
12 Kotugodella Veediya, Kandy Lot 2	18.000 P	70,679,827	105,000,000	70,679,827
Hyway Park, Amunugama, Potuhera	0 A. 2 R. 23 P	6,240,000	20,573,165	6,240,000
	-	92,741,855	251,907,499	92,741,855
<b>Buildings</b>				
Deen's Road, Colombo 10	152 sq mts	3,000,000	-	3,000,000
98 Yatinuwara Veediya, Kandy	1,900 sq ft	6,060,760	52,000,000	6,060,760
7/4 Mawilmada Road, Kandy	1,327 sq ft	5,230,914	3,965,666	5,230,914
Hyway Park, Amunugama, Potuhera	885 sq ft	8,222,998	2,426,835	-
433, Negombo Road, Hendala Junction, Wattala	-	4,511,617	<i>(Not valued)</i>	4,511,617
	-	27,026,289	58,392,501	18,803,291
<b>TOTAL</b>		<b>119,768,144</b>	310,300,000	111,545,146

The values of the properties set out above have been obtained from a qualified valuer. These values have not been incorporated in the financial statements.