FUTURE...

Raigam

Raigam Wayamba Salterns PLC.

ANNUAL REPORT 2012 / 2013

FUTURE

THE SHEER DEDICATION AND COMMITMENT BY MANY TOWARDS THE ATTAINMENT OF THE PROMISED GOALS, CONTRIBUTED TO THE ACHIEVEMENT OF YOUR COMPANY'S SUCCESS SO FAR.

THE COMPLETION OF MANY PHASES OF THE GIGANTIC PROJECTS THAT HAVE BEEN UNDERTAKEN BY YOUR COMPANY REINFORCES SELF BELIEF AND INSPIRES TOWARDS ACHIEVING THE GOAL OF YOUR COMPANY BECOMING THE LARGEST PLAYER IN THE SALT INDUSTRY IN SRI LANKA.

YOUR COMPANY, ENCAPSULATING THE UNIQUE BUSINESS STRENGTHS IT IS ENDOWED WITH, MARCHES ON, HAVING EMBARKED ON THE ROAD TO GAIN SUPREMACY IN THE SALT INDUSTRY IN SRI LANKA IN NEAR FUTURE ....

OUR VISION

“To be the convenient partner in enhancing the taste and health needs of the nation”

OUR MISSION

“To become the largest value added salt supplier in the island contributing to fulfillment of salt and iodine needs of the nation by way of extracting best resources from nature using modern technology and improved productivity while satisfying stakeholders of every facet”

OUR VALUES

- Customer is valued as the most important party and the entire processes centre for fulfilling and exceeding customer needs and wants.
- We value the customer centric decision making system based on evidence rather than management by opinion.
- Equal treatment of employees is recognized as a prominent value of the company.
- Existence of favourable working environment and protection and respect for employees' rights, assurance equity in reward system.
- Employees are valued and recognized as the number one asset of the company rather than as a liability.
- Drivers towards continuous improvements in processes are recognized as a value in the system.
- Team effort is a valued feature of the organization rather than chasing individual goal achievement.
- Recognition and acceptance of social and environmental responsibilities in all the operations of the company.

CONTENTS

CORPORATE INFORMATION

NAME OF COMPANY
Raigam Wayamba Salterns PLC

REGISTERED OFFICE
No. 23, Walukarama Road,
Colombo 3

CONTACT DETAILS
Tel: 0112 753340-1, 0114 886777
Fax: 0112 753342, E-mail: info@raigam.lk
Web: www.wayambasalterns.lk

COMPANY REGISTRATION NUMBER
PV 10922 PB/PQ

DETAILS OF INCORPORATION
Incorporated as a Private Limited Liability company under the Companies Act No. 17 of 1982 on 15 June 2005 in Colombo, and re-registered under the Companies Act No. 07 of 2007 on 15 January 2009, converted to a Public Company in December 2009. Later the company was listed on the Dirisavi Board of the Colombo Stock Exchange on 29 April 2010 converting into a Public Listed Company.

BOARD OF DIRECTORS
Dr. Ravindranath Liyanage
Mr. G.V.P.Ganaka Amarasinghe
Prof. S. P. P. Amaratunga
Mr. T. Dharmarajah
Mr. N. B. W. C. Prashantha (Resigned)
Mr. K. R. Theodore (Newly Appointed)
Mr. W.A.Upali Gunawardena
Mr. S. A. Wickramapala

