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Corporate Information

LEGAL FORM : A Public Company with Limited Liability

Registered under the Companies Act No. 17 of 1982/No. 07 of

2007 and quoted on the Colombo Stock Exchange.

DATE OF INCORPORATION : 28th April 1949

REGISTRATIO NUNMBER : PQ 163 (New)

DIRECTORS : Dr. S. A. Gulamhusein

Dr. D. C. Gunasekera Mr. T. A. Gulamhusein Mr. I. Shabbir Mr. A. Y. Tyebkhan Dr. A. A. Shabbir Mr. L. W. W. Priyankara

Mr. I. Zahir

REGISTERED ADDRESS : No. 414/18, K. Cyril C. Perera Mawatha, Colombo 13.

TELEPHONE : (94-11) 7608500, 7608551

TELE FAX : (94-11) 2447886 E-MAIL : cft@cft.lk

WEB : www.cft.lk, www.cftfmcg.lk

SUBSIDIARY COMPANIES : Colombo Freight & Transport Ltd

ASSOCIATE COMPANY : On'ally Holdings PLC

BANKERS : Sampath Bank PLC

110, Sir James Peiris Mawatha, Colombo 2.

National Development Bank PLC

40, Nawam Mawatha, Colombo 2.

Commercial Bank of Ceylon PLC 21, Sir Razik Fareed Mawatha, Colombo 1.

Union Bank of Colombo PLC

15A, Alfred Place, Colombo 03.

Habib Bank Limited

140-142, 2nd Cross Street, P.O. Box 1077, Colombo 11.

Bank of Ceylon

Head office, Bank of Ceylon Mawatha, Colombo 01.

AUDITORS : A. I. Macan Markar & Co.

Chartered Accountants 46-2/1, 2nd Floor, Lauries Road,

Colombo 04.

SECRETARIES : P W Corporate Secretarial (Pvt) Ltd.

3/17, Kynsey Road, Colombo 8.

Tel: (94-11) 4640360



Our Vision

To be the best in products, services, customer care, worker satisfaction and shareholder value.

Our Mission

Continue diversification, improve performance and return to shareholders.



Notice of Meeting

NOTICE IS HEREBY GIVEN that the Sixty Fifth Annual General Meeting of Ceylon and Foreign Trades PLC will be held at the Auditorium,3rd Floor, "Olympic House", 100/9F, Independence Avenue, Colombo 07 on 14th October 2016 at 4.00 p.m. for the following purposes:

- 1. To receive and consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2016 with the Report of the Auditors thereon.
- To re-elect Mr. I Shabbir who retires by rotation in terms of Article 91 of the Articles of Association of the Company as a Director.
- To re-elect Dr. A. A Shabbir who retires by rotation in terms of Article 91 of the Articles of Association of the Company as a Director.
- To re-appoint Messrs. A I Macan Markar & Co. as the Auditors
 of the Company, for the ensuing year and to authorize the
 Directors to determine their remuneration..

To authorise the Directors to determine donations as they think fit for the ensuing year and up to the next Annual General Meeting.

By Order of the Board CEYLON AND FOREIGN TRADES PLC

MARCHE

P W CORPORATE SECRETARIAL (PVT) LTD

Director/Secretaries

Date 31st August 2016. Colombo

Notes: 1. A member is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member of the Company. A Form of Proxy is enclosed for this purpose. The completed form of Proxy should be deposited at the Registered Office of the Company, not less than 48 hours before the time fixed for the commencement of the Meeting.

History and Present Status

Ceylon & Foreign Trades PLC traces its' history back to 1949, one year after the country gained independence from British rule, when a group of pioneering businessman banded together to form this company.

The company which began operations by exporting traditional Ceylonese commodities gradually expanded and consolidated its status as in import/export house of repute.

A major development following increasing activity of the Company was the broad basing of its ownership and it assumed the statue of a Public Limited Liability Company in 1978.

During the last one and half decades CFT group diversified its operations to enter the field of spice and desiccated coconut exports. The export trade forms the backbone of the country's economy and it is with justifiable pride that CFT could claim to be a stakeholder in the task of earning vital foreign exchange for the country for decades.

CFT further went in for asset acquisition in the form of real estate with the purchase of land and building of its warehouse and offices at Bloemandal road. Secondly it acquired 24% of On 'ally holdings PLC becoming its second largest shareholder and has seen its investment value multiply 6 fold. Then it acquired a land at Sedawatte where we are warehousing in container boxes. We already have a 2 fold value appreciation and see this venture as a substantial revenue earner in the future. Last year we acquired the Unilever land about 5 acres in extent.

During the year the company continued with its CFT consumer division for import and distribution of FMCG products. CFT consumer is the sole agent for ARS brand pest control products, Parachute, the world's largest packaged coconut oil and Aquawipe a high quality wet wipe range. We continue to look for more products to add to our range.

Our cement and Fly Ash business has developed substantially. We see this business as a continuing revenue generator, through which we participate in the substantial infrastructure development of our nation.



Our Sectors and Brands

Investments in Real-estate



Premises located in No. 414/18, K. Cyril C. Perera Mw, Colombo 13 Extend - 296 perches Building area - 54,000 sqft Book value Rs. 650 Million



Premises located in No. 260, Grandpass Road, Colombo 14. Extend - 768 perches Building area - 150,000 sqft Book value Rs. 1.9 Billion



Premises located in No.428/39, Gothami Road, Sedawaththa. Extend - 96 perches Book value Rs. 48 million



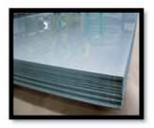
On'ally Holdings PLC Net asst. value of our holding of 24% Rs. 390 million



Cement



GI Wire



Hot Rolled Sheets



Crow-bars

Fly Ash

FMCG Products



























Chairman's Review

It gives me great pleasure to welcome you to the 65th Annual General Meeting of Ceylon and Foreign Trades PLC and to present you the Annual Report and financial statements for the year ended 31st March 2016 and review the performance of the company during this period.

The year under review has been a very difficult one not only for CFT but for many other businesses in Sri Lanka's Export sector. Difficult economic conditions persisted across the global economy, and market conditions for our business activities remained challenging. In order to diversify our trading business, we have been looking at opportunities to open up new sources of revenue.

Our diversification into import and marketing of cement, hardware products, real estate and FMCG import and distribution contributed significantly to the company's growth.

Our land at Sedawatte for warehousing in container boxes was badly affected by the recent flood.

Our associate company On'ally holdings PLC progressed well over the year and we have earned substantial income as dividends. Also the share has appreciated and we now have a 6 fold increase in unrealized market value on our investment.

The Company continued to maintain its investment portfolio in stock market and share trading. The consolidated group profit for the financial year ended 31st March 2016 before tax was Rs. 77.5 million and group total comprehensive income was Rs. 154 million. In conclusion I thank all our customers who interacted with full confidence in us, our products and services. We also thank our management and staff who worked hard and our bankers for their wholehearted support. We also thank our auditors and most importantly our shareholders who have remained for many years and seen good capital appreciation of their investment even though dividends have been minimal.

S. A. Gulamhusein Chairman

31st August, 2016.



Directors' Profile

Dr. S A Gulamhusein

Chairman

Dr S A Gulamhusein is a widely experienced businessman and has been in business since 1973. He heads his family firm, which deals in Tea exports, Spices, Coconut products and IT related products, Manufacturing and exporting Garments, Import & distribution of Hardware etc. Dr Gulamhusein is a shareholder/Director of several companies and the Chairman of the Business Chamber of Commerce

Mr. T A Gulamhusein

Director

Mr.T.A.Gulamhusein is a Director of Ceylon & Foreign Trades PLC since 1987. He has vast experience in the export trade and handles exports of spices as Managing Director of Spice of Life (Pvt) Ltd.

Dr. D C Gunasekara

Director

Mr.Darandranath Charith Gunasekara was Secretary General setting up the Colombo Stock Exchange and the Regulatory Authority and its law, as an Advisor to President J R Jayewardene. He was a Member of the Greater Colombo Economic Commission [1981-1985]. He set up the Stock Exchange System in Kenya and was advisor to the Privatization Minister of Uganda.

He has been awarded the "Bourse de Bourses" medal by Paris Stock Exchange. Ha later set up the Real Estate Exchange Limited and was Advisor to the Ministry of Urban Development. He has since been recognized by the UN as one of the five best practices in affordable housing globally. He works as a social entrepreneur advisor.

Mr. I Shabbir

Director

Mr Idris Shabir has been a Director of the Company since 1999. He has a Master's Degree in Information Systems and Management from Aberdeen University, U.K. He is also a Director of several other export companies and presently engaged in the tea export trade.

Dr. A A Shabbir

Director

Dr. Ali Asger Shabbir holds a PhD from Tokyo, Japan and a Degree from King's College London, UK. Dr Shabbir was appointed a Director of Ceylon & Foreign Trades PLC in 2006 and presently runs several other companies. He specializes in the IT industry.

Mr. A Y Tyebkhan

Director

Mr.Ai Tyebkhan is an international lawyer and legal consultant. He was legal counsel at Emirates National Oil Company in Dubai ans was a Solicitor and worked in the London and Brussels offices of leading International law firm Lovell.

Mr. Tyebkhan is qualified as a Solicitor in England & Wales and also a MA in Philosophy, Politics and Economics from the University of Oxford. Mr. Tyebkhan's legal experience includes advising clients in the areas of corporate, commercial, banking and finance and EU law.

Mr.Tyebkhan is a co-founder and director of Legal Base and was appointed to the Board of Ceylon & Foreign Trades PLC in 2006.

He also serves on the General Council of SLASSCOM, the ITBPO and knowledge services chamber of Sri Lanka.

Mr. L W W Priyankara

Director

Mr. Waruna Priyankara was appointed a director of Ceylon & Foreign Trades PLC in January 2011. He counts over 10 years experience in the Financial Services, Trading & Manufacturing Sectors. He is an associate member of Institute of Certified Management Accountant of Sri Lanka and National Diploma Holder in Business & Finance.

Mr. I Zahir

Director

Imran Zahir is a fellow Member of the Chartered Institute of Management Accountants - UK. He counts over a decade experience in Finance, Islamic Banking and Business. He was appointed to the board on 30th March 2012.

Statement of Directors' Responsibilities

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 that the financial statements are prepared in conformity with the Sri Lankan Accounting Standards and comply with the provisions of the Companies Act No.7 of 2007. The Directors have adopted the going concern basis for the preparation of the financial statements.

The Directors are responsible for taking reasonable measures to safeguard the assets of the Company and in that regard maintain effective controls.

The Directors confirm that all statutory payments have been made up to date.

By order of the Board

CEYLON AND FOREIGN TRADES PLC

300

S. A. Gulamhusein

Chairman

31st August 2016.



Annual Report of the Board of Directors

The Directors of Ceylon and Foreign Trades PLC have pleasure in presenting to the Shareholders their Report together with the Annual Audited Accounts of the Company and its subsidiaries for the year ended 31st March 2016.

For the year ended	31.03.2016 Rs	31.03.2015 Rs
Revenue	357,819,957	417,074,170
Net profit/(loss) before Taxation	77,537,278	737,628,507
Net Profit/ (loss) after Taxation	42,138,045	732,629,472

PRINCIPAL ACTIVITIES OF THE COMPANY AND ITS SUBSIDIARIES Ceylon and Foreign Trades PLC

The principal activities of the Company are exporters of Ceylon produce, manufactured goods, Importers, distribution of FMCG product and investor.

West Coast Lanka (Pvt) Ltd

No operation during the year.

Colombo Freight & Transport Limited

The principal activities of the Company are functioning as container storage and conversion.

FINANCIAL PERFORMANCE

The Company's financial performance in the year 2015/2016 is set out in the Statement of Comprehensive Income, which appears on page 24 of this report. The Company's profit after tax in the year under review was Rs (26,709,148).

STATE OF AFFAIRS

The State of Affairs of the Company as at 31st March 2016 is set out in the Statement of Financial Position, which appears on page 25 of this report.

AUDITORS REPORT

The Report of the Auditors on the financial statements of the Company is given on page 23.

ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with the revised Sri Lanka Accounting Standards and the policies adopted thereof are given on pages 28. to 35.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for preparing and presenting the financial statements of the Company and Group to reflect a true and fair view of the state of its affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, the Companies Act No. 7 of 2007 and the Listing Rules of the Colombo Stock Exchange.

DIRECTORS

The names of the Directors who held office as at the end of the accounting period are given below:

Executive Directors

Dr. S A Gulamhusein - *Chairman* Mr. L W W Priyankara

Non Executive Directors

Mr. T A Gulamhusein Mr. I Shabbir Dr. A A Shabbir

Independent Non Executive Directors

Dr. D C Gunasekera Mr. A Y Tyebkhan Mr. I Zahir

Mr. I Shabbir and Dr. A.A Shabbir retire by rotation at the Annual General Meeting in terms of Article 91 of the Articles of Association and being eligible offers themselves for re-election.

INTERESTS REGISTER

The Company maintains an Interests Register in terms of the Companies Act, No. 7 of 2007, and the names of Directors who were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period under review are given in Note 32 to the Financial Statements on page 55.

REMUNERATION TO DIRECTORS

The total emoluments of the Directors during the year under review amounted to Rs. 1,342,000/-

AUDITORS

Messrs. A I Macan Markar & Company, Chartered Accountants, served as the auditors during the year under review. Based on the written representation made by the auditors, they do not have any interest in the Company other than as auditors and tax consultants.

The audit fee payable to the auditors for the year under review is Rs.150,000/-

The auditors have expressed their willingness to continue in office. A resolution to re-appoint the auditors and to authorize the Directors to determine their remuneration will be proposed at the Annual General Meeting.

STATED CAPITAL

The Stated Capital of the Company is Rs. 14,119,600/- divided into 140,196,000 Ordinary Shares as at 31st March 2016.



Annual Report of the Board of Directors (Contd.)

DIRECTORS' SHAREHOLDINGS

The number of shares of the Company held by each of the Directors is set out in the table below:

Number of Shares held

As at	31.03.2016	31.03.2015
Dr. S A Gulamhusein	29,139,704	28,494,735
Mr. T A Gulamhusein	260,000	260,000
Mr. I Shabbir	44,209,200	44,209,200
Dr. A A Shabbir	2,053,178	2,053,178
Mr. A Y Tyebkhan	10,000	10,000
Dr. D C Gunasekera	10,000	10,000
Mr. L W W Priyankara	-	-
Mr. I Zahir	-	-

MAJOR SHAREHOLDERS, DISTRIBUTION SCHEDULE AND OTHER INFORMATION

Information on the twenty largest shareholders of the Company, distribution schedule of the number of shareholders, percentage of shares held by the public, market values per share as per the Listing Rules of the Colombo Stock Exchange are given under investor information.

RESERVES

The movements of reserves during the year are given under the statement of changes in equity on page 26.

CAPITAL EXPENDITURE

The total capital expenditure during the year including the capitalization of borrowing cost amounted to Rs. 75,028,141/compared to Rs. 8,144,960/-incurred in the previous year. Details of movements in property, plant and equipment are given under notes 07 of the Financial Statements.

PUBLIC HOLDINGS AND SHAREHOLDERS

16.5031% of the issued shares of the Company is held by the public comprising of 1670 shareholders.

DONATIONS

The Company has not made any donations during the period under review.

POST BALANCE SHEET EVENTS

The Post Balance Events have been made up to the date of the Auditors Report. No events have occurred since the Balance Sheet date, which would require adjustments to, or disclosure in the Financial Statements.

CORPORATE GOVERNANCE

The Directors confirm that the company complies with the Listing Rules of the Colombo Stock Exchange on Corporate Governance.

An Audit Committee, Remuneration Committee and Related Party Transaction Review 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. A Y Tyebkhan - Chairman Mr. I Shabbir Dr. D C Gunasekera Mr. I Zahir

Remuneration Committee

Mr. A Y Tyebkhan - Chairman Mr. T A Gulamhusein Dr. D C Gunasekera Dr. A A Shabbir Mr. I Zahir

Related Party Review Committee

Mr. A Y Tyebkhan. - Chairman Mr. I Shabbir Mr. L W W Priyankara

STATUTORY PAYMENTS

All statutory payments due to the Government of Sri Lanka and on behalf of the employees have been made or accrued for at the balance sheet date.

GOING CONCERN

The financial statements are prepared on going concern principles. After making adequate enquiries from management, the Directors are satisfied that the Company has adequate resources to continue its operations in the foreseeable future.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the Auditorium,3rd Floor, "Olympic House", 100/9F, Independence Avenue, Colombo 07 on Friday 14th October 2016 at 4.00 p.m. The Notice of the Annual General Meeting appears on page 04.

BY ORDER OF THE BOARD **CEYLON AND FOREIGN TRADES PLC**

Dr. S A Gulamhusein

Chairman

Dr. A A Shabbir Director

PW CORPORATE SECRETARIAL (PVT) LTD

Director/Secretaries

31st August 2016. Colombo



Corporate Governance

Being a Quoted Public Company, the Board of Directors are committed to adopt the accepted practices in every sphere of activity and guided by the regulations issued by relevant Governing Authorities.

The Board of Directors

The names and the profile of the members of the Board of Directors are given under 'Profile of Directors' section of this Annual Report.

The Board collectively decides on the appointment on Directors. The Directors so appointed retire at the Annual General Meeting that follows and seek reelection from the shareholders. The other directors to retire and seek re election at the appropriate years.

The Directors possess vast experience and expertise in managing the varied business interests of the Company. Most of them carry many years of commercial experience at the highest level.

The Board is responsible for the overall strategic planning, policy decision and control. All plans and strategies proposed are examined and fully discussed at meetings of Directors. Circular resolutions are also adopted by the Board from time to time on matters of routine importance.

The nonexecutive directors have submitted their declaration.

Duties of the Board

The Board is responsible for the formulation and implementation of the Company's short term, medium term and long term strategies. The Board also ensures that the Senior Management team has the requisite skills, expertise and the knowledge to implement these strategies.

The Board has the ultimate responsibility to ensure that controls are in place and ensures that all Company decisions are in compliance with laws and regulations of the Country and that each decision meets the ethical standards. The Board through the Audit Committee ensures that the Company follows accounting standards as set by the Sri Lanka Financial Reporting Standards (SLFRS) and all financial statements are in compliance with financial regulations.

The Board, in addition to keeping all shareholder interests a priority when considering corporate decisions, also keeps the CSE and the public informed of all significant decisions.