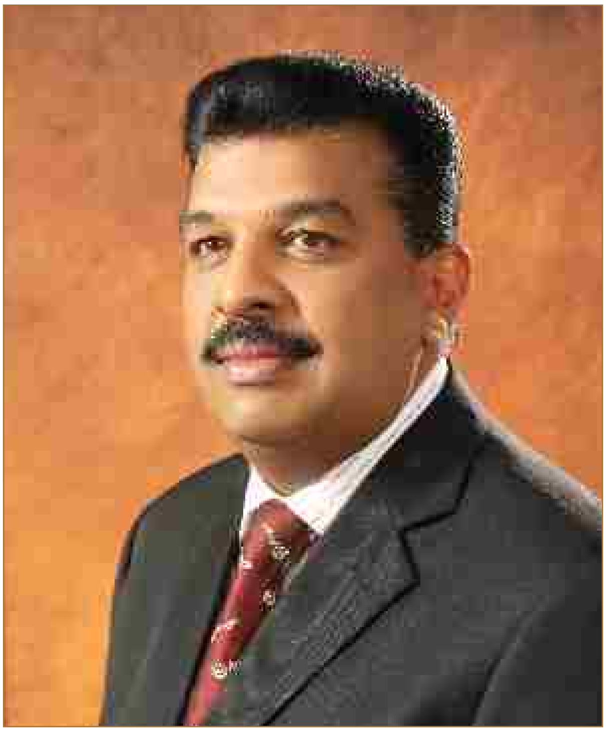
AUDITORS TO THE COMPANY
Messrs. Ernst & Young
Chartered Accountants
201, De Saram Place,
Colombo 10

REGISTRARS TO THE COMPANY
Merchant Bank of Sri Lanka PLC
Level 18, Bank of Ceylon Merchant Tower,
No. 28, St. Michael's Road,
Colombo 3

SECRETARIES TO THE COMPANY
Business Management Services Limited
94, York Street,
Colombo 01
Tel.: 0115737415

BANKERS TO THE COMPANY
Sampath Bank PLC
People's Bank

MESSAGE FROM THE CHAIRMAN



It is with great pleasure I welcome you for the 8th Annual General Meeting of Raigam Wayamba Salterns PLC and to present the annual report and financial statements for the financial year 2012/13.

OVERVIEW

The degree of vulnerability of your industry is generally low to the fluctuations of many of the critical economic factors such as interest rate, exchange rate, energy prices etc, which made many industries' going concern's / profitability questionable in the recent past. Nevertheless, the unique factor, which is still beyond our control, the behavior of the weather pattern, has been the key in deciding your industry's performance in terms of cost of raw salt. In the period concerned, although weather in Puttalam district prevailed fair for salt harvesting, the weather brought adverse results to the harvest in Hambanthota district, which pushed the bottom line of your Company's subsidiary in to the negative. Having absorbed the negative impact of the subsidiary by the Company, your group started showing the growth momentum of consolidated results, of which return has continuously been re-invested in development work that will assure long term prosperity and sustainability, rather than mere distribution for short term agendas.

MARKET

Your group recorded a growth of 26.16 % in turnover by penetrating the retail market as well as accessing large scale table salt re-packaging companies and food manufactures who previously imported table salt and PVD salt in large quantities. Multi-brand strategy has been a successful mechanism in accessing different market segments and many of the established brands in salt market in Sri Lanka are possessed by your Company. Being the leader and operating against almost zero competition for many of the product categories, we have executed plans to capture salt market in Sri Lanka spreading from urban to rural, in a slow phase but targeting a rigorous launch by end 2015, where your Company will source required raw salt quantities for refineries from Company's own salterns. Distribution channel has been further strengthened by appointing new distributors, increasing the capacities of existing distributors and also enhancing the quality of the sales force. We have been continuously involved in our research and development phase to come out with more customer-oriented products both for consumers and industrialists and to position salt products away from conventional generic commodity concept and to offer a wide array of product propensity and values.

PERFORMANCE AND DEVELOPMENT DRIVE

During the year under review, your group has recorded a consolidated turnover of Rs. 335.29 Mn (Rs 265.77 Mn in 2011/12) which is an increase of 26.16 % compared to the previous year. Product development and market development contributed to the increase in turnover and comparing with industry norms, this is a satisfactory achievement. Consolidated profitability also accounted for a satisfactory level despite accounting entries consequent to IFRS convergence and inefficiencies found in subsidiary operations due to major challenges brought about by unfavorable weather pattern experienced by its salterns. Cost factors were managed carefully by your management which has led to preservation of the profitability.