Delegation of Authority

The Board has delegated the authority to the chairman for the day to day management of the Company and is responsible for delivering services according to the strategic plan, within the policies and budgets approved by the Board. A team of Senior Management oversees the day to day management of the Company under the direction of the chairman.

Delegation to Board Members

The Board has delegated certain functions and duties to sub committees that comprise of Board Members The duties of each subcommittee namely, the Audit Committee, Remuneration Committee Related Party Transaction Review Committee are detailed in the respective reports.

Meeting of the Board of Directors

At present the Board meets whenever necessary and during the year they met on 5, occasions, to discuss and approve the quarterly financial statements. Further, approvals relating to key appointments, capital expenditure and enhancement of facilities are approved at the Board Meetings.

Going Concern

The Directors believe, having reviewed the Financial Statements and all other related information, the Company has adequate resources to continue in operation in the foreseeable future.

Disclosure of Information and Compliance

The Board of Directors endeavor to ensure that the business practices of the Company comply with laws and regulations of the country. Additionally, checks and controls are in place to ensure that the Policies of the Board are complied with.

Non-Executive and Independent Directors

Out of the 06 Non-Executive Directors, 03 Directors are Independent Directors, complying with the requirements of Corporate Governance. each of the Directors has declared their independence and submitted signed confirmation to that effect.

Audit Committee

The Audit Committee consists of 04 Non-Executive Directors, namely Mr. A Y Tyebkhan, Dr. D C Gunasekera, Mr. I. Zahir and Mr. I Shabbir of which the first three are Independent Directors. The Audit Committee is chaired by Mr A Y Tyebkhan.

Remuneration Committee

The Remuneration Committee consists of 05 Non-Executive Directors, namely Mr. A Y Tyebkhan, Mr. T A Gulamhusein, Dr. D C Gunasekera, Dr. A A Shabbir and Mr. I Zahir of which Mr. A Y Tyebkhan, Dr. D C Gunasekera and I Zahir are Independent. The Remuneration Committee is chaired by Mr. A Y Tyebkhan.

Related Party Transaction Review Committee

The related party Transaction Review Committee consists of 01 independent Director, namely Mr. A Y Tyebkhan, non-executive director Mr. I Shabbir and executive director L.W.W. Priyankara. The Committee is chaired by Mr A Y Tyebkhan.

Financial Statements

The Board of Directors requires that the Financial Statements of the Company are prepared in accordance with both the Sri Lanka Accounting Standards and the requirements of the Colombo Stock Exchange. Adequate information is provided to shareholders and disclosed fully subject only to any sensitive information, which affect directly on the business of the Company.

Internal Control

Functions relating to various operations are clearly defined and officers are assigned to undertake such functions in such a manner that no operation is carried out fully by a single officer.



Corporate Governance (Contd.)

Procurement of major inputs and capital items and disposal of redundant and sundry items are handled by two or more senior officers under the guidance of the Directors.

Major Transactions

The Board of Directors , is required by the Company's Act to disclose to shareholders all proposed corporate transactions that are of material value to the Company. Details of major transaction entered in to are given under notes 07. of property plant and Equipment of the Financial Statements..

Whistle blowing Policy

This policy addresses the commitment of Ceylon and Foreign Trades PLC to uphold the integrity and ethical behaviour by helping to foster and maintain an environment where an employee can act appropriately without fear of retaliation. To maintain the standards of business conduct and ethics, the Company encourages its employees to have concerns about

suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely affect the Company, to come forward and express these concerns without fear of punishment or unfair treatment.

Secretaries to the Board

P W Corporate Secretarial (Pvt) Ltd are the Secretaries to the Company and they are qualified to act as Secretaries as per the provision of the Companies Act No: 07 of 2007.

By order of the Board **CEYLON AND FOREIGN TRADES PLC**



Dr. S A Gulamhusein *Chairman*31st August 2016

Sustainability Report

Being a responsible corporate citizen in Sri Lanka, CFT takes great pride in ensuring that any impact our company may have in the community, environment and economy is positive and taken adequate measures to prevent any negative impact.

We constantly endeavor to take initiatives to foster and add value to the community with the motive that it would in return benefit the environment and the company. These values are embedded in CFT corporate culture.

The management of the company evaluates the sustainability focus of the group companies wherein CFT has formulated strategies to address the interest of our stakeholders while creating a better, cleaner and eco-friendly environment.

1.1 Economic Sustainability

CFT holds a diversified investment portfolio where its group comprises of export oriented businesses, as well as import and distribution. This creates a perfect mix for CFT which ensure sustainability through any kind of economic background. It is important to note that all the strategic investments of CFT focus on prominent industries of the country which in turn gives a promising sustainability.

Within the last year CFT managed to improve and expand its home businesses such as importing and distribution of hardware FMCG related products. CFT ensured its inorganic growth via investing in to real estate adding substantial asset value to the group.

During the past year CFT has ensured of timely and accurate disclosures through the Colombo Stock Exchange web site, company web site and through public media together with timely and accurate quarterly financial statements and annual report giving adequate notice, to our shareholders for advance preparation.

1.2 Environmental Sustainability

CFT has adopted approaches to protect environmental resources with an effort to contribute towards sustaining natural resources and environment conservation for future generations. During the year under review CFT has taken following initiatives to enhance environment friendly practices.

- · Efficient utilization of raw material, energy and water
- Maintaining clean and safe working environment in within the company
- Adopting environmentally friendly trading and operation approaches
- Standardizing, reducing and re-using and recycling where possible,



1.3 Corporate Social Responsibility

Employees are the most important part of the Ceylon and Foreign Trades PLC. A team building training program was held in Kithulgala resort in line with the vision of the group's top management to make a lasting bond between our family

members, and to train our group with the most needed skills in the industry. Friendship, Laughter and Joy flourished over the training period and the team spirit and leadership skills built among the CFT employees were immense.

"We Take Care of Our Employees. They Take Care of Our Clients"



Group picture at the end of the training program





Team Building Activities at the training program



Group picture at the training programme at Nuwara Eliya

"When our employees are happy they make sure we achieve our corporate goals"

Organizing events for our employees to enjoy, creates a positive and supportive organizational environment. Or employees deliver more than we expect. It is our responsibility to make sure they are motivated to do their part in the company. We organized several programs for our employees and their families in the past year.



Participating annual day out



Report of Audit Committee

The audit committee met four times during the year. The attendance of the members at these meeting is as follows.

 Mr. A Y Tyebkhan
 2/4

 Mr. I Shabbir
 4/4

 Dr. D C Gunasekera
 2/4

 Mr. I Zahir
 0/4

Conclusion

The Audit Committee meet periodically with the representatives of the Management to ensure that the affairs of the company are managed in accordance with its policies and that the

Company's assets are properly accounted and adequately safeguarded.

A Y Tyebkhan Chairman Audit Committee

31st August 2016 Colombo

Report of Remuneration Committee

The Remuneration Committee of the Company comprises of 05 Non-Executive Directors as given below.

Committee Member	Status & Position
Mr. A Y Tyebkhan	Non-Executive & Independent Chairman
Mr. T A Gulamhusein	Non-Executive Member
Dr. D C Gunasekera	Non-Executive & Independent Member
Mr. A AmShabbir	Non-Executive Member
Mr. I Zahir	Non-Executive & Independent Member

The Committee lay down guidelines and parameters for determining the compensation package of Directors and Senior Executive staff. The primary objective of the committee is to attract and retain qualified, experienced and dedicated staff and reward performance. The Chairman assists this committee in its deliberations.

A Y Tyebkhan Chairman

Remuneration Committee

31st August 2016 Colombo



Report of the Related party Transaction Review Committee

The Board established the Related Party Transaction Review Committee with effect from 26th May 2016 in terms of the Code of Best practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange

The Related Party Transactions Review Committee comprises One Independent Non-Executive Director, One Non-executive director and one Executive Director. The Committee comprised of the Following members;

Mr. A Y Tyebkhan - Chairman Mr. I Shabbir Mr. Waruna Priyankara

The duties of the Committee

- To review in advance all proposed related party transactions of the group either prior to the transaction being entered into or, if the transaction is expressed to be Conditional on such review, prior to the completion of the transaction.
- Seek any information the Committee requires from management, employees or external parties with regard to any transaction entered into with a related party.
- Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary including obtaining appropriate professional and expert advice from suitably qualified persons.

- To recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- To monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
- Meet with the management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.
- To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- To review the economic and commercial substance of both recurrent/ non recurrent related party transactions.
- To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining 'competent independent advice' from independent professional experts with regard to the value of the substantial asset of the related party transaction.

A Y Tyebkhan

Chairman

Related party Transaction Review Committee

31st August 2016 Colombo



Risk Management

The board of directors recognizes risk management as a key area that contributes towards safeguarding the interest of the stakeholders. Risk management form integral part of the business and does not limit its scope only to compliance requirements. Adopting a fair approach to provide a reasonable assurance that the company risk exposure is mitigated to the possible extent.

Actions taken to mitigate risks by the company;

Risk identification Risk assessment and evaluation Risk respond and mitigation action plan Risk communication mechanism Risk monitoring process

BUSINESS RISK

Low return due to resources limitation by nature, E.g. Low harvest In Coconut industry during first few month of the year. Mitigation action taken to backward integration. Implementation of the cost control procedures and cost saving initiatives will reduce the risk in reduction in budgeted profitability and inadequate of cash flows.

FINANCIAL RISK

Movement in the Sri Lankan & US currencies affects our market price. However we carry out valuation exercise in order to minimize the risk occurring. The company is in a position to take advantage of relative low interest rate whilst obtaining low interest USD facilities to settle high interest borrowings.

MARKET RISK

We are facing severe competition from the Philippines, Vietnam, and Indonesia in our export market due to the scarcity of pure coconut. We are insisting in getting pure coconut to export market resulting gaining even greater recognition.

LEGAL RISK

Changing the government's policies on taxes and duties could have impact on the company's business. Awareness of those duty and tax structures and action will be taken to the minimize the cost. Non performance of legal obligations and non compliance with regulatory requirement will have a negative impact on the reputation of the company. Implementation of an effective Corporate Governance Framework and proper monitoring mechanism will minimize the non-compliances.

OPERATIONAL RISK

Conduct periodic internal audit reviews which report to the Audit committee of the company. Working out business continuity plans and appropriate insurance covers to prevent losses due to fraud, human errors, inefficient processes, natural perils and loss of sensitive information.

CAPACITY RISKS

Insufficient capacity will pose a hindrance to the company's ability to meet customer demands or excess capacity threatens the firm's ability to generate profit margins. The company forecasts it's own demand and supply position at the beginning of each year which is line with the market.

HUMAN RESOURCE MANAGEMENT

Company lays great emphasis on training and development of staff, providing them with know how and avenue for personal development so as to improve the productivity of the company as a whole.

COMPETITIVE ENVIRONMENT

This relates to the loss of business environment to competition from other rivalry companies. In order to improve the competitive position, the company focuses on areas such as price, product range, quality and service. Performance is monitored against a range of yardsticks including customer satisfaction, perception and experience.

CONCLUSION

Hence the board and management is of the view that an affective risk management framework and an adequate risk management process is in place to minimize all potential risk and risk probability impact to the company.



Major Shareholders Information

23 MAJOR SHAREHOLDERS OF THE COMPANY

SN	NAME			31 ST MARCH 20	016	3	1 ST MARCH	2015
			NO O	F SHARES	(%)	NO OF	SHARES	(%
1	MR. G. I. SHABBIR			44,209,200	31.534		44,209,200	31.53
2		YLON PLC/SPICE OF LIFE (PRIVATE) LIMITEI	D 10.000.000		31.331	10,000,000	11,203,200	31.33
_	SEYLAN BANK PLC/SPICE C	, ,	9,980,000	28,832,000	20.565	9,980,000	- 28,832,000	20.56
	SPICE OF LIFE (PRIVATE) LIM	·	8,852,000		20.505	8,852,000_	20,032,000	20.50.
3	DR. S. H. A. GULAMHUSEIN		9,800,000			9,800,000		
3								
		LC/ DR. SHABIR HUSSEIN ABBAS GULAMHUSEIN		20 120 701	20.705	15,200,000	20 404 725	20.22
		ANY LTD/ S. A. GULAMHUSEIN	400,000	29,139,704	20.785	400,000	- 28,494,735	20.325
		SHABIR HUSSEIN ABBAS GULAMHUSEIN	2,851,147			2,832,200		
	WALDOCK MACKENZIE LTD		289,235			262,535		
		YLON PLC/ S. A. GULAMHUSEIN	599,322	_				
4		PRATION PLC/ADAM INVESTMENTS LIMITE	D	12,515,822	8.927		12,515,822	8.927
5		PRATION PLC/ DR. G. H. A. A. SHABBIR		2,053,178	1.465		2,053,178	1.465
6	DR. H. G. DE SILVA (DECEAS			1,400,000	0.999		1,400,000	0.999
7	MR. COLVIN REGINALD DE			1,200,000	0.856		1,200,000	0.856
8		LIMITED/MRS. S. S. DE FONSEKA		-	-		1,090,000	0.777
9	BANK OF CEYLON NO 1 AC			830,100	0.592		830,100	0.592
10	MR. K. C. THANGARAJAH ([DECEASED)		800,000	0.571		800,000	0.57
11	MR. V. RATNAVALE			800,000	0.571		800,000	0.57
12	MR. A. W. PRATHALINGAM			800,000	0.571		800,000	0.571
13	DR. L. K. AMARASURIYA			800,000	0.571		800,000	0.571
14	MS. R. C. WIJESEKERA			533,200	0.380		533,200	0.380
15	MR. D. W. WICKRAMARATN	E (DECEASED)		450,000	0.321		450,000	0.321
16	MR. P. S. JAYARATNE			419,800	0.299		419,800	0.299
17	MRS. C. C. GUNAWARDANA			400,000	0.285		400,000	0.285
18	MR. S. R. DE SILVA (DECEAS			400,000	0.285		400,000	0.285
19	FIRST CAPITAL MARKETS LI			-	-		365,000	0.260
20	MR. MARIAPILLAI RADHAK			288,800	0.206		288,800	0.206
21		MITED/DR. M. M. S. COORAY		283,435	0.202		222.024	0.22
22	MR. DS. TENNAKOON			-	0.105		322,924	0.230
23	MR. TA. GULAMHUSEIN			260,000	0.185 90.170		260,000	0.185
	OTHERS			126,415,239 13,480,041	90.170		127,264,759 12,931,241	90.776
	TOTAL			140,196,000	100.000		140,196,000	
DI:	STRIBUTION OF SHARE	HOLDING AS AT 31ST MARCH 201	16					
	From	То		No of Holders		No of Shares	i	%
	1	1,000		850		318,417	7	0.23
	1,001	10,000		561		2,506,454	}	1.79
	10,001	100,000		230		7,813,677		5.58
	100,001	1,000,000		34		11,496,105		8.20
	Over 1,000,000			11 1,686		118,061,347 140,196,000		84.20 100.00
CA	TEGORIES OF SHAREH	OLDERS		,		, ,		
				No of Holders		No of Shares	5	%
Lo	cal Individuals			1,589		71,873,947	,	51.27
Lo	cal Institutions			74		66,954,835		47.75
	reign Individuals			23		1,367,218	3	0.98
Foi	reign Institutions					-	-	
				1 (0)		140 106 000		100 00

1,686

140,196,000

100.00



Director's Share holding Information

_		NO OF SHARES	(%)	NO OF SHARES	(%)
1	DR. S. H. A. GULAMHUSEIN UNION BANK OF COLOMBO PLC/ DR. SHABIR HUSSEIN ABBAS GULAMHUSEIN ASSETLINE LEASING COMPANY LTD/ S. A. GULAMHUSEIN SAMPATH BANK PLC / DR. SHABIR HUSSEIN ABBAS GULAMHUSEIN COMMERCIAL BANK OF CEYLON PLC/ S. A. GULAMHUSEIN WALDOCK MACKENZIE LTD/ S. A. GULAMHUSEIN			9,800,000 15,200,000 400,000 2,851,147 599,322 289,235	20.785
2	MR. T. A. GULAMHUSEIN			260,000	0.185
3	MR. G. I. SHABBIR			44,209,20	31.534
4	Dr. A. A. S. Gulamhusein Pan asia banking corporation PLC/ Dr. G. H. A. A. Shabbir			Nil 2,053,178	3 1.465
5	MR. A. Y. TYEBKHAN			10,000	0.007
6	DR. D. C. GUNESEKERA			10,000	0.007
7	MR. L. W. W. PRIYANKARA			N	l Nil
8	MR. IMRAN ZAHIR			Ni	l Nil

SHARE PRICES FOR THE YEAR

	As at	As at
Market price per share	31/03/2015	31/03/2016
Highest during the year	Rs. 9.00 (02-10-2014)	Rs. 9.00 (04-06-2015)
Lowest during the year	Rs. 5.20 (02-06-2014)	Rs. 4.20 (09-03-2016)
As at end of the year	Rs. 5.90	Rs. 5.00
Number of Transactions during the year	6,740	8,101
Number of Shares traded during the year	18.953,834	23,325,463
Value of shares traded during the year	Rs. 139,258,869	Rs. 174,457,319

PUBLIC HOLDING

Public Holding Percentage as at 31st March 2016 being 16.5031% comprising of 1670 shareholders.



Code Ref.	Item	Requirement	Compliance status	Page in Annual Rep.
A.1.1	Frequency of Board Meetings	Board should meet regularly, at least once every quarter	✓	Corporate Govern- ance/Annual Report of the Board of Directors
A.1.2	Responsibilities of the Board	 Formulation and implementation of strategy, Skill adequacy of management and succession Integrity of information, internal controls and risk management Compliance with laws, regulations and ethical standards Code of conduct Adoption of appropriate accounting policies 	✓	Corporate Governance
A.1.3	Access to Professional Advice	Procedures to obtain independent professional advice	✓	Corporate Governance
A.1.4	Company Secretary	 Ensure adherence to board procedures and applicable rules and regulations Procedure for Directors to access services of Company Secretary 	√	Corporate Governance
A.1.5	Independent Judgment	Directors should exercise independent judgement on issues of strategy, resources, performance and standards of business judgement	✓	Corporate Governance
A.1.6	Dedication of adequate time and effort by Directors	Directors should devote adequate time and effort to discharge their responsibilities to the Company satisfactorily.	✓	Corporate Governance
A.1.7	Training for Directors	Directors should receive appropriate training on skills and expand knowledge to more effectively perform duties	✓	Corporate Governance
A.2	DIRECTORS – Chairman	& Chief Executive Officer	•	
A.2 Old	Division of responsibilities to ensure no individual has unfettered powers of decision	A balance of power and authority to be maintained by separating responsibility for conducting Board business from that of executive decision making	✓	Corporate Governance
A.3	DIRECTORS – Role of Cha	airman	1	I
A.3	Ensure good corporate governance	Chairman to preserve order and facilitate effective discharge of Board functions by proper conduct of Board meetings.	✓	
A.4	DIRECTORS – Financial A	Acumen		
A.4	Possession of adequate financial acumen	Board to ensure adequacy of financial acumen and knowledge	✓	Corporate Governance
A.5	DIRECTORS – Board Bala	nnce		
A.5.1	Composition of Board	The Board should include a sufficient number of Non- Executive Independent Directors	✓	Corporate Governance
A.5.2	Proportion of independent directors	Two or one third of the Non-Executive Directors should be independent	✓	Corporate Governance
A.5.3	Test of Independence	Independent Directors should be independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgment	✓	Corporate Governance
A.5.4	Declaration of Independence	Non-Executive Directors should submit a signed and dated declaration of their independence/ non-independence	✓	Corporate Governance



A.5.5	Annual determination of criteria of independence and declaration of same by Board	The Board should annually determine and disclose the names of Directors deemed to be 'independent'.	✓	Corporate Governance
A.5.6	Appointment of Senior Independent Director (SID)	If the roles of Chairman/CEO are combined, a Non- Executive Director should be appointed as a Senior Independent Director (SID)	N/A	
A.5.7	Availability of Senior Independent Director (SID) to other Directors	If warranted, the SID should be available to the other directors for confidential discussions	N/A	
A.5.8	Interaction between Chairman and Non- Executive, Independent Directors	The Chairman should meet the Non-Executive Independent Directors at least once a year.	√	Corporate Governance
A.5.9	Directors concerns to be recorded	When matters are not unanimously resolved, Directors to ensure their concerns are recorded in Board minutes.	N/A	
A.6	Supply of Information			
A.6.1	Provision of adequate information to Board	Management to ensure the board is provided with timely and appropriate information	✓	Corporate Governance
A.6.2	Adequacy of Notice and formal agenda to be discussed at Board meetings	Board minutes, agenda and papers should be circulated at least seven days before the Board meeting.	✓	Corporate Governance
A.7	Appointment to the Boa	rd		
A.7.1	Nomination Committee	Nomination Committee of parent may function as such for the Company and make recommendations to the Board on new Board appointments.	✓	Corporate Governance
A.7.2	Annual assessment of Board composition	Nomination Committee or Board should annually assess the composition of the Board	✓	Corporate Governance
A.7.3	Disclosure of new Board appointments	Profiles of new Board appointments to be communicated to Shareholders	✓	Corporate Govern- ance/Notice of Meeting
A.8	Directors – Re-election			
Principle three ye		be required to submit themselves for re-election at regula	r intervals and	at least once in every
A.8.1	Appointment of Non- Executive Directors	Appointment of Non-Executive Directors should be for specified terms and re-election should not be automatic.	✓	Corporate Govern- ance/ Annual Report of the Board of Directors
A.8.2	Shareholder approval of appointment of all Directors	The appointment of all Directors should be subject to election by shareholders at the first opportunity	✓	Corporate Govern- ance/ Annual Report of the Board of Directors
A.9	Directors – Appraisal of	Board Performance		
A.9.1	Annual appraisal of Board performance	The Board should annually appraise how effectively it has discharged its key responsibilities.	✓	Corporate Governance
A.9.2	Self-evaluation of Board and Board Committee	The Board should evaluate its performance and that of its committee annually	✓	Corporate Governance
A.9.2	Declaration of basis of performance	The Board should disclose in the Annual Report how performance evaluation have been carried out	✓	Corporate Governance
A.10	Directors – Disclosure of	information in respect of Directors		
A.10.1	Biographical profiles and relevant details of Directors to be disclosed.	Annual Report should disclose the biographical details of Directors and attendance at board/committee meetings	✓	Board of Directors/ Corporate Govern- ance/ Audit Commit- tee Report



A.11	Directors – Appraisal of	Chief Executive Officer (CEO)		
A.11.1	Short, medium, long- term objectives with financial and non- financial objectives to be set	The Board should set out the short, medium and long- term objectives, financial and non-financial objectives at the commencement of each year	N/A	Corporate Governance
A.11.2	Evaluation of CEO's performance evaluation	The performance of the CEO should be evaluated by the Board at the end of the year.	N/A	Corporate Governance
B.1	REMUNERATION PROCE	DURE		
B.1.1	Appointment of Remuneration Committee	Remuneration Committee of parent may function as such for the Company to make recommendations on Directors remuneration	✓	Corporate Governance
B.1.2	Composition of Remuneration Committee	Board to appoint only Non-Executive Directors to serve on Remuneration Committee	✓	Corporate Governance
B.1.3	Disclosure of members of Remuneration Committee	The Annual Report should disclose the Chairman and Directors who serve on the Remuneration Committee	✓	Corporate Governance
B.1.4	Remuneration of Non- Executive Directors	Board to determine the level of remuneration of Non- Executive Directors	✓	Corporate Governance
B.1.5	Access to professional advice	Remuneration Committee should have access to professional advice in order to determine appropriate remuneration for Executive Directors	✓	Corporate Governance
B.2	DIRECTORS REMUNERAT	TION – Level and Make up of Remuneration		
B.2.1	Remuneration Packages for Executive Directors	Packages should be structured to attract, retain and motivate Executive Directors	✓	Corporate Governance
B.2.2	Remuneration Packages to be appropriately positioned	Packages to comparable and relative to that of other companies as well as the relative performance of the company	✓	Corporate Governance
B.2.3	Appropriateness of remuneration and conditions in relation to other Group Companies	When determining annual increases, Remuneration Committee should be sensitive to that of other Group companies	✓	Corporate Governance
B.2.4	Performance related elements of remuneration	Performance related elements of remuneration should be aligned with interests of Company	√	Corporate Governance
B.2.5	Share options	Executive share options should not be offered at a discount	✓	Corporate Governance
B.2.9	Remuneration packages for Non-Executive Directors	Should reflect time commitment and responsibilities of role and in line with existing market practice	✓	Corporate Governance
B.3	DIRECTORS REMUNERAT	ION – Disclosure of Remuneration		
B.3.1	Disclosure of details of remuneration	The Annual Report should disclose the remuneration paid to Directors	✓	Corporate Governance
C.1	RELATIONS WITH SHARE	HOLDERS - Constructive use and Conduct of Annual Ge	neral Meetii	ng (AGM)
C.1.1	Proxy Votes to be counted	The Company should count and indicate the level of proxies lodged for and against in respect of each resolution	✓	Corporate Governance
C.1.2	Separate resolution	Separate resolutions should be proposed for substantially separate issues	✓	Corporate Governance
C.1.3	Availability of Committee Chairmen @ AGM	The Chairmen of Board Committees should be available to answer any queries at AGM	✓	Corporate Governance



C.1.4	Notice of AGM	15 working days notice to be given to shareholders	✓	Corporate Governance
C.1.5	Procedure for voting at meetings	Company to circulate the procedure for voting with Notice of Meeting	✓	Corporate Governance
C.2	MAJOR TRANSACTIONS			
C.2.1	Disclosure of Major Transactions	Transactions that have a value which are greater than half of the net assets of the Company should be disclosed	N/A	Corporate Governance
D.1	ACCOUNTABILITY AND A	UDIT - Financial Reporting		
D.1.1	Presentation of Public Reports	Should be balanced, understandable and comply with statutory and regulatory requirements	√	Management Discussion and Analysis, Corporate Governance, Risk Management, Financial Statements
D.1.2	Directors' Report	The Director's Report should be included in the Annual Report and confirm that: - the Company has not contravened laws or regulations in concluding its activities - Material interests in contracts have been declared by Directors - the Company has endeavoured to ensure equitable treatment of shareholders - that the business is a "going concern" - that there is reasonable assurance of the effectiveness of the existing business systems following a review of the internal controls covering financial, operational and compliance	√	Annual Report of the Board of Directors Audit Committee Report Annual Report of the Board of Directors/ Financial Statements/ Corporate Governance Annual Report of the Board of Directors/ Audit Committee Report/ Risk Management
D.1.3	Respective responsibilities of Directors and Auditors	The Annual Report should contain separate statements setting out the responsibilities of the Directors for the preparation and presentation of the Financial Statements and the reporting responsibilities of the Auditors.	✓	Respective responsibilities of Directors and Auditors
D.1.4	Management Discussion and Analysis	Annual Report to include section on Management Discussion and Analysis	✓	Management Discussion and Analysis
D.1.5	Going Concern	Directors to substantiate and report that the business is a going concern or qualify accordingly.	✓	Annual Report of the Board of Directors
D.1.6	Serious Loss of Capital	Directors to summon an Extraordinary General Meeting in the event that the net assets of the Company false below 50% of the value of Shareholder Funds.	N/A	
D.2	ACCOUNTABILITY AND A	UDIT – INTERNAL CONTROL		
D.2.1	Effectiveness of system of Internal Controls	Directors to annually conduct a review of the effectiveness of the system of internal controls. This responsibility may be delegated to the Audit Committee	✓	Audit Committee Report Risk Management
D.3	AUDIT COMMITTEE			
D.3.1	Chairman and Composition of Audit Committee	- Should comprise of a minimum of two Independent, Non-Executive Directors	✓	Audit Committee
	- Audit Committee Chairman should be appointed by the Board	Report		
D.3.2	Duties of Audit Committee	Should include - Review of scope and results of audit and its effectiveness - Independence and objectivity of the Auditors	✓	Corporate Governance



D.3.3	Terms of Reference/	The Audit Committee should have a written Term of Reference, which define the purpose of the	√	Corporate Governance
	Charter	Committee and its duties and responsibilities		
D.3.4	Disclosures	 The Annual Report should disclose the names of Directors serving on the Audit Committee The Audit Committee should determine the independence of the Auditors and disclose the basis of such determination The Annual Report should contain a report by the Audit Committee setting out the manner of the compliance of the Company during the period to which the Report relates 	√	Corporate Govern- ance/Audit Committee Report
D.4	CODE OF BUSINESS CON	DUCT AND ETHICS		
D.4.1	Adoption of Code of Business Conduct and Ethics and Disclosure in Annual Report	ess Conduct and and Ethics for directors and members of the senior management team and promptly disclose any violation		Corporate Governance
D.4.2	Chairman's affirmation	The Annual Report must include an affirmation by the Chairman that he is not aware of any violation of the Code of Business Conduct and Ethics	✓	Chairman's Statement / Director's Report
D.5	CORPORATE GOVERNAN	CE DISCLOSURES		
D.5.1	Corporate Governance Report	The Annual Report should include a report setting out the manner and extent to which the Company has adopted the principles and provisions of the Code of Best Practice on Corporate Governance	er and extent to which the Company has he principles and provisions of the Code of	
E.	INSTITUTIONAL INVESTO	DRS – Structured Dialogue		
E.1.1	Structured Dialogue with Shareholders	A regular and structured dialogue should be conducted with shareholders and the outcome of such dialogue should be communicated to the Board by the Chairman.	ne outcome of such	
E.2	Evaluation of Govern- ance Disclosures by Insti- tutional Investors	Institutional investors should be encouraged to consider the relevant factors drawn to their attention with regard to Board structure and composition	✓	Corporate Governance
F.	OTHER INVESTORS – INV	ESTING/DIVESTING DECISION		
F.1	Individual Investors	Individual shareholders should be encouraged to carry out adequate analysis and seek professional advice when making their investment/ divestment decisions	✓ Corporate Governance	
F.2	Shareholder Voting	Individual shareholders should be encouraged to participate and exercise their voting rights	r- ✓ Corporate Governanc	



Independent Auditors' Report

A. I. MACAN MARKAR & CO.

CHARTERED ACCOUNTANTS
"Inspiring All Stakeholders to Reach the Impossible"

Partners - Ms. S. Vishnukanthan FCA

Rajan Niles ACA, FCMA E. Annalingam FCA, FSCMA Arjuna U.Dangalla ACA

INDEPENDENT AUDITORS' REPORT TO THE BORD OF DIRECTORS OF CEYLON AND FOREIGN TRADES PLC

Report on the Financial Statements

We have audited the accompanying financial statements of CEYLON AND FOREIGN TRADES PLC, (the company) and the consolidation financial statement of the company and its subsidiaries (the Group), Which comprise statement of financial position as at 31st March 2016, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtained audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the audits' judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to entity's presentation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the

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circumstances, But not for purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by board, as well as evaluating the overall presentation of the financial statements.

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

Opinion - Group

In our opinion, the consolidated Financial Statements, give a true and fair view of the financial position of the company and its subsidiaries as at 31st March 2016 and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal & Regulatory Requirements

These financial statements also comply with the requirements of Sections 163(2) of the Companies Act No. 07 of 2007.

- (1) The basis of opinion and scope of limitation of the audit are stated above
- (2) In our opinion
- We have obtained all the information and explanation that were required for the audit and, as for as appears from our examination, proper accounting records have been kept by company
- The financial statement of the company give a true and fair view of its financial position as at 31ST March, 2016, and of its financial performance and cash flow for the year then ended in accordance with Sri Lanka Accounting Standards.
- The financial statements of the company and Group comply with the requirements of section 151 and 153 of the companies Act No. 07 of 2007.

CHARTERED ACCOUNTANTS
COLOMBO

DATE: 31.08.2016



Statement of Comprehensive Income

		Group		Company	
	Notes	31 Mar 16 Rs	31 Mar 15 Rs	31 Mar 16 Rs	31 Mar 15 Rs
CONTINUING OPERATION					
Revenue	01	357,819,957	417,074,170	357,819,957	417,074,170
Cost of Sales		(293,794,002)	(351,714,057)	(293,794,002)	(351,714,057)
GROSS PROFIT		64,025,955	65,360,113	64,025,955	65,360,113
Other Income	02	15,382,126	733,731,546	25,461,202	745,427,275
Selling and Distribution Expenses		(23,658,459)	(17,422,987)	(23,590,724)	(17,344,253)
Administrative Expenses		(41,700,245)	(31,404,079)	(41,514,791)	(31,135,645)
RESULT FROM OPERATING ACTIVITIES	03	14,049,377	750,264,592	24,381,642	762,307,490
Finance and Other Charges	04	(51,972,409)	(36,983,725)	(51,956,559)	(36,983,725)
NET FINANCE COST	•	(51,972,409)	(36,983,725)	(51,956,559)	(36,983,725)
PROFIT AFTER FINANCE COST		(37,923,032)	713,280,867	(27,574,917)	725,323,764
Share of Associate Company's Profit		115,460,310	24,347,641	-	-
PROFIT /(LOSS) BEFORE TAX		77,537,278	737,628,507	(27,574,917)	725,323,764
Tax Expense	05	(35,399,233)	(4,999,036)	865,769	(2,155,703)
PROFIT FROM CONTINUING OPERATION	•	42,138,045	732,629,472	(26,709,148)	723,168,061
DISCONTINUING OPERATION					
Profit (loss) from discontinuing operation (net of tax)		-	-	-	-
PROFIT /(LOSS) FOR THE YEAR		42,138,045	732,629,472	(26,709,148)	723,168,061
OTHER COMPREHENSIVE INCOME	•				
Defined Benefit changes in the assumption gain / (losses		(20,051)	82,816	(20,051)	-
Share of Associate Defined Benefit Acturial gain / (losses)		566,732	-	-	-
Share of Associate Revaluation gain on property plant & equip	oment	3,281,328	-	-	-
Revaluation gain on property plant & equipment		108,156,652	376,521	108,156,652	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF 1	ГАХ)	111,984,661	459,337	108,156,652	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		154,122,706	733,088,809	81,447,504	723,168,061
Total profit attributable to:					
Equity Holders of The Parent		41,847,385	732,730,621	-	-
Non Controlling Interest		290,659	(101,149)	-	-
Profit for the year	,	42,138,045	732,629,472	-	
Total other comprehensive income attributable to:					
Equity Holders of The Parent		153,832,047	733,189,958		_
Equity Holders of the Falent		155,052,047	733,109,930		_
Non Controlling Interest		290,659	(101,149)	-	-
Total comprehensive income for the year:		154,122,706	733,088,809	-	
Earnings per share - basic	06	0.30	5.23	(0.19)	5.16
Earnings per Share - basic (Exclusive of fair value gain)	06	(0.11)	0.09	(0.19)	0.02

The notes from page 28 to 59 form an intergal part of these Financial Statements. Figures in brackets indicate deductions.



Statement of Financial Position

		G	roup	Con	npany
As at	Notes	31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15
		Rs	Rs	Rs	Rs
ASSETS					
Property, Plant & Equipment	07	15,326,960	557,121,505	14,354,991	556,008,096
Intangible Assets	08	1,227,226	100,000	1,227,226	100,000
Investment Property	09	1,922,632,024	1,848,650,023	1,922,632,024	1,848,650,023
Other Investment	10	26,853,478	6,595,463	26,853,478	6,595,463
Investments in Subsidiaries	11	-	-	1,614,500	1,614,500
Investment in Associates	12	388,573,732	317,305,340	51,253,720	51,253,720
NON CURRENT ASSETS		2,354,613,420	2,729,772,331	2,017,935,938	2,464,221,802
Inventories	14	49,134,667	41,919,798	49,134,667	41,919,798
Trade & Other Receivables	15	133,138,334	150,812,628	126,793,370	144,467,665
Amount Due from Related Companies	16	11,439,855	14,042,470	28,012,026	31,971,641
Non Current asset held for sale	17	650,000,000	-	650,000,000	-
Income Tax Refund Due	18	3,480,662	3,489,511	5,363,888	5,372,736
Short Term Investments	13	44,069,652	48,096,929	43,985,152	47,996,829
Cash & Cash Equivalents	19	13,102,756	14,514,930	12,965,106	14,026,280
CURRENT ASSETS		904,365,926	272,876,266	916,254,210	285,754,949
TOTAL ASSETS		3,258,979,345	3,002,648,597	2,934,190,148	<u>2,749,976,752</u>
EQUITY					
Stated Capital	20	14,119,600	14,119,600	14,119,600	14,119,600
Revaluation Reserve	21	655,908,109	544,643,455	650,252,287	542,095,635
Revenue Reserve	22	1,236,701	1,236,701	1,077,447	1,077,447
Retained Profits		1,064,325,865	1,022,572,238	741,545,624	768,274,823
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF TH	IE PARENT	1,735,590,275	1,582,571,994	1,406,994,958	1,325,567,505
Non Controlling Interest		(7,290,334)	(7,580,993)	-	-
TOTAL EQUITY		1,728,299,941	1,574,991,001	1,406,994,958	1,325,567,505
LIABILITIES					
Interest Bearing Borrowings	23	1,099,214,490	1,095,798,354	1,099,214,490	1,095,798,354
Deferred Tax Liabilities	24	1,094,156	2,014,275	947,449	1,872,963
Defined Benefit Plans	25	1,356,839	945,706	1,137,558	726,425
NON CURRENT LIABILITIES		1,101,665,486	1,098,758,335	1,101,299,497	1,098,397,742
Trade & Other Payables	26	147,327,052	92,727,526	145,940,815	91,374,290
Interest Bearing Borrowings	23	140,420,041	110,459,026	140,420,041	110,459,026
Amounts Due to Related Companies	27	68,578,478	66,628,478	67,043,959	65,093,959
Bank Overdraft	19	72,468,649	59,084,230	72,468,649	59,084,230
Income tax payable		219,698		22,228	
CURRENT LIABILITIES		429,013,918	328,899,260	425,895,693	326,011,505
TOTAL LIABILITIES		1,530,679,404	1,427,657,596	1,527,195,190	1,424,409,247
TOTAL EQUITY & LIABILITIES		3,258,979,345	3,002,648,597	2,934,190,148	2,749,976,752

I certify that these financial statements have been prepared in compliance with the requirements of the Company act No. 07 of 2007

L. W. W. Priyankara

Director / Group Accountant

The Board of Directors is responsible for the preparation and presentation of these financial statements.

I. Shabbir Director A. A. Shabbir Director

31st August 2016



Statement of Changes in Equity

For the Year ended 31st March 2016

Grou	ľ

	5,701 291,653,23		
• • • • • • • • • • • • • • • • • • • •		(7,479,844)	843,796,630
Impacts of change in accounting policies Restated Balance at 1st April 2014	,701 291,653,23	9 (7,479,844)	843,796,630
Current Year Profit/(Loss)	- 732,730,62		732,730,621
Non controlling Interest	- / 32,/ 30,02	- (101,149)	, ,
Retirement benefit	- 683,65		683,656
Other comprehensive income - 376,521	- 82,81		459,337
Total comprehensive income for the year - 376,521	- 733,497,09		· · · · · · · · · · · · · · · · · · ·
Dividends	- (2,578,09		(2,578,094)
Total contribution by and distribution to	(=/=:=/==		(=/0:0/07:1/
the owners of the company	- (2,578,09	4) -	(2,578,094)
Restated Balance at 31st March 2015 14,119,600 544,643,455 1,236			1,574,991,001
Balance at 1st April 2015 14,119,600 544,643,455 1,23	5,701 1,022,572,23	38 (7,580,993)	1,574,991,001
Impacts of change in accounting policies	-		-
Restated Balance at 1st April 2015 14,119,600 544,643,455 1,236	,701 1,022,572,23	8 (7,580,993)	1,574,991,001
Current Year Profit/(Loss)	- 41,847,38	290,659	42,138,045
Reversal of overprovision on Fair value	- (813,76	6) -	(813,766)
Other comprehensive income - 111,437,980	- 546,68	- 31	111,984,661
Depreciation Transferred of associates (173,326)	- 173,32	26 -	
Total comprehensive income for the year - 111,264,654	- 41,753,62	27 290,659	153,308,940
Dividends	-		-
Total contribution by and distribution to			
the owners of the company	-		
Restated Balance at 31st March 2016 <u>14,119,600 655,908,109 1,236</u>	,701 1,064,325,86	<u>(7,290,334)</u>	1,728,299,941

The notes form an integral part of these Financial Statements. Figures in brackets indicate deductions.

Company	Stated capital Rs	Revaluation reserve Rs	Revenue reserve Rs	Retained profits Rs	Total Rs
Balance at 1st April 2014	14,119,600	542,095,635	1,077,447	47,001,200	604,293,882
Impacts of change in accounting policies	14,119,600	- - - - -	1 077 447	47,001,200	- 604 202 992
Restated Balance at 1st April 2014 Current Year Profit/(Loss)	14,119,000	542,095,635	1,077,447	47,001,200 723,168,061	604,293,882 723,168,061
Other comprehensive income	_	_	_	683,656	683,656
Total comprehensive income for the year				723,851,717	723,851,717
Repurchase of shares		_	_	723,031,717	723,031,717
Dividends Total contribution by and distribution to the	-	-	-	(2,578,094)	(2,578,094)
owners of the company	-	-	-	(2,578,094)	(2,578,094)
Restated Balance at 31st March 2015	14,119,600	542,095,635	1,077,447	768,274,823	
Balance at 1st April 2015 Impacts of change in accounting policies	14,119,600	542,095,635 -	1,077,447 -	768,274,823 -	1,325,567,505
Restated Balance at 1st April 2015	14,119,600	542,095,635	1,077,447	768,274,823	1,325,567,505
Current Year Profit/(Loss)	-	-	-	(26,709,148)	(26,709,148)
Revalueation reserve	-	108,156,652	-	-	108,156,652
Other comprehensive income		-	-	(20,051)	(20,051)
Total comprehensive income for the year		108,156,652	-	(26,729,199)	81,427,453
Dividend paid	-	-	-	-	-
Total contribution by and distribution to the owners of the company		-	-	-	<u>-</u>
Restated Balance at 31st March 2016	14,119,600	650,252,287	1,077,447	741,545,624	1,406,994,958

The notes form an intergal part of these Financial Statements. Figures in brackets indicate deductions.



Statement of Cash Flow

	Group		Company	
For the year ended	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	Rs	Rs	Rs	Rs
Cash Flow from Operating Activities				
Profit / (Loss) Before Tax	77,537,278	737,628,507	(27,574,917)	725,298,764
Adjustments for:-	,55.,12.	. 5. ,525,55.	(=:/5::./)	, _0,_, 0, .
Provision for Gratuity / (Over provision)	391,082	600,883	391,082	600,883
Dividend Income	(775,640)	·	(11,939,716)	(12,941,994)
Share of Associates Company Profits	(155,460,310)		-	-
Unrealized gain /(loss)from share investments	4,051,730	(5,947,625)	4,036,130	(5,900,565)
Fair value gain on investment property	-	(714,254,666)	-	(714,254,666)
Lease and Loan Interest Charge	30,006,861	27,063,874	30,006,861	27,063,874
Software amortization	122,774		122,774	92,500
FD interest	(770,137)		(770,137)	(434,379)
Depreciation of Property, Plant & Equipment	4,190,458		4,049,019	3,498,287
Disposal Profit of Motor vehicle	(1,085,000)		-	
Operating Profit before Working Capital Changes	(1,790,903)		(1,678,903)	23,022,704
(Increase)/Decrease in Inventories	(7,214,869)		(7,214,869)	6,482,024
(Increase)/Decrease in Trade & Other Receivables	17,674,295		17,674,293	
(Increase)/Decrease in Amount Due from Related Parties	2,602,615		3,959,615	(3,812,904)
Increase/(Decrease) in Trade & Other Payables	54,599,523	3,567,202	54,566,527	3,597,852
Increase/(decrease) in investments in associate companies	1 050 000	40.060.000	1 050 000	49,060,000
Increase/(Decrease) in Amount Due to Related Parties	1,950,000 67,820,659	49,060,000 56,202,396	1,950,000 69,256,663	56,053,395
Gratuity Payments	07,020,039	50,202,590	09,230,003	30,033,393
ESC paid		(1,579,113)	_	(1,579,113)
With holding tax & Income Tax Payments	(28,668)	(842,658)	(28,668)	(842,658)
Interest paid	(30,006,861)	(26,721,415)	(30,006,861)	(26,721,415)
Net Cash Flow from Operating Activities	37,785,130	27,059,210	39,221,134	
· -				
Cash Flow from Investment Activities				
Interest Received	770,137	434,379	770,137	434,379
Dividend Paid	- 11 020 716	(2,578,094)	- 11 020 716	(2,578,094)
Dividend Received	11,939,716		11,939,716	12,941,994
(Increase)/Decrease in Investment	(24,454)		(24,454)	(3,483,253)
Investment in fixed deposits Acquisition of Investment property	(20,258,014) (73,982,001)	(384,124) (1,085,848,069)	(20,258,014)	(384,124) (1,085,848,069)
Profit on disposal of assets	(73,902,001)	(69,205)	(73,902,001)	(69,205)
Sales proceeds of disposal	1,085,000	180,000	_	180,000
Leased assets acquired during the year	-	1,815,000	_	1,815,000
Acquisition of Intangible asset	(1,250,000)	-	(1,250,000)	-
Acquisition of Property, Plant & Equipment	(4,239,261)	(7,840,226)	(4,239,261)	(8,042,226)
Cash Flow from Investment Activities		(1,084,831,598)		(1,085,033,598)
Cash Flow from Financing Activities	(4 1)	(* *== *==)	/4 ·	(
Lease Instalment Paid	(1,509,274)		(1,509,274)	(1,470,332)
Loans Received (Net)	336,517,167	1,402,615,039	336,517,167	1,402,615,039
Loan/ Prepayments/other movement net	(301,630,741)	(357,249,146)	(301,630,741)	(357,249,146)
Cash Flow from Financing Activities	33,377,152	1,043,895,561	33,377,152	1,043,895,561
Net Change in Cash & Cash Equivalents	(44,569,298)	(13,876,827)	(45,057,950)	(14,227,827)
Cash & Cash Equivalents at the Beginning of the year	(14,796,596)	(30,692,471)	(14,445,592)	(30,830,122)
Cash & Cash Equivalents at end of the year (Note 19)	(59,365,894)	(44,569,298)	(59,503,542)	(45,057,950)

The notes form an intergal part of these Financial Statements.

Figures in brackets indicate deductions.

The notes from page to form an intergal part of these Financial Statements.

Figures in brackets indicate deductions.



Accounting Policies

1) Corporate Information

a) Corporate Information

Ceylon & Foreign Trades PLC is incorporated on April 28, 1949 and domiciled in Sri Lanka. The registered office is at No. 414/18, K.Cyril C. Perera Mawatha, Colombo 13. The shares of the Company have a primary listing on the Colombo Stock Exchange.

The Consolidated Financial Statements of the Company for the year ended March 31, 2016 comprised the Company (Parent Company) and its subsidiaries (together referred to as the "group") and the group interest in its Associates.

Ceylon Foreign & Trades PLC does not have an identifiable parent of its own.

The Consolidated Financial Statements have been approved for issue by the Board of Directors on 31st August, 2016.

b) Principal Activities and Nature of Operations

Company

The principal activities of the Company are exporters of Sri Lankan produce, manufactured goods, and importers & indent Agent and there were no significant changes in the nature of the operation of the company during the financial year under review.

Subsidiaries

Colombo Freight & Transport Limited

No operations during the year.

West Cost Lanka (Private) Limited

No operations during the year.

Associates

On' ally Holdings PLC

Owners of Unity Plaza, specializing in renting out prime office and shop space. It is an associate Company of Ceylon & Foreign Trades PLC.

2) Basis of preparation

a) Statement of compliance

The Consolidated Financial Statements are prepared in accordance and comply with Sri Lanka Accounting Standards (SLFRS/LKAS) laid down by The Institute of Chartered Accountants of Sri Lanka (ICASL) and in compliance with the Companies Act No. 07 of 2007.

The financial statements of the subsidiaries, West Coast Lanka (Pvt) Ltd and CFT Transport (Pvt) Ltd have been prepared on the basis that they are non-going concern entities.

b) Use of Estimates and Judgement

The preparation of the financial statements in conformity with SLFRSs/LKASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes to these financial statements.

Critical Accounting Estimates/ Judgements	Note
Revaluation of Land & Building	07
Retirement Benefit Obligation	25
Deferred tax assets & Liabilities	24
Useful lives of PPE	06 - Accounting policies
Useful life of Intangible assets	08 - Accounting policies

c) Basis of Measurement

The financial statements of the Group have been prepared on the historical cost basis with no adjustments being made for inflationary factors affecting the Financial Statements, except for the following material items in the statement of financial position,

- Available-for-sale financial assets are measured at fair value
- The liability for defined benefit obligations is measured at the present value of the defined benefit obligation
- · Lands and buildings are stated at revalued amount



d) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the group operates. The financial statements are presented in Sri Lankan Rupee (Rs.), which is the functional currency and the Group's presentation currency. All financial information presented in Rupee has been rounded to the nearest Rupee unless stated otherwise.

e) Comparative Information

Previous period figures and notes have been restated and reclassified wherever necessary to conform to the current year's presentation. The Group has applied the exception given by the Institute of Chartered Accountants of Sri Lanka in applying comparative figures for SLFRS 7-Financial Instruments Disclosures. Accordingly the comparative disclosure required by paragraph 31-42 (Nature and extent of risk arising from Financial Instruments) will not be disclosed for comparative period due to difficulty of gathering such information

3) Basis of Consolidation

a) Subsidiaries

Subsidiaries are all entities (Including special purpose entities) over which a Company has the power to govern the financial and operating policies that is generally accompanied by a share holding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assassin whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, and costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

The inter Company transaction, balances and unrealised gains on transactions between Group Companies are eliminated. The unrealised losses are also eliminated but considered as an impairment of the asset transferred.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

b) Associates - Equity accounted Investees

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20 and 50 percent of the voting power of another entity.

Associates are accounted for using the equity method (equity accounted investees) and are initially recognized at cost.

The Consolidated Financial Statements include the group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the group, from the date that significant influence commences until the date that significant influence ceases.

When the group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the company has an obligation or has made payments on behalf of the investee.

An investment in an associate is accounted for in investor's separate financial statements at cost.

The gain of control of an existing associate accounted for as if any investment in the acquiree that was held before obtaining control was sold and subsequently repurchase at the acquisition date.

4) Financial instruments

(1) Financial Assets

Financial assets are within the scope of LKAS 39 are classified appropriately as Fair value through profit or loss(FVTPL), loans and receivables (L&R), held to maturity (HTM) and available-for-sale (AFS) at its initial recognition. All the financial assets are recognized at fair value at its initial recognition.



(2) Fair value through profit & Loss

The Group's investments in equity securities are classified as fair value through profit & loss.

Subsequent to initial recognition, these are measured at fair value and changes therein recognized in the profit & loss. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

(3) Loans and receivables

Loans and receivables are financial assets with ?xed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

(5) Foreign currency translations

Transactions in foreign currency are translated to rupees at the foreign exchange rate ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to rupees at the exchange rate ruling at that date. Non-monetary items are accounted for using the exchange rate at the date of transaction. Foreign currency differences arising on retranslation are recognized in statement of comprehensive income.

(6) Property, plant & equipment

a) Basis of Measurement

Items of Property, plant & equipment are stated at cost of purchase less accumulated depreciation and any accumulated impairment loss. Where an item of Property, plant & equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant & equipment.

The cost of replacing part of an item of property plant & equipment is recognised in the carrying amount of the item if it is probable that the future economics benefits embodied within the part will flow to the company and its cost can be measured reliably. The cost of day to day servicing of property, plant & equipment are charged to the income statement as incurred.

When replacement cost are recognised in the carrying amount of an item of property, plant & equipment, the remaining carrying amount of the replace part is derecognised.

b) Cost Model

The Company applies the cost model to all property, plant and equipment except freehold land and buildings; which records at cost of purchase together with any incidental expenses thereon less any accumulated depreciation and accumulated impairment losses.

c) Revaluation Model

The Group revalue its land and buildings which are measured at its fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the Financial Position date. The company policy is to revalue its property, plant and equipment once in three years. On revaluation of lands and buildings, any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it off sets a previous decrease in value of the same asset that was recognized in the statement of comprehensive income. A decrease in value is recognized in the statement of comprehensive income where it exceeds the increase previously recognized in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

a) Depreciation

The freehold land is not depreciated. The depreciation on other assets is calculated using the Reducing balance method to allocate their cost or re valued amounts to there residual values over the estimated useful lives, as follows:

Buildings 50 years Plant & machinery 08 years Office fixtures 10 years Furniture & fittings 10 years Stores equipment 10 years Computer equipment 05 years Leased motor vehicle 08 years Motor vehicles & bicycles 08 & 04 years

b) Disposal

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing



the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized net within other income/ other expenses in the statement of comprehensive income. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

7) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

8) Intangible Assets

a) Software

All computer software licensed for use by the company, not constituting an integral part of related hardware are included in the balance sheet under the category intangible assets and carried at cost less accumulated amortization and any impairment losses.

The initial acquisition cost comprises of license fee paid at the inception, import duties, such other costs applicable, cost of customizing the software to meet the specific requirements of the company and other directly attributable expenditure in preparing the assets for its intended use. The cost is amortized using the reducing balance method at a rate 25% per annum commencing from the date the application software is available for use. The amortization cost is recognized as an expense.

b) Subsequent Expenditure

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied these assets. All other expenditure is expensed when incurred.

c) De-recognition

Intangible assets are de-recognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of intangible assets are measured as difference between the net disposal proceeds and the carrying amount of the asset.

d) Amortization

Amortization is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful life of intangible asset is as follows;

Computer Software 4 Years

9) Impairment

a) Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

The Group considers evidence of impairment for financial assets measured at amortized cost (loans and receivables) at specific asset level. All individually significant assets are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.



Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held- to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

b) Non-financial assets

The carrying amounts of the Group's Non-Financial Assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its related Cash-Generating Unit (CGU) exceeds its estimated recoverable amount.

The Group's corporate assets do not generate separate cash inflow and are utilized by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized

10) Inventories

Inventories have been valued at the lower of cost and net realisable value after making due allowance for slow moving and obsolete items, on a basis consistently applied from year to year. The cost incurred in bringing inventories to its present location and conditions are accounted as follows:

Trading inventories - At weighted average method **Other inventories** - packing materials are at cost.

11) Trade Receivables

The trade receivables are recognised initially at cost and subsequently carried at cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original items of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows.

The Carrying amount of the asset is reduced through the use of an allowance account. Once decided as irrecoverable after due recovery procedures, the amount of the loss is recognised as an operating cost in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against operating costs' in the income statement.

12) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, net of bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. For the purpose of the statement of the cash flows, cash & cash equivalents are presented net of bank overdraft.

13) Stated Capital

The ordinary shares are classified as equity.

14) Trade Payables

The trade payables are recognised at fair value.

15) Borrowings

The borrowings are recognised initially at fair value, net of transaction costs incurred. The borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

The borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

16) Income Tax

a) Current and Deferred Income Tax

Income tax comprises current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to items recognized directly in other comprehensive income or directly in equity, in which case the income tax is also recognized directly in other comprehensive income or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases



of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognized if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit nor loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined on a nondiscounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realized or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred income tax assets and liabilities are presented as non-current.

b) Withholding Tax on Dividends

Dividend distributed out of taxable profit of the local companies attracts a 10% deduction at source and is not available for set off against the tax liability of the Company. Withholding tax that arises from the distribution of dividends by the Company is recognized at the same time as the liability to pay the related dividend is recognized.

c) Economic Service Charge (ESC)

As per the provisions of Economic Service Charge Act No. 13 of 2006 amendments thereto, ESC is payable on the liable turnover at specified rates. ESC is deductible from the income tax liability. Any unclaimed amount can be carried forward and set off against the income tax payable in the four subsequent years as per the relevant provision in the Act.

d) Nation Building Tax (NBT)

As per the provisions of the Nation Building Tax Act, No. 9 of 2009 and the subsequent amendments thereto, Nation Building Tax should be payable at the rate of 2% with effect from 1 January 2011 on the liable turnover as per the relevant provisions of the Act.

e) Sales Taxes (Value Added Tax)

Revenues, expenses and assets are recognized net of the amount of sales tax except for the following;

- Sales tax incurred on a purchase of a assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of tax receivables or tax payables in the Financial Position.

17) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets that take a substantial period of time to get ready for its intended use or sale, are capitalized as part of the assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

18) Other non-financial liabilities and Provisions

Liabilities are recognized in the Financial Position when there is a present obligation as a result of a past event, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditor within one year of the Financial Position date are treated as current liabilities. Liabilities payable after one year from the Financial Position date are treated as non-current liabilities.

a) Finance Leases

Property and Equipment on finance leases, which effectively transfer to the group substantially the entire risk and rewards incidental to ownership of the leased items, are disclosed as finance leases at their cash price and depreciated over the period the Company is expected to benefit from the use of the leased assets.

The corresponding principal amount payable to the lessor is shown as a liability. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the outstanding balance of the liability. The interest payable over the period of the lease is transferred to an interest in suspense account. The interest element of the rental obligations pertaining to each financial year is charged to the statement of comprehensive income over the period of lease.



19) Employee benefits

The Group has both defined benefit and defined contribution plans.

(a) Defined contribution plan

Eligible employees of the company are members of Company Provident Fund and Employees Trust Fund to which the company contributes 12% and 03% respectively of such employees' basis wage or salary. The company contribution is recognised as an expense in the income statement as incurred.

(b) Defined benefit plan

Provision has been made in the financial statements for retirement gratuities from the first year of service for all employees in conformity with Sri Lanka Accounting Standard (LKAS) 19- Retirement Benefits obligation.

The cost of defined contribution pension plans is charged to expense as the contributions become payable. The cost of defined benefit plans is determined using the projected unit credit method. The related pension liability recognized in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Actuarial valuations for defined benefit plans are carried out annually. The discount rate applied in arriving at the present value of the pension liability represents the yield on high quality corporate bonds denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses are recognized in full in the period in which they occur, in other comprehensive income without recycling to the statement of income in subsequent periods. Amounts recognized in other comprehensive income are recognized immediately in retained earnings. Current service cost, the recognized element of any past service cost, the expected return on plan assets and the interest expense arising on the pension liability are included in the same line items in the statement of income as the related compensation cost.

20) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not, that an outflow of resources will be required to settle the obligation and the amount has been reliable estimated. Provisions are not recognised for future operating loses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is

determined by considering the class of the obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

The provision is measured at the present value of the expenditures expected to be required to settle the obligation.

21) Revenue Recognition

1. Goods sold and services rendered

Revenue from sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue for services rendered is recognised in the income statements in the period to which they relate. No revenue is recognised if there are significant uncertainties regarding recovery of consideration due, associated cost or the possible return of goods.

2. Interest income

Interest income is derived from short-term investments and is treated on an accrual basis.

3. Dividend

Dividend income is recognised when the shareholders' right to receive dividend is established and management income is recognised on accrual basis.

4. Other income

Other income is recognised on an accrual basis.

Net gains and losses of a revenue nature on the disposal property, plant & equipment and other non current assets including investments have been accounted for in the income statement, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Gains & losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions, which are not material, are aggregated, reported and presented on a net basis.

22) Expenditure

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year.



Accounting Policies (Contd.)

For the presentation of the statement of comprehensive income the Directors are of the opinion that the nature of the expenses method present fairly the element of the Group's performance, and hence such presentation method is adopted.

Preliminary and pre operational expenditure is recognized in the statement of comprehensive income. Repairs and renewals are charged to the statement of comprehensive income in the year in which the expenditure is incurred.

23) Finance cost

Finance costs comprise interest expense on borrowings and impairment losses recognized on financial assets (other than trade receivables), are recognized in the statement of comprehensive income.

The company profits are stated after

- Providing for all impairment losses and depreciation of property, plant and equipment.
- Charging all expenses incurred in the day-to-day operations of the business and in maintaining the property, plant and equipment in a state of efficiency

24) Earnings per Share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

25) Cash flow statement

Cash flow statement has been prepared using the indirect method.

Interest paid are classified as operating cash floes, interest and dividend received are classified as investing cash flows while dividend paid are classified as financing cash flows for the purpose of presenting of cash flow statement.

26) Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent Liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent Liabilities are not recognized in the Financial Position but are disclosed unless they are remote.

27) Risk Management Framework

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the audit committee, which is responsible for developing and monitoring Company risk management policies in their specified areas. All Board committees have both executive and non-executive members and report regularly to the board of directors on their activities.

28) Standards issued but not yet effective

The Following SLFRS have been issued by the Institute of Chartered Accountants of Sri Lanka but not yet effective as at the reporting date and have not been applied in preparing these Consolidated Financial statements. Those SLFRS will have an effect on the accounting policies currently adopted by the Group and may have an impact on the future financial Statements.

- SLFRS 09 Financial Instruments Classification and Measurement Effective from 1st January 2018
- 2. SLFRS 15 Revenue from Contracts with Customers Effective from 1st January 2017
- SLFRS 14 Regulatory Deferral Accounts Effective from 1st January 2016



Company

FMCG DIVISION

Notes to the Financial Statements

01. **REVENUE**

pany	Com	roup	Gr
31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs
417,074,170	357,819,957	417,074,170	357,819,957

Net Revenue (Note 01.1)

Geographical Segment of Revenue

	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	Rs	Rs	Rs	Rs
Export turnover Local sales Total Rent income Total revenue Less: Sales return Net revenue	44,703,028	61,800,143	44,703,028	61,800,143
	312,187,279	354,723,570	312,187,279	354,723,570
	356,890,307	416,523,714	356,890,307	416,523,714
	929,650	550,456	929,650	550,456
	357,819,957	417,074,170	357,819,957	417,074,170

Group

TRADING DIVISION

01.2 Divisional Segment of Revenue

	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	Rs	Rs	Rs	Rs
Export turnover Local sales Total Rent income Total revenue Less: Sales return Net revenue	44,703,028 161,439,529 206,142,556 929,650 207,072,206	61,800,143 249,913,518 311,713,662 550,456 312,264,118	150,747,751 150,747,751 - 150,747,751 - 150,747,751	104,810,052 104,810,052 - 104,810,052 - 104,810,052

02. OTHER OPERATING INCOME

	Gı	roup	Com	pany
	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
Dividend income Interest Income	775,640 323,988	1,168,205 440,991	11,939,716 323,988	12,941,994 440,991
Profit on motor vehicle disposal Unrealized gain from share investments	-	15,633 5,947,625	-	15,633 5,900,565
Fair value gain on investment property Profit on disposal of assets	1,085,000	714,254,666 31,000	-	714,254,666 -
Insurance Claim Advertising Recover	113,776 8,363,208	109,978 6,665,581	113,776 8,363,208	109,978 6,665,581
Disposal of investment Interest on Debenture	716,601 446,149	3,055,355 172,966	716,601 446,149	3,055,355 172,966
Utilities income Other scrap sale income Transport recover	652,225 2,261,239 465,300	1,036,860 832,685	652,225 2,261,239 465,300	1,036,860 832,685
Container painting income	179,000 15,382,126	733,731,546	179,000 25,461,202	745,427,275



03. OPERATING PROFIT /(LOSS)

Profit from the operations is stated after charging all expenses including the followings:

	G	roup	Com	pany
	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
Salaries, wages, allowances etc.	21,248,190	14,910,344	21,248,190	14,810,344
EPF & ETF	2,029,903	1,243,464	2,029,903	1,231,464
Provision for retiring gratuities (Note 25)	391,082	600,883	391,082	600,883
	23,669,175	16,754,691	23,669,175	16,642,691
Audit fee & expenses	183,000	170,000	150,000	140,000
Depreciation of property, plant & equipment	4,190,458	3,625,127	4,049,019	3,483,687
Donations	35,800	8,000	35,800	8,000
Secretarial fee & expenses	278,050	384,937	278,050	384,937
Professional fees	505,905	979,054	505,905	979,054
Consolidation fee	40,000	30,000	40,000	30,000
	28,902,388	21,951,808	28,727,949	21,668,369

04. FINANCING COST

	G	roup	Com	pany
	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
Term loan & short term loan interest PC Loan Interest Import Loan interest & commission Margin Trading-Interest Factoring interest Overdraft interest Bank charges Exchange loss Lease interest Other lease expenses Impairment of trade debtors Surcharges	7,973,002 - 7,650,574 8,873,171 5,242,956 6,296,528 2,770,621 6,907,416 267,158 227,495 81,078 17,464	8,945,426 678,507 4,160,348 9,113,068 3,824,066 5,348,798 3,517,098 681,457 382,947 115,976 23,903 192,131	7,973,002 7,650,574 8,873,171 5,242,956 6,296,528 2,770,371 6,907,416 267,158 227,495 81,078 17,464	8,945,426 678,507 4,160,348 9,113,068 3,824,066 5,348,798 3,517,098 681,457 382,947 115,976 23,903 192,131
Fair value loss on financial asset Loss from damaged stock disposal	4,051,730 34,104	-	4,036,130 34,104	-
ESC written off	1,579,113 51,972,409	36,983,725	1,579,113 51,956,559	36,983,725



05. INCOME TAX EXPENSE

Income tax has been provided on the taxable income of the company at 28% and 12% on profit arising from domestic sales and export sales respectively.

	Gı	oup	Com	pany
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	Rs	Rs	Rs	Rs
Tax on profit for the period	257,215	48,437	59,745	48,437
Share of income tax of the associate	2,659,892	2,829,078	-	-
	2,917,108	2,877,515	59,745	48,437
Deferred tax charge/ (reversal) of the	-	2,121,521	-	2,107,266
provision of deferred tax liability	(920,119)	-	(925,514)	-
Share of deferred tax of the associates	33,402,244		-	
	35,399,233	4,999,036	(865,769)	2,155,703

Reconciliation of accounting profits and current tax on ordinary activities are as follows:-

Profit/(loss) before taxation	77,537,278	725,054,655	(27,574,917)	725,323,764
Consolidation adjustment			_	
Accounting profit of the company and its subsidiaries	77,537,278	725,054,655	(27,574,917)	725,323,764
Income not liable for tax	(13,591,354)	(15,997,350)	(12,656,317)	(15,997,350)
Expenses disallowed for tax	14,891,947	(712,164,699)	13,956,910	(712,259,078)
Capital allowance	(2,962,404)	(1,334,539)	(2,853,752)	(1,149,266)
Other allowable tax				
Adjusted business profit / (loss) for the year	75,875,467	(4,441,933)	29,128,075	(4,081,930)
Tax losses brought forward	(76,167,437)	(71,917,851)	(29,128,075)	(54,084,443)
Tax loss claim during the year	(647,838)	(217,347)	(268,088)	(217,347)
Taxable Income from Other Sources	1,850,966	980,994	765,966	620,991
Tax losses carry forward	(104,497,073)	(76,167,437)	(86,834,014)	(57,974,026)
Taxable income	1,203,128	(3,678,286)	497,878	403,644
Income tax	257,215	2,877,515	59,745	48,437
	257.245	2.077.515	50.745	40.427
Provision for the year	257,215	2,877,515	59,745	48,437
Dividend tax				
Income Tax payable	257,215	2,877,515	59,745	48,437

06. EARNINGS PER SHARE

Basic earning /(loss) per share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, as per the Sri Lanka Accounting Standard - LKAS 33 - Earnings per Share.

	Gı	roup	Com	pany
	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
	1.0			
Profit attributable to Ordinary shareholders	42,138,045	732,604,472	(26,709,148)	723,143,061
Weighted average number of ordinary shares	140,196,000	140,196,000	140,196,000	140,196,000
Earnings / (deficit) per ordinary share (Rs)	0.30	5.23	(0.19)	5.16



06.1 Earning per share (Exclusive of fair value gain)

	Gı	oup	Com	pany
	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
Profit attributable to Ordinary shareholders				
(Exclusive of fair value gain)	(15,614,496)	12,427,181	(26,709,148)	3,012,830
Weighted average number of ordinary shares	140,196,000	140,196,000	140,196,000	140,196,000
Earnings/(deficit) per ordinary share				
(Rs- Exclusive of fair value gain)	(0.11)	0.09	(0.19)	0.02
Movement of Number of Shares during the year	31 Mar 2016			
Number of shares held as at 1st April 2015 Movement during the year	140,196,000			
Number of shares held as at 31st March 2016	140,196,000			

Minority Interest

Company Name			Profit	
	% of Shares	Profit or Loss For the Year	Attributable to Parent	Minority Interest
Ceylon & Foreign Transports (Pvt) Ltd.	78%	(18,326)	(14,364)	(3,962)
West Coast Lanka (Pvt) Ltd.	53%	631,421	336,800	294,621
		613,095	322,436	290,659



5											
			Furniture &	Office			Vehicles &	Stores	Leased	asset	
	Land Rs	Buildings Rs	fittings Rs	fixtures Rs	Computers Rs	Container Rs	bicycles Rs	equipment Rs	vehicles Rs	(FMCG) Rs	Total Rs
Cost / Valuation	744	7000	7	010 010 1	7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	, ,	7.	107	0.00	1000	100000
Balance as at 1 Apr 2015 Additions during the vear	445,000,000		2,325,623 49.820	1,373,070	207.000	1,565,000	2,561,547	371,487 239,700	-,131,920	7,194,887	578,846,637 4.239.261
Disposal during the year	ı	1					(1,773,110)		1	1	(1,773,110)
Revaluation surplus/(loss)	148,000,000	(48,000,000)	1	1	ı	1	1	ı	1	ı	100,000,000
Transferred to N.C.A.H.F.S	(293,000,000)	(57,000,000)	1	'	1	1	1	'	1	1	(650,000,000)
Balance as at 31 Mar 2016	1	•	2,375,443	1,602,070	1,566,173	2,517,200	13,313,910	611,187	2,131,920	7,194,887	31,312,788
Depreciation											
Balance as at 1 Apr 2015	1	6,180,258	1,290,938	844,918	1,151,495	14,600	8,597,405	272,234	1,147,645	2,225,640	21,725,132
Charge for the year	1	1,976,395	132,862	78,748	71,556	229,822	728,655	17,983	90,549	863,889	4,190,458
Transferred to realuation	ı	(8,156,652)	•	1	•	•	1	1	1	1	(8,156,652)
Disposal during the year	1	1	1		1	1	(1,773,110)	1	1	1	(1,773,110)
Balance as at 31 Mar 2016	1	1	1,423,799	923,666	1,223,051	244,422	7,552,950	290,217	1,238,193	3,089,529	15,985,828
WDV									1		
As at 31 Mar 2016	•	•	951,643	6/8,404	343,122	2,272,778	5,760,959	320,970	893,726	4,105,358	15,326,960
As at 31 Mar 2015	445,000,000	98,819,742	1,034,685	528,152	207,678	1,550,400	3,928,073	99,253	984,275	4,969,247	557,121,505
Company										70000	
			Furniture &	Office			Vehicles &	Stores	Leased	asset	
	Land Rs	Buildings Rs	fittings Rs	fixtures Rs	Computers Rs	Container Rs	bicycles Rs	equipment Rs	vehicles Rs	(FMCG) Rs	Total Rs
Cost / revalue amount	744		7	0,000	7	7	000	107	000	100	001
Balance as at 1 Apr 2015	445,000,000	000,000,000	2,110,150	586,310	5/4,5/2	000,595,1	5,398,464	3/1,48/	7,131,920	7,194,887	569,932,788
Additions duffing the year Revaluation surplus/floss)	148 000 000	(48,000,000)	49,020	000,622	- , , , , ,	932,200	245,100,2	23%/70			100,000,000
Transferred to N.C.A.H.F.S	(263,000,000)		ı	'	1	1	,	ı	1	1	(000'000'059)
Balance as at 31 Mar 2016			2,159,969	815,310	781,572	2,517,200	7,960,005	611,187	2,131,920	7,194,887	24,172,049
Depreciation		6 100 250	1 11 5 261	771650	700 005	14600	790 776 6	069090	1117615	טא זכר כ	CO2 ACO C1
Charge for the year		1 976 395	120,351	45 445		779,877	660 921	12 185	90 549	863.889	4 049 019
Transferred to realuation	1	(8,156,652)		1		1 ') ' : !			(8,156,652)
	1	-	1,235,613	317,104	480,467	244,422	2,938,907	272,823	1,238,193	3,089,529	9,817,059
WUV			934 256	A00 001	104	277 נדר נ	5 021 000	NAC 000	307 500	A 10E 2E9	14 254 901
As at 51 Mar 2016	- 000 000		924,530	496,200		2,272,770	3,021,090	110.040	093,720	4,103,336	14,334,991
As at 31 Mar 2015	445,000,000	98,819,742	994,/88	314,651	143,000	1,550,400	3,120,4//	110,849	984,275	4,969,247	950,800,955

07. PROPERTY, PLANT & EQUIPMENT



07.1 Cost/Valuation on 26 March 2016 includes assets at valuation as follows:-

		Additions at cost since the		
	Valued On	Valued Amount	date of Valuation	As at 31 Mar 2016
	valued On	Amount	valuation	31 WIRT 2010
Property, Plant & Equipments				
Land	26.03.2016	593,000,000	=	593,000,000
Building	26.03.2016	57,000,000	-	57,000,000
Investment Property				
Land - Sedawatta	31.03.2013	48,547,288	-	48,547,288
Land & building - Grandpass	31.03.2015	1,800,102,735	73,982,001.31	1,874,084,736
Total		2,498,650,022	73,982,001	2,572,632,024

The book value of the land area of 296.5 perches, purchased in 1977/78, owned by the company which is located in no 414/18, K. Cyril C. Perera Mawatha, Colombo 13 has been revalued by M.C. Abdul Malick Int.Sc.(Land).,D.I.V,(S.L).,F.IV.(S.L), retired state valuer on 26th March 2016. The surplus of Rs. 148,000,000 has been credited to revaluation reserve.

The book value of the building of 52,523 Square feet, constructed in 1982/83, owned by the company which is situated in no 414/18 K Cyril C. Perera Mawatha, Colombo 13 has been revalued by M.C.Abdul Malick Int.Sc.(Land)., D.I.V,(S.L)., F.IV.(S.L), retired state valuer on 26th March 2016. The deficit of Rs. 39,843,347.57 has been debited to revaluation reserve.

In the current financial year, the land and the building was reclassified as non current assets held for sale as per SLFRS 5. The directors intend to sell the property. Sale of property was approved by the shareholders at the Extraordinary General Meeting.

Valuation Date	Freehold
	Land & Building
Land & Building	
Previous Revalued Date 31.03.2010	304,600,835
Revaluation surplus 2011-2012	237,494,800
Current Year Revaluation Surplus	108,156,652
Balance as at 31.03.2016	650,252,287

The carrying amount of revalued land & buildings as at 31 March 2016, if they were carried at cost is as follows:-

Description	Cost Rs	Cumulative Depreciation if Assets were carried at Cost Rs	Net Carrying Amount 2016 Rs	Net Carrying Amount 2015 Rs
Land	310,271	-	310,271.00	310,271
Buildings	13,132,321	5,515,575	7,616,746.18	8,767,243

Depreciation on Buildings was provided at 2% on reducing balance method from 1 April 1995.

Details of property, Plant and Equipment pledged as security for term loans obtained, are disclosed



08. INTANGIBLE ASSET

	Group		Company	
	31-Mar-16 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
Balance as at 1 Apr 2015	100,000	192,500	100,000	192,500
Addition: Sales automation Software	1,250,000	-	1,250,000	-
Amortization (25%)	(122,774)	(92,500)	(122,774)	(92,500)
Balance as at 31 Mar 2016	1,227,226	100,000	1,227,226	100,000

09. INVESTMENT PROPERTIES

		G	Group		ipany
		31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
Land - Sedawatta	09.1	48,547,288	48,547,288	48,547,288	48,547,288
Land & Building - Grandpass	09.2	1,874,084,736	1,800,102,735	1,874,084,736	1,800,102,735
		1,922,632,024	1,848,650,023	1,922,632,024	1,848,650,023

09.1. Land - Sedawatta

		Group		Company	
		31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
	Balance as at 1 April 2015 Addition Changes in fair value during the year	48,547,288	48,547,288 - -	48,547,288 - -	48,547,288 - -
	Changes in fair value during the year	48,547,288	48,547,288	48,547,288	48,547,288
09.2.	Land & building - Grandpass				
	Balance as at 1 April 2015	1,800,102,735	-	1,800,102,735	-
	Addition	73,982,001	1,085,848,069	73,982,001	1,085,848,069
	Changes in fair value during the year		714,254,666		714,254,666
	Balance as at 31 March 2016	1,874,084,736	1,800,102,735	1,874,084,736	1,800,102,735
	Total as at 31.03.2016	1,922,632,024	1,848,650,023	1,922,632,024	1,848,650,023

As per Sri Lanka Accounting Standards (LKAS 40), Investment property, the directors have adopted the fair value model for accounting for investment property.

The property Situated at Sedawatta

The Land of 95.28 perches, is located at Kottahawatta, Gothami Road, Kotuwila village at Sedawatta has been revalued by the independent professionally qualified valuer Mr. M.C. Abdul Malick Int.Sc. (Lond). D.I.V, (S.L.), retired state valuer on 31st March 2013. the surplus of Rs. 8,600,000 has been recognised fair value gain on investment property in financial year 2013..

As per Sri Lanka accounting standard LKAS 40, investment property the directors have adopted the fair value model for accounting for investment property, based on active market price adjusted, if necessary for any difference in the nature location or condition of the specific assets, fair value is determined annually by the board of directors with assistance of independent qualified valuers. As per the directors assessment, except for current year net upgrading adjustment no significant changes to the valuation of investment property compare to the last valuation carried out by Mr. M.C. Abdul Malik an independent professional qualified valuer as of 31st March 2016.



The property Situated at No. 260, Grandpass Road, Colombo 14

The property situated at No. 260, Grandpass Road, Colombo 14, commonly known as Unilever land in extent of Four Acres, Three Roods and Eight perches (A4:R3:P08.60) with a building area of 150,000 square purchases previous year has been revalued by Mr. K.T.D. Tissera J.P.U.M., Diploma in valuation (SL), Charted valuation surveyor UK, F.I.V.(SL), F.R.I.C.S.(Eng), as at 31st March 2015. The surplus of Rs. 714,254,666 has been recognized as fair value gain on investment property in Financial year 2014/2015.

	Group		
	31 Mar 2016 Rs	31 Mar 2015 Rs	
Addition			
Land preparation (Land filling)	3,193,122	1,188,788	
Borrowing cost	70,788,880	102,734	
Total addition	73,982,001	1,291,522	

Income earned from investment property

Total income earned by the company from the investment property by selling scraps during the year 2015/2016 was Rs. 1,634,097/-

Expenses incurred on investment property

Total labour expenses incurred for cleaning and repairing of the investment property during the year 2015/2016 was Rs. 1,149,004/-

		Group		Company	
10.	OTHER INVESTMENTS	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
10.	OTHER INVESTIMENTS	N3	ns	N3	N3
	Union Bank - Kotahena Branch A/C No 4784705016	4,353,478	4,095,463	4,353,478	4,095,463
	Deposited during the year	20,000,000	-	20,000,000	-
	Debenture Investment	2,500,000	2,500,000	2,500,000	2,500,000
		26,853,478	6,595,463	26,853,478	6,595,463

11. INVESTMENTS IN SUBSIDIARIES

	Holding	No of	31 Mar 16	31 March 15
	%	Shares	Rs Rs	Rs
Unquoted				
Colombo Freight & Transport Ltd	78.38	145	14,500	14,500
West Coast Lanka (Pvt) Ltd	53.34	160,000	1,600,000	1,600,000
TOTAL			1,614,500	1,614,500

In the opinion of the Directors' for impairment of subsidiaries, the net realizable value of investment in West Coast Lanka (Pvt) Ltd is higher than the cost and the provision made for Colombo Freight & Transport (Pvt) Ltd in 2007/08 is sufficient.

West coast Lanka (Pvt) Ltd operation has been ceased. CFT being major shareholder of the west coast Lanka (Pvt) Ltd has planned to take necessary setup for the winding up of the affairs of the company and distributing its assets in the proceeding year to recover the outstanding. The shareholder resolution has been passed by the Company to transfer assets to Ceylon & Foreign Traders PLC against the amount due to Ceylon & Foreign Traders PLC on January 2016. The directors of the company has been performed a impairment test and they found there is no impairment loss during the year.



12. **INVESTMENT IN ASSOCIATES**

12.1 **Investment at Cost**

On'ally Holdings PLC	Gro	oup
	31 Mar 2016	31 Mar 2015
	Rs	Rs
Balance as at 1st April 2015	317,305,340	307,101,229
Reversal overprovision Fair value	(813,766)	
	316,491,574	307,101,229
Share of associate profits	115,460,310	24,347,641
Share of other comprehencive income	566,732	82,816
Share of tax	(2,659,892)	(2,643,524)
Share of revaluation	3,281,328	376,521
Share of associate differed tax	(33,402,244)	(185,553)

Company

Transferred to Retained earnings Share of profits of associate after tax

Dividend received from associate

Balance as at 31st March 2016

				C	ost
	No of	М	arket Value	31 Mar 16	31 Mar 15
	Shares	Rs	Rs	Rs	
Quoted					_
On 'ally Holdings PLC	4,204,925	50.20	211,087,235	51,253,720	51,253,720

399,737,808

(11,164,076)

388,573,732

329,079,129

(11,773,789)

317,305,340

	31 Mar 16	31 Mar 15
	Rs	Rs
Non current assets	1,728,779,750	1,330,238,910
Current assets	280,231,096	234,562,267
Total assets	2,009,010,846	1,564,801,177
Capital & reserves	1,617,232,438	1,322,804,113
Total liabilities	391,778,408	241,997,064
Total equity & liabilities	2,009,010,846	1,564,801,177
Total income for the year	147,296,537	155,398,511
Profit/(loss) for the year	330,452,861	89,705,532



13. SHORT TERM INVESTMENTS - CURRENT

Group

Description	No of Shares	Market Value @	31 Mar 16 Rs	31 April 2015 Rs
Portfolio - 01				
Lanka IOC PLC	20,400	32.50	663,000	785,400
Protfolio - 01 (Margin Trading)				,
Asia Capital PLC	660	5.80	3,828	5,742
COCO Lanka PLC - Non Voting	2,466	19.90	49,073	58,444
Equity Two PLC	100	65.00	6,500	10,000
First Capital PLC	600	19.10	11,460	16,200
Hemas Holding Ltd	35,916	80.60	2,894,830	278,218
Maskeliya Plantations PLC	4,301	7.70	33,118	11,880
Raigam Wayamba Salterns PLC	45,300	2.00	90,600	41,850
Royal Ceramics Lanka PLC	20	100.10	2,002	2,220
Sierra Cables PLC	-	-	-	43,600
Protfolio - 02 (Margin Trading)				
Access Engineering Limited	9,000	20.80	187,200	57,600
ACL Cables Ltd	-	-	-	99,180
ACME Printing & Packing PLC	16,200	5.30	85,860	139,320
Adam Investment PLC	2,780,000	2.30	6,394,000	8,344,000
Aitken Spence Hotel	6,300	73.50	463,050	355,100
Aitken Spense	28,171	73.50	2,070,569	2,617,348
Amana Takaful	40,000	5.40	216,000	60,000
Asia Asset Finance Ltd	2,000	1.30	2,600	3,200
Blue Diamond	2,000	1.00	2,000	2,800
Bogawanthalawa Tea Estate	6,000	9.60	57,600	66,000
Brown Investment PLC	128,444	1.30	166,977	205,510
Browns & Co Ltd ok	10,279	79.80	820,264	885,774
CT Land Development Ltd	3,000	45.40	136,200	384,000
Cargills (Ceylon) Ltd	500	150.00	75,000	68,500
Ceylon Glass Company Limited	17,000	5.10	86,700	96,900
Ceylon Grain Elevators Limited	-	-	-	231,800
Ceylon Hotel Corporation	500	24.00	12,000	37,500
Ceylon Investment Company	706	52.70	37,206	53,200
Ceylon Leather Products (Warrants 2014)	1,000	62.50	62,500	2,100
Ceylon Theatres Ltd	2,341	124.00	290,284	299,648
Chemanex Ltd	2,100	63.00	132,300	56,700
Chemical IND Ltd (Non Voting)	1,800	71.50	128,700	44,840
Chemical IND Ltd (Voting)	380	95.50	36,290	102,528
Colombo Dockyard Limited	1,175	108.10	127,018	138,288
Commercial bank	604	-	-	-
Dankotuwa Porcelain	6,975	6.80	47,430	513,050
DFCC Bank	5,800	137.00	794,600	203,000
Dialog Axiata PLC	292,842	10.40	3,045,557	3,024,757
Dipped Products Ltd	5,204	73.00	379,892	33,280
Distilleries Company of Sri Lanka Limited	500	206.20	103,100	69,000
East west properties	2,500	13.50	33,750	28,000
Eastern Merchants PLC	1,451	6.40	9,286	16,687
Expo Lanka Holdings PLC	19,500	7.00	136,500	165,750
First Capital Holdings PLC	-	-	-	68,500
Free Lanka Capital Holding	426,900	1.20	512,280	660,640
Hatton National Bank (Voting)	7,257	199.00	1,444,143	1,988,454
Haycrab Ltd	300	160.00	48,000	54,900



Description	No of Shares	Market Value @	31 Mar 16 Rs	31 April 2015 Rs
Hayleys Fibre PLC	-	-	_	59,550
Hayleys Ltd	4,001	245.70	983,046	990,300
Hayleys MGT Knitting Mills Limited	1,818	18.00	32,724	32,179
Hemas Holdings Limited	-	-	-	2,177,835
Horana Plantation	1,700	16.90	28,730	38,250
Hotel Reefcomber (Voting)	2,300	6.70	15,410	29,210
Hotel Reefcomber (Warrants 2019)	-	-	-	300
Hydro Power Free Lanka	12,600	5.20	65,520	75,600
John Keells Holding Ltd	5,473	148.00	810,004	5,585
John Keells Holding Ltd(Warrant 22)	198	9.30	1,841	762,107
John Keells Holding Ltd(Warrant 23)	-	_	_	3,619
John Keells Hotels Limited	95,875	12.00	1,150,500	1,371,013
Lanka IOC	259,185	35.40	9,175,149	9,221,245
Lanka Orix Leasing	-	-	-	99,580
Lankem Developments PLC	6,000	4.00	24,000	36,000
Laugfs Gas Ltd (Voting)	5,300	36.50	193,450	190,270
Laugfs Gas Ltd (Non Voting)	186,673	35.40	6,608,224	6,329,882
Marawila Resorts Limited	3,750	2.20	8,250	12,375
Maskeliya Plantation Ltd	4,301	7.70	33,118	30,700
Merchant Bank	6,580	10.20	67,116	103,964
Nation Trust Bank	600	74.20	44,520	60,060
National Development Bank	1,700	168.80	286,960	496,000
Nawaloka Hospitals Limited	53,000	3.50	185,500	153,700
ODEL PLC	500	21.70	10,850	11,000
Overseas Realty (Ceylon) Ltd	10,209	23.40	238,891	227,950
P C House	9,400	-	-	2,820
Pan Asia Bank	1,000	23.00	23,000	53,750
Pan Asia Power	10,000	3.20	32,000	34,000
People's Merchant Bank	300	10.20	3,060	19,120
Raigam Wayamba Salterns PLC	-	-	-	122,310
Richard Pieris Co. Ltd	44,000	7.20	316,800	318,200
Seylan Bank (Non Voting)	4,389	63.00	276,507	642,559
Seylan Merchant Bank Limited (Non Voting)	630,720	0.30	189,216	252,288
Seylan Merchant Bank Limited (Voting)	60,714	0.70	42,500	60,714
Shaw Wallace & Hedges Ltd	200	375.60	75,120	39,500
Sierra Cables Ltd	33,415	2.90	96,904	92,000
Singer Finance	499	18.10	9,032	36,600
Singer Sri lanka PLC	500	117.70	58,850	57,000
Softlogic Holding PLC	6,500	13.30	86,450	85,800
Tess Agro	9,554	1.10	10,509	10,509
Tess Agro Ltd	85,776	1.10	94,354	128,664
Tokyo Cement Lanka (Non Voting)	12,340	32.30	398,582	461,516
Tokyo cement Lanka (Voting)	1,100	37.00	40,700	-
Touchwood Investment	30,400	-	-	115,600
Union Bank Colombo Ltd	-	16.60	_	50,610
Unions Chemicals Lanka PLC	20	590.00	11,800	9,500
United Motors Lanka PLC	-	-	-	17,620
Vallibel One PLC	16,000	17.80	284,800	324,800
Vidulanka PLC	-	-		6,700
Walker & Greig Limited (Warrants 6)	-	_	_	30,720
Watawala Plantation	7,100	19.30	137,030	152,000
York Arcade ok	1,490	13.00	19,370	22,350
	.,	, 5.55	44,069,652	48,096,929



Company

Description	No of Shares	Market Value @	31 Mar 16 Rs	31 Mar 15 Rs
Protfolio - 01 (Margin Trading)				
Asia Capital PLC	660	5.80	3,828	5,742
COCO Lanka PLC - Non Voting	2,466	19.90	49,073	58,444
Equity Two PLC	100	65.00	6,500	10,000
First Capital PLC	600	19.10	11,460	16,200
Hemas Holding Ltd	35,916	80.60	2,894,830	278,218
Lanka IOC Itd	17,800	32.50	578,500	685,300
Maskeliya Plantations PLC	4,301	7.70	33,118	11,880
Raigam Wayamba Salterns PLC	45,300	2.00	90,600	41,850
Royal Ceramics Lanka PLC	20	100.10	2,002	2,220
Sierra Cables PLC	-	-	-	43,600
Protfolio - 02 (Margin Trading)				
Access Engineering Limited ACL Cables Ltd	9,000	20.80	187,200	57,600 99,180
ACME Printing & Packing PLC	16,200	5.30	85,860	139,320
Adam Investment plc	2,780,000	2.30	6,394,000	8,344,000
Aitken Spence Hotel	6,300	73.50	463,050	355,100
Aitken Spense	28,171	73.50	2,070,569	2,617,348
Amana Takaful	40,000	5.40	216,000	60,000
Asia Asset Finance Ltd	2,000	1.30	2,600	3,200
Blue Diamond	2,000	1.00	2,000	2,800
Bogawanthalawa Tea Estate	6,000	9.60	57,600	66,000
Brown Investment PLC	128,444	1.30	166,977	205,510
Browns & Co Ltd ok	10,279	79.80	820,264	885,774
CT Land Development Ltd	3,000	45.40	136,200	384,000
Cargills (Ceylon) Ltd	500	150.00	75,000	68,500
Ceylon Glass Company Limited	17,000	5.10	86,700	96,900
Ceylon Grain Elevators Limited	, -	-	-	231,800
Ceylon Hotel Corporation	500	24.00	12,000	37,500
Ceylon Investment Company	706	52.70	37,206	53,200
Ceylon Leather Products (Warrants 2014)	1,000	62.50	62,500	2,100
Ceylon Theatres Ltd	2,341	124.00	290,284	299,648
Chemanex Ltd	2,100	63.00	132,300	56,700
Chemical IND Ltd (Non Voting)	1,800	71.50	128,700	44,840
Chemical IND Ltd (Voting)	380	95.50	36,290	102,528
Colombo Dockyard Limited	1,175	108.10	127,018	138,288
Commercial bank	604	-	-	-
Dankotuwa Porcelain	6,975	6.80	47,430	513,050
DFCC Bank	5,800	137.00	794,600	203,000
Dialog Axiata PLC	292,842	10.40	3,045,557	3,024,757
Dipped Products Ltd	5,204	73.00	379,892	33,280
Distilleries Company of Sri Lanka Limited	500	206.20	103,100	69,000
East west properties	2,500	13.50	33,750	28,000
Eastern Merchants PLC	1,451	6.40	9,286	16,687
Expo Lanka Holdings PLC	19,500	7.00	136,500	165,750
First Capital Holdings PLC	-	-	-	68,500
Free Lanka Capital Holding	426,900	1.20	512,280	660,640
Hatton National Bank (Voting)	7,257	199.00	1,444,143	1,988,454
Haycrab Ltd	300	160.00	48,000	54,900
Hayleys Fibre PLC	-	-	-	59,550
Hayleys Ltd	4,001	245.70	983,046	990,300
Hayleys MGT Knitting Mills Limited	1,818	18.00	32,724	32,179



Description	No of	Market Value	31 Mar 16	31 April 2015
	Shares	@	Rs	Rs
Hemas Holdings Limited	-	-	-	2,177,835
Horana Plantation	1,700	16.90	28,730	38,250
Hotel Reefcomber (Voting)	2,300	6.70	15,410	29,210
Hotel Reefcomber (Warrants 2019)	-	-	-	300
Hydro Power Free Lanka	12,600	5.20	65,520	75,600
John Keells Holding Ltd	5,473	148.00	810,004	5,585
John Keells Holding Ltd(Warrant 22)	198	9.30	1,841	762,107
John Keells Holding Ltd(Warrant 23)	-	-	-	3,619
John Keells Hotels Limited	95,875	12.00	1,150,500	1,371,013
Lanka IOC	259,185	35.40	9,175,149	9,221,245
Lanka Orix Leasing	-	-	-	99,580
Lankem Developments PLC	6,000	4.00	24,000	36,000
Laugfs Gas Ltd (Voting)	5,300	36.50	193,450	190,270
Laugfs Gas Ltd (Non Voting)	186,673	35.40	6,608,224	6,329,882
Marawila Resorts Limited	3,750	2.20	8,250	12,375
Maskeliya Plantation Ltd	4,301	7.70	33,118	30,700
Merchant Bank	6,580	10.20	67,116	103,964
Nation Trust Bank	600	74.20	44,520	60,060
National Development Bank	1,700	168.80	286,960	496,000
Nawaloka Hospitals Limited	53,000	3.50	185,500	153,700
ODEL PLC	500	21.70	10,850	11,000
Overseas Realty (Ceylon) Ltd	10,209	23.40	238,891	227,950
P C House	9,400	-	-	2,820
Pan Asia Bank	1,000	23.00	23,000	53,750
Pan Asia Power	10,000	3.20	32,000	34,000
People's Merchant Bank	300	10.20	3,060	19,120
Raigam Wayamba Salterns PLC	<u>-</u>	<u>-</u>	_	122,310
Richard Pieris Co. Ltd	44,000	7.20	316,800	318,200
Seylan Bank (Non Voting)	4,389	63.00	276,507	642,559
Seylan Merchant Bank Limited (Non Voting)	630,720	0.30	189,216	252,288
Seylan Merchant Bank Limited (Voting)	60,714	0.70	42,500	60,714
Shaw Wallace & Hedges Ltd	200	375.60	75,120	39,500
Sierra Cables Ltd	33,415	2.90	96,904	92,000
Singer Finance	499	18.10	9,032	36,600
Singer Sri lanka PLC	500	117.70	58,850	57,000
Softlogic Holding PLC	6,500	13.30	86,450	85,800
Tess Agro	9,554	1.10	10,509	10,509
Tess Agro Ltd	85,776	1.10	94,354	128,664
Tokyo Cement Lanka (Non Voting)	12,340	32.30	398,582	461,516
Tokyo cement Lanka (Voting)	1,100	37.00	40,700	-
Touchwood Investment	30,400	-	-	115,600
Union Bank Colombo Ltd	50,400	16.60	_	50,610
Unions Chemicals Lanka PLC	20	590.00	11,800	9,500
United Motors Lanka PLC	-	-	- 11,000	17,620
Vallibel One PLC	16,000	17.80	284,800	324,800
Vidulanka PLC	-	-	207,000	6,700
Walker & Greig Limited (Warrants 6)	<u>-</u>	_	30,720	0,700
Watawala Plantation	7,100	19.30	137,030	152,000
York Arcade	1,490	13.00	19,370	22,350
TOTATICAGE	1,430	13.00	43,985,152	47,996,829
			43,703,132	47,330,029



14. INVENTORIES

Trading items
Raw materials FMCG
Work In Progress
Cement
Packing materials
Garden Items
Hot Roll Sheet
Binding Wire

	Gr	oup	Comp	pany
31 Mar 2016 31 Mar 2015		31 Mar 2016	31 Mar 2015	
	Rs	Rs	Rs	Rs
	28,440,307	15,352,039	28,440,307	15,352,039
	7,982,319	10,028,048	7,982,319	10,028,048
	13,486	272	13,486	272
	6,691,459	15,961,291	6,691,459	15,961,291
	649,651	578,148	649,651	578,148
	2,582,581	-	2,582,581	-
	1,960,000	-	1,960,000	-
	814,865		814,865	
	49,134,667	41,919,798	49,134,667	41,919,798

15. TRADE & OTHER RECEIVABLES

Trade receivables GST receivable Staff loans & advances Rent Receivable **VAT Receivable Utilities Receivable** Festival Advance Salary Advance Sampath Factoring & Leasing (Pvt) Ltd Advertisement reimbursement receivable Shipping Guarantee Margin 15.1 Amounts due from director Deposits & prepayments FMCG other receivable **ESC** Receivable Debenture interest receivable WHT Receivable

Gr	oup	Company		
31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	
Rs	Rs	Rs	Rs	
00 400 205	06404404	00.100.006	06404404	
80,129,385	96,194,124	80,129,386	96,194,124	
24,107	644,864	24,107	644,864	
419,947	600,859	419,947	600,859	
53,216	53,216	53,216	53,216	
1,826,643	1,768,877	57,765	-	
2,131,299	2,131,299	2,131,299	2,131,299	
42,100	41,800	42,100	41,800	
4,500	-	4,500	-	
23,256,721	21,277,235	23,256,721	21,277,235	
-	855,932	-	855,932	
8,306,505	8,306,505	8,306,505	8,306,505	
4,576,086	4,576,086	-	-	
7,456,917	12,782,719	7,456,917	12,782,719	
4,819,759	-	4,819,759	-	
-	1,579,113	-	1,579,113	
91,149	-	91,149	-	
-	-	-	-	
133,138,334	150,812,628	126,793,370	144,467,665	

15.1 Amounts due from directors- Mr. S.A Lukmanjee

Group **Company** 31 Mar 2016 31 Mar 2015 31 Mar 2016 31 Mar 2015 Rs Rs Rs Rs Balance as at 1 Apr 2015 4,576,086 4,576,086 Loans granted during the year Balance as at 31 Mar 2016 4,576,086 4,576,086

In order to protect the investment of Messrs Ceylon & foreign Trades PLC, the business of West Coast Lanka (Pvt) Ltd has been transferred to and operated directly by Messrs Ceylon & Foreign Trades PLC.

West coast Lanka (Pvt) Ltd operation has been ceased. CFT being major shareholder of the west coast Lanka (Pvt) Ltd has planned to take necessary step for the winding up of the affairs of the company and distributing its assets in the proceeding year to recover the outstanding. The directors of the company has been performed a impairment test and they found there is no impairment loss during the year.



Notes to the Financial Statements (Contd.)

16. **AMOUNT DUE FROM RELATED COMPANIES**

	Group		Company	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	Rs	Rs	Rs	Rs
West Coast Lanka (Pvt) Ltd Colombo Freight & Transport Ltd Network communication (Pvt) Ltd TL- Adamexpo Adam Apparel (Pvt) Ltd	6,067,087 2,687,972 2,943,734 11,698,793	9,630,611 2,760,000 2,564,244 14,954,854	16,667,479 2,371,779 3,600,000 2,687,972 2,943,734 28,270,964	17,673,729 2,722,529 7,163,524 2,760,000 2,564,244 32,884,025
Less: Provision for irrecoverable balances Total	(258,937)	(912,385)	(258,937)	(912,385)
	11,439,855	14,042,470	28,012,026	31,971,641

NON CURRENT ASSET HELD FOR SALE 17.

	Group		Company	
	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
Land Building	593,000,000 57,000,000 650,000,000		593,000,000 57,000,000 650,000,000	

The carrying amount of revalued land & buildings as at 31 March 2016, were reclassified as non current assets held for sale as per SLFRS 5

18. **INCOME TAX REFUND DUE**

THEOME PARKETONS SOL	Group		Company	
	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
Balance as at 1 Apr 2015 Income tax provision for the year Transferred to WHT Provision for the current year Withholding tax paid Balance as at 31 Mar 2016	3,489,511 (8,849) 3,480,662 - 3,480,662	2,715,110 (68,257) 	5,372,737 - (8,849) 5,363,888 - - 5,363,888	4,598,336 (68,257)

1**9. CASH & CASH EQUIVALENTS**

	Group		Company	
	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
Cash at bank	2,058,052	3,546,371	2,020,198	3,157,517
Cheques in hand	9,174,755	10,444,152	9,174,755	10,444,152
Cash in hand - FMCG	109,711	71,926	109,711	71,926
Cash in hand	1,711,649	452,482	1,611,853	352,686
Undeposited Funds - (Cheques in hand)	48,589		48,589	
	13,102,756	14,514,930	12,965,106	14,026,280
Less: Bank overdraft	(72,468,649)	(59,084,230)	(72,468,649)	(59,084,230)
Cash & cash equivalents for the purpose of				
cash flow statement	(59,365,894)	(44,569,300)	(59,503,544)	(45,057,950)
Bank Overdraft as at 31.03.2016				
Bank control				
Union Bank- Head Office- 4784700017	5,239,007	5,043,977	5,239,007	5,043,977
Bank of Ceylon US \$- 012710000016	-	25,544	-	25,544
Bank of Ceylon - Corporate Branch - A/C No: 0000 000 226	-	487,444	-	487,444
National Development Bank - US\$ - A/C No: 106480002221	2,368,705	504,786	2,368,705	504,786
Union Bank - Head Office (FMCG)- 4784700025	22,656,926	21,806,025	22,656,926	21,806,025
Habib Bank	20,161,703	17,563,173	20,161,703	17,563,173
Sampath Bank - Head Office- A/C No: 002930006044	10,132,179	11,042,444	10,132,179	11,042,444
Sampath Bank - Head Office 599900003225	838,045	397,372	838,045	397,372
Union Bank '- A/C No : 4784700033	-	2,213,465	-	2,213,465
National Development Bank- A/C No: 101000052028	11,072,083		11,072,083	
	72,468,649	59,084,230	72,468,649	59,084,230



Rights, Preferences and Restrictions of Classes of Capital

20. STATED CAPITAL

oany	Com	Group		
31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	
14,119,600	14,119,600	14,119,600	14,119,600	

140,196,000 ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the company's residual assets.

21. REVALUATION RESERVE

	Group		Company	
	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
Balance on 01 Apr 2015	544,643,455	544,643,455	542,095,635	542,095,635
Surplus on revaluation of land & buildings During the year	108,156,652	-	108,156,652	-
Share of associate revaluation	3,281,328	-	-	-
Depreciation Transfer of Associates	(173,326)		-	
Balance on 31 Mar 2016	655,908,109	544,643,455	650,252,287	542,095,635

Surplus on revaluation of Property, Plant & Equipment is a Capital Reserve arising from revaluation of Land & Buildings. The unrealized surplus cannot be directly distributed to shareholders and can only be utilized for purposes specified under the Companies Act.

22. REVENUE RESERVE

	G	roup	Com	pany
	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs
General Reserve	1,236,701	1,236,701	1,077,447	1,077,447

General Reserve represents the amounts set a side by the directors for general application.

23. INTEREST BEARING BORROWING

	Group		Company	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	Rs	Rs	Rs	Rs
Long Term				
Balance on 1 Apr 2015	1,094,435,105	79,334,887	1,094,435,105	79,334,887
Loan received during the year	33,915,329	1,027,012,852	33,915,329	1,027,012,852
	1,128,350,434	1,106,347,739	1,128,350,434	1,106,347,738
Repayments made during the year	(30,023,298)	(11,912,634)	(30,023,298)	(11,912,634)
Balance on 31 Mar 2016	1,098,327,136	1,094,435,105	1,098,327,136	1,094,435,105
Lease Liability (Note 23.1)	887,354	1,363,249	887,354	1,363,250
Payable in the ensuing year				
Balance due after one year	1,099,214,490	1,095,798,354	1,099,214,490	1,095,798,354
Short Term				
Loan payable within one year	108,923,081	79,787,492	108,923,081	79,787,491
Packing credit & export & doc. credit loans	307,146,264	375,602,188	307,146,264	375,602,189
Lease instalments payable	502,566	1,535,944	502,566	1,535,944
Repayments made during the year	(276,151,870)	(346,466,598)	(276,151,870)	(346,466,598)
	140,420,041	110,459,026	140,420,041	110,459,026



Details of Loans obtained by the Company is set out below

Lender	Granted Date	Rate of Interest (p.a)	2011/2012 Rs. Mn	Repayment	Security
Pan Asia Banking Corporation PLC	2013/2014	12%	65	On Demand	On' ally Holdings PLC 2,798,850 No of shares
Commercial Bank of Ceylon PLC	2013/2014	AWPLR+3%	60	On Demand	On' ally Holdings PLC 1,399,375 No of shares

Bank	Facility	Amount	Security
Union Bank of Colombo PLC	Overdraft, Documentary Credit Packing Credit Import/Short term Loans	Rs. 100 (Mn)	Mortgage over stocks and assignment over book debts of Rs.100.0 Mn together with enhanced insurance covering all risks assigned in favour of Union Bank Mortgage Bond Nos. 165 for Rs.20 Mn & additional Mortgage Bond for Rs.60 Mn
	Leasing		Assets leased and indemnity of the company along with comprehensive insurance and J & S Personal Guarantee of Directors.
	AWPLR + 2.5%		Join and several guarantee of three Directors of the company S.A. Gulamhusein, T.A. Gulamhusein, and Ali Asger Shabbir for Rs.100 mn
Sampath Bank PLC	Overdraft Packing Credit loan Import Loan AWPLR + 1.5%	Rs. 55 (Mn)	Primary Mortgage Bond for Rs.55.0 M over land & building(Office & Warehouse Complex) situated at No.414/18,K.Cyril C. Perera Mawatha Colombo 13.
	Acceptance Export bill purchase LIBOR + 4.5%	USD 250,000/=	Additional Mortgage Bond for US \$ 250,000/- over the land and building
	Loan A/C No.302970000073 AWPLR + 1.00%	Rs. 1,015,501,066	 i). Loan agreement for Rs.1,015,501,066.51 ii). Primary mortgage Bond for Rs.1,015,501,066.51 over property at no 260, Grandpass road, Colombo - 14 in extent of 4A:3R:8.06P together with the buildings thereon iii). Irrevocable letter of understanding from Adamexpo to settle any shortfall on interest and installments of the
Habib Bank Ltd	Overdraft Packing Credit Loan Import Loan AWPLR + 1.5%	Rs.100 (Mn)	proposed Term Loan Registered Mortgage on stocks in trade and receivables for Rs. 100.00 Mn
	Shipping Guarantee Foreign Documentary Bills Purchased Letter of Credit		
NDB Bank PLC	PCL Export bill purchase AWPLR + 1.5%	USD 300,000/-	Registered Mortgage on stocks in Trade and Receivables for USD 300,000/-



23.1 LEASE LIABILITY

Group Company 31 Mar 2016 31 Mar 2015 31 Mar 2016 31 Mar 2015 Rs Rs Rs Balance on 01 Apr 2015 3,443,209 2,488,018 3,443,209 2,488,018 Lease facilities received during the year 2,425,524 2,425,524 Lease instalments paid during the year (1,470,332)(1,776,432) (1,776,432) (1,470,332)1,666,777 3,443,209 1,666,777 3,443,209 Less: Interest In suspense as at 31 March 2016 (544,015)(544,015)(276,857)(276,857)1,389,920 2,899,194 1,389,920 2,899,194 Payable in the ensuing within one year 502,566 1,535,944 502,566 1,535,944 Balance due after one year 887,354 1,363,250 887,354 1,363,250 Balance on 31 Mar 2016 1,389,920 2,899,194 1,389,920 2,899,194

24. DEFERRED TAX LIABILITIES

Group Company 31 Mar 2016 31 Mar 2016 31 Mar 2015 31 Mar 2015 2,014,275 1,872,963 (259,006)Balance as at 1 Apr 2015 (131,948)Transferred from/(to) income statement (920,119)2,121,520 (925,514) 2,107,266 24,703 24,703 **Under provision** Balance as at 31 Mar 2016 1,094,156 2,014,275 947,449 1,872,963

24.1. DEFERRED TAX COMPUTATION

Group Company 31 Mar 2016 31 Mar 2015 31 Mar 2016 31 Mar 2015 Rs Rs Rs Book WDV of PPE as at 31 Mar 2016 10,758,269 13,305,079 9,845,907 12,258,355 Tax WDV of PPE as at 31 Mar 2016 (5,493,728) (5,253,758) (5,324,605) (4,931,002) **Timing Difference** 5,264,541 8,051,321 4,521,302 7,327,352 Less: Provision for Gratuity (1,356,839)(945,706)(1,137,558) (726,425)Under provision 24,704 **Total** 3,907,702 7,105,615 3,383,744 6,600,927 Income Tax at 28% 1,094,157 1,989,572 947,448 1,872,963 25.

26.

27.



Notes to the Financial Statements (Contd.)

5. DEFINED BENEFIT PLANS	Gı	roup	Company		
	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs	
Balance as at 1 Apr 2015 (Gain) / Loss arising from changes in the assumption or	945,706	1,028,479	726,425	809,198	
due to (Over)/ Under provision in the previos year	20,051	(683,656)	20,051	(683,656)	
Provision during the year	318,440	519,964	318,440	519,964	
Interest charge	72,643	80,920	72,643	80,920	
Total	1,356,839	945,706	1,137,558	726,425	
Payments during the year	_		-	_	
Balance as at 31 Mar 2016	1,356,839	945,706	1,137,558	726,425	

The Retirement Benefit Liability of the company is based on Projected Unit Credit Method, and the principle assumption used in determining the cost of employee benefits were,

	2015/2016
Discount Rate	10.50%
Salary Increment Rate	0%
Retirement Age	55 Years

5.	TRADE & OTHER PAYABLES	Gı	Group		Company		
		31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015		
		Rs	Rs	Rs	Rs		
	Trade creditors	117,725,588	69,419,726	117,725,588	69,419,726		
	Accrued expenses	26,721,600	10,518,541	25,856,076	9,686,017		
	Tax on deemed distribution of corporate profits	-	61,111	-	61,111		
	Amount Due to director - Mos. S.S Lukmanjee	57,105	57,105	-	-		
	Amount Due to director - Mr. A.A Shabir	463,607	463,607	-	-		
	Sampath Bank Ioan Interest Payable	-	12,207,436	-	12,207,436		
	Dividend payable	2,359,151	-	2,359,151	-		
	• •	147 327 052	92 727 526	145 940 815	91 374 290		

AMOUNTS DUE TO RELATED COMPANIES	G	Group		Company		
	31 Mar 2016 Rs	31 Mar 2015 Rs	31 Mar 2016 Rs	31 Mar 2015 Rs		
Adamexpo	6,060,000	6,060,000	6,060,000	6,060,000		
Director Current Account	44,950,000	43,000,000	44,950,000	43,000,000		
TL - Adamexpo	1,534,519	1,534,519	-	-		
TL - Spice of Life	16,033,959	16,033,960	16,033,959	16,033,959		
·	68,578,478	66,628,478	67,043,959	65,093,959		
CAPITAL COMMITMENTS						

28.

There are no material capital commitments as at the Statement of Financial date.

29. **CONTINGENT LIABILITIES**

There are no material Contingent Liabilities as at the Balance Sheet date which require adjustment to or disclosure in the Financial Statement.

EVENTS OCCURRING AFTER THE REPORTING PERIOD 30.

West Cost Lanka (Pvt) Ltd

West Cost Lanka (Pvt) Ltd operation has been ceased. Directors of West Cost Lanka Pvt Ltd have planned to take necessary step for the winding up of the affairs of the company and distributing its assets in the preceding year. The shareholder resolution has been passed by the company to transfer assets to Ceylon & Foreign Trades Plc against the amount due to Ceylon & Foreign Trades Plc on January 2016.



However the winding up process of the company will finalized based on the audited financial statements of the company as at 31.03.2016.

The company management has performed an impairment test on both the entities and concluded that there were no indications of impairment of investment in subsidiaries.

Colombo Freight and Transport Limited

The Company Management has given a representation on the Company's that it will continue in normal course business in the foreseeable future.

Except for the above paragraphs,no other circumstances have arisen since the reporting date, which would require material adjustments to or disclosures in the financial statements.

31. DIRECTORS' RESPONSIBILITIES

The Board of Directors is responsible for the preparation and presentation of theses financial Statement according to the Sri Lanka Accounting Standards (LKAS/SLFRS) and Company Act No 07 of 2007.

32. RELATED PARTY TRANSACTIONS

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 24 "Related Party disclosures", the details of which are reported below.

The pricing applicable to such transactions is based on the assessment of risk and pricing model of the company and is comparable with what is applied to transactions between the company and its unrelated customers.

32.1. The Directors of Ceylon & Foreign Trades PLC are also the Directors of the following Related Companies.

Name of the Director	WCL	CF&T	ONAL	ADAM	SOL	NETCOM	AAP	всс	OGL	AINV
Dr. S.A. Gulamhusein	✓	✓	✓	✓	-	-	✓	✓	-	-
Mr. T.A. Gulamhusein	-	✓	-	-	✓	-	-	-	-	✓
Mr. I. Shabbir	-	-	-	-	✓	-	-	-	✓	✓
Dr. A.A. Shabbir	✓	-	-	-	✓	✓	✓	-	✓	✓
Mr. A.Y. Tyebkhan	-	-	-	-	-	-	-	-	-	-
Dr. D.C. Gunesekera	-	-	-	-	-	-	-	-	-	-
Mr. L.W.W. Priyankara	-	-	-	-	-	-	-	-	-	✓
Mr. I. Zahir	-	-	✓	-	-	-	-	-	✓	✓

Name of the Company

Nature of the Relationship

West Coast Lanka (Pvt) Ltd	(WCL)	Subsidiary
Colombo Freight & Transport Ltd	(CF&T)	Subsidiary
On'ally Holdings PLC	(ONAL)	Associate
Adamexpo	(ADAM)	Other Related Party
Spice of Life (Pvt) Ltd	(SOL)	Other Related Party
Network Communications (Pvt) Ltd	(NETCOM)	Other Related Party
Adam Apparels (Pvt) Ltd	(AAP)	Other Related Party
Business Chamber of Commerce	(BCC)	Other Related Party
Adam Investment PLC	(AINV)	Other Related Party



32.2 Transactions of Ceylon & Foreign Trades PLC with Related Parties

Name of the Company	Nature of Relationship	Name of Directors	Nature of transactions
West Coast Lanka (Pvt) ltd	Subsidiary	Dr. S.A. Gulamhusain Dr. A.A. Shabbir	There were transactions during the year.
Colombo Freight & Transport Ltd	Subsidiary	Dr. S.A. Gulamhusein Mr. T.A. Gulamhusein	There were no transactions during the year.
On'ally Holdings PLC (Dividend)	Associate Company	Dr. S.A. Gulamhusain (Chairman)	CFT received Interim dividend from On'ally Holdings during the year.
Adamexpo	Other Related Party	Dr. S.A. Gulamhusain (Proprietor)	CFT has purchased DC & packing material from Adam Expo.
			CFT obtained financing facilities from Adam Expo.
			Adam Expo occupied a portion of the CFT building during the year.
			CFT recovers the utilities expenses from Adam Expo.
			CFT charges a fee for processing of Ceylon Black Tea from Adamexpo.
Spice of Life (Pvt) Ltd	Other Related Party	Mr. T. A. Gulamhusain Mr. I. Shabbir Dr. A. A. Shabbir	CFT obtained financing facilities from Spice of Life.
Network Communications (Pvt) Ltd	Other Related Party	Dr. A. A. Shabbir	CFT purchased computer items from Network Communication (Pvt) Ltd.
			CFT granted financing facilities to Network Communication (Pvt) Ltd
Adam Apparels (Pvt) Ltd	Other Related Party	Dr. S.A. Gulamhusain Dr. A. A. Shabbir	CFT granted financing facilities to Adam Apparels (Pvt) Ltd
Business Chamber of Commerce	Other Related	Dr. S.A. Gulamhusein (Chairman)	Business Chamber of Commerce has occupied a portion of the building free of charge during the year.
	Party	(Cridiffidit)	CFT pays one half of the salary of the employees of Business Chamber of Commerce



Description	31 Mar 2016 Rs	31 Mar 2015 Rs
Other Income		
Adam Expo	616,225	1,036,860
On'ally Holdings PLC (Dividend)	12,404,528	10,596,411
Purchase of Goods		
Adam Expo (DC for Export)	39,511,041	54,820,163
Expenses incurred on behalf of related parties		
Business Chamber of Commerce	180,000	150,000
Receivables		
West Coast Lanka (Pvt) Ltd (Utilities)	16,667,479	17,673,729
Adam Expo (Utilities)	2,056,343	2,056,343
Adam Expo (Utilities)	-	20,532
Network Communication (Pvt) Ltd	3,600,000	3,600,000
Spice of Life	17,000	17,380
Colombo Freight & Transport Ltd	2,371,779	2,722,529
Payables		
Network Communication(Pvt)Ltd	-	96,380
Adam Expo	66,274,734	39,323,765
Finance Facilities Obtained by CFT		
Adam Expo	6,060,000	6,060,000
Spice of Life(Pvt) Ltd	16,033,959	16,033,959
Chairman/Mr. S.A. Gulamhusein	44,950,000	43,000,000
LT Adam Expo	1,534,519	1,534,519
Adam Apperals (Pvt) Ltd	-	1,000,000
Finance Facilities Granted by CFT		
Adam Expo	2,687,972	2,760,000
Adam Apperals (Pvt) Ltd	2,943,734	2,564,244
Network Communication (Pvt) Ltd	6,067,087	9,630,611

DIRECTORS' INTEREST IN CONTRACTS / KEY MANAGEMENT COMPENSATION

No Transactions have occurred during the financial period between the company and its Directors which would require disclosure in the financial statements, other than the following.

Name of the Company	Nature of	Name of	Nature of	Amou	ınt Rs.
	Relationship	Directors	transactions	31 Mar 16	31 Mar 15
Ceylon & Foreign Trades PLC	Parent	Mr.L.W.W. Priyankara	Salary	1,342,000	918,390



33 FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from financial instruments:

- 1. Credit risk
- 2. Liquidity risk
- 3. Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

RISK MANAGEMENT FRAMEWORK

The Board of Directors have the overall responsibility for the establishment and oversight of the Group's risk management framework, which includes developing and monitoring the Group's risk management policies.

CREDIT RISK

Exposed to credit risk from its operating activities (primarily from trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade & Other receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Investments

Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore, mitigate financial loss through potential counterparty's failure.

Cash and Cash Equivalents

The Group and Company held cash and cash equivalents of Rs. 13,102,756 and Rs. 12,965,106 respectively as at March 31, 2016 (Rs. 14,514,930 and Rs. 14,026,280 respectively in 2015) which represents its maximum credit exposure on these assets. Bank overdraft in the Group and company of Rs. 72,468,649 and Rs. 72,468,649 respectively (Rs. 59,084,230 and Rs. 59,084,230 respectively in 2015.)

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and finance leases. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders. The liquidity requirements of business units and subsidiaries are met through short term loans to cover any short term fluctuations and longer term funding to address any structural liquidity requirements. The Group monitors the cash flows of its group companies and obtains adequate bank facilities to meet the funding requirements. The Group does not concentrate on a single financial institution, thereby minimising the expose to liquidity risk. The Group aims to fund investment activities of its group companies by funding the long term investment with long term financial sources. Short term investments are funded using short term loans.



Maturity Analysis of financial assets

Notes to the Financial Statements (Contd.)

COMPANY

Maturity Analysis of financial assets							
	Carrying	Contractual	6 months	6-12		More than 1 yr	
	amount	cash flows	or less	months	1-2 years	2-5 years	5 years
Trade & Other Receivables	126,793,370		126,793,370	-	-	-	-
Cash & Cash Equivalents	12,965,106		12,965,106	-	-	-	-
Short term investments	43,985,152		-	43,985,152	-	-	-
Amount Due from Related Companies	28,012,026		28,012,026	-	-	-	-
	211,755,655		167,770,503	43,985,152	-	-	-
Maturity Analysis of financial liabilit	ies						
	Carrying	Contractual	6 months	6-12		More than 1 yr	
	amount	cash flows	or less	months	1-2 years	2-5 years	5 years
Trade and other payables	145,940,815		145,940,815	-	-	-	-
Amount due to related parties	67,043,959		67,043,959	-	-	-	-
Bank overdraft	72,468,649		72,468,649	-	-	-	-
	205 452 424		205 452 424				
	285,453,424		285,453,424	-	-	-	-

GROUP

Maturity Analysis of financial assets

	Carrying	Contractual	6 months	6-12		More than 1 yr	
	amount	cash flows	or less	months	1-2 years	2-5 years	5 years
Trade & Other Receivables	133,138,334		133,138,334	-	-	-	-
Cash & Cash Equivalents	13,102,756		13,102,756	-	-	-	-
Short term investments	44,069,652		-	44,069,652	-	-	-
Amount Due from Related Companies	11,439,855		11,439,855	-	-	-	
	201,750,597		157,680,945	44,069,652	-	-	-

Maturity Analysis of financial liabilities

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 1 yr 2-5 years	5 years
Trade and other payables	147,327,052		147,327,052	-	-	-	-
Amount due to related parties	68,578,478		68,578,478	-	-	-	-
Bank overdraft	72,468,649		72,468,649	-	-	-	
	288,374,179		288,374,179	-	-	-	-

MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.



Financial Highlights Five Year Summary

(Figures are in '000s)

							2013		2012 (* 2	
	Group 20	16 Company		15 Company	20 Group	14 Company		13 Company		* Restated) Company
	Gloup	Company	Group	Company	Gloup	Company	Group	Company	Стоир	Company
OPERATING RESULTS										
Turnover	357,820	357,820	417,074	417,074	503,483	503,483	241,443	241,443	202,232	198,610
Profit before Tax	76,724	(27,575)	737,629	725,324	73,892	8,292	14,303	7,184	35,147	22,364
Taxation	(35,399)	866	(4,999)	(2,155)	(13,717)	94	(1,618)	(24)	(5,043)	(647)
Profit after Tax	41,324	(26,709)	732,629	723,168	60,175	8,386	12,685	7,160	30,104	21,717
Cost of sales	(293,794)	(293,794)	(351,714)	(351,714)	(452,733)	(452,733)	(203,668)	(203,668)	(164,186)	(150,316)
Other Comprehensive										
Income	111,985	108,157	459	-	1,819	-	177	177	(74)	(74)
Total Comprehensive										
Income	153,309	81,447	733,089	723,168	61,994	8,386	12,862	7,338	30,030	21,642
EQUITY & LIABILITIES										
Stated Capital	14,119	14,119	14,119	14,119	14,119	14,119	14,119	14,119	14,119	14,119
Reserves	657,145	651,330	545,880	543,173	545,504	543,173	543,547	543,388	543,370	543,173
Retained Earnings	1,064,326	741,546	1,022,572	768,275	291,653	47,001	336,912	38,701	324,859	32,763
Minority Interest	7,290	-	(7,581)	-	(7,479)	-	(7,899)	-	(7,309)	-
Non-Current Liabilities	1,101,665	1,101,299	1,098,758	1,098,398	81,313	80,967	66,954	66,473	60,930	60,449
Current Liabilities	429,014	425,896	328,899	326,012	230,065	227,172	199,999	197,172	176,159	173,136
	3,273,559	2,934,190	3,002,647	2,749,977	1,155,175	912,432	1,153,632	859,853	1,112,128	823,640
ASSETS										
Property, Plant & Equipment	15,327	14,355	557,122	556,008	553,032	551,575	556,284	554,389	560,508	557,632
Intangible Assets	1,227	1,227	100	100	192	192	85	85	127	127
Investments	2,338,059	2,002,354	2,170,050	1,905,614	359,359	105,126	407,246	103,187	390,915	55,559
Inventories	49,135	49,135	41,920	41,920	48,402	48,402	36,623	36,623	43,566	43,566
Current Assets	855,231	867,120	233,456	246,335	194,190	207,137	153,394	165,569	117,013	128,794
	3,258,979	2,934,191	3,002,648	2,749,977	1,155,175	912,432	1,153,632	859,853	1,112,128	785,677
PERFORMANCE INDICATOR	RS									
Per Share										
Earnings (Basic) (Rs)	0.29	(0.19)	5.23	5.16	0.43	0.06	0.09	0.05	0.21	0.15
Net Assets per Share (Rs)	12.43	10.04	11.23	9.46	6.02	4.31	6.32	4.25	6.24	4.21
Dividend Per Share	-	0	-	0.02	-	-	-	0.05	-	-
Financial Ratios										
Current Ratio	2.11	2.15	0.84	0.88	1.05	1.12	0.95	1.03	0.91	1.00
Return on Equity (%)	2.38%	-1.90%	46.29%	54.56%	7.07%	1.39%	1.42%	1.20%	3.41%	3.68%
Debt to Equity (%)	87.82%	108.54%	90.65%	107.46%	36.90%	50.99%	30.11%	44.22%	27.09%	39.59%
Debt/Total Assets (%)	46.97%	52.05%	47.55%	51.80%	26.96%	33.77%	23.14%	30.66%	21.32%	29.73%



Notes	



Notes			



Form of Proxy

I/We	e the undersigned			
of bein	ng a member / members of Ceylon and Foreign T	rades PLC hereby appoint:		
Dr. S	Shabbir Abbas Gulamhusein	of Colombo or failing him*		
	Taher Abbas Gulamhusein	of Colombo or failing him*		
Mr. I	dris Shabbir	of Colombo or failing him*		
Dr. A	Aliasger Shabbir	of Colombo or failing him*		
Mr. A	Aliasghar Yusuf Tyebkhan	of Colombo or failing him*		
Dr. D	Darindranath Charith Gunasekera	of Colombo or failing him*		
Mr. L	Loolbadda Waduge Waruna Priyankara	of Colombo or failing him*		
Mr. I	mran Zahir	of Colombo or failing him*		
 1. 2. 3. 	of the Company, as a Director. To re-elect Dr. A. A Shabbir who retires by r Association of the Company, as a Director.	in terms of Article No. 91 of the Articles of Association otation in terms of Article No. 91 of the Articles of hartered Accountants as the auditors of the Company,	For	Against
4.		is as they think fit for the ensuing year and up to the		
In w	itness my/our hands this	day of		nd & Sixteen.

Notes: 1. A proxy need not be a member of the Company

- 2. Instructions as to completion of Proxy appear overleaf.
- Please delete wherever inappropriate.



Instructions to Completion

- 1. This Form of Proxy must be deposited at No. 414/18, K. Cyril C. Perera Mawatha, Colombo 13, not less than 48 hours before the time fixed for the Meeting.
- 2. In perfecting the Form of Proxy please ensure that all details are legible.
- 3. If you wish to appoint a person other than the Chairman (or failing him, one of the Directors) as your proxy, please insert the relevant details.
- 4. Please indicate with an 'X' in the space provided how your proxy is to vote on the Resolution. If no indication is given, the proxy in his discretion will vote as he thinks fit.
- 5. In the case of a Company/Corporation, the proxy must be under its Common Seal which should be affixed and attested in the manner prescribed by its Articles of Association.
- 6. In the case of a proxy signed by an Attorney, the Power of Attorney must be deposited at The Secretaries' Office (i.e. P W Corporate Secretarial (Pvt) Ltd., 3/17, Kynsey Road, Colombo 8) for registration.