Results of the development work we carried out in the Puttlam Salterns started to bear fruit in the year under review. A quantity of 5,500 Mt of raw salt was harvested from Puttlam salterns throughout the year and 2,000 Mt were harvested from Bata-atha saltern. To maximize the harvest, certain other constructions works were initiated during the year and all constructions are planned to be completed by the end of 2015.

Start of production of PVD (Pure Vacuum Dried) salt in October 2012 is a milestone that we achieved in our plant operation during the year. The quality of the output surpasses the imported stuff and large scale food manufactures who imported PVD before, have come to us. Not only from market potential but from cost effective basis too this operation brings the synergetic benefit, as the waste liquid of free flow salt plant becomes the input of the PVD operation. However, we have planned to expand the PVD plant capacity focusing high demand, probably work will commence at the end of the year 2013.

FUTURE PROSPECTUS

As I mentioned in previous AGMs, we focus both on performance and development. Performance; simply the turnover and profitability have recorded upward trends despite certain challenges. Plans are in place to continue the growth momentum slowly but steadily till we reach year 2015, where we hope to supply major portion of salt to our refineries from our own salterns. In this context, intended integration of Periyakarachchi Saltern to the Company would be completed and expected synergy would be a definite reason to boost the performance of the Company. Integration of Periyakarachchi saltern would bring about a solution for the delay in obtaining clearance for the proposed Wanathavilluwa land and our grand strategy which we set out in the prospectus at the time of executing the IPO can be driven through. Balance part of the major constructions are planned to be completed by the end of year 2014 and consolidation is planned thereafter. Sourcing of raw crystal salt for the operation would be in our hands by 2015 and cost involving could be controlled to a significant extent. We have a solid plan in place to go for chemical industries such as Chlorine, Soda-Ash, HCL, Anelene etc with our excessive raw salt capacities in future. With all these combinations, you would be able to witness a hike in performance and assured return to your valuable investment, while holding the ownership of Rs. billion worth of property base.

APPRECIATION

Industrial customers and retail consumers who have placed their trust and confidence on our brands have been the key for the success of the Company and they deserve our appreciation. I sincerely appreciate the excellent commitment and effort made by our energetic employees, without whom we could not have achieved these very satisfactory results. I take this opportunity to place on record the invaluable guidance and support of my fellow members in the Board. I greatly appreciate the confidence placed in us by our shareholders and on behalf of the Board of Directors I assure that we will keep the growth momentum going on and maximize your wealth and returns in the years to come.

Dr. Ravindranath Liyanage
Chairman

August 27, 2013

BOARD OF DIRECTORS

DR. RAVINDRANATH LIYANAGE
CHAIRMAN / CEO

MR. G.V.P. GANAKA AMARASINGHE
MANAGING DIRECTOR

PROF. S.P.P. AMARATUNGA
NON-EXECUTIVE DIRECTOR

MR. T. DHARMARAJAH
NON-EXECUTIVE DIRECTOR

MR. W.A. UPALI GUNAWARDENA
NON-EXECUTIVE DIRECTOR

MR. N.B.W.C. PRASHANTHA
EXECUTIVE DIRECTOR
(Resigned on 21.01.2013)

MR. K. R. Theodore
EXECUTIVE DIRECTOR
(Appointed on 27.03.2013)

MR. S.A. WICKRAMAPALA
NON-EXECUTIVE DIRECTOR

DR. RAVINDRANATH LIYANAGE
CHAIRMAN / CEO

Dr. Ravindranath Liyanage is the founder and present Chairman / CEO of the Raigam Group and holds a B.Sc. Degree in Business Administration from the University of Sri Jayewardenepura. His MBA, specializing in Marketing was obtained from the University of Colombo and later the Lacrosse University (USA) conferred him the Ph.D. in Management.

This was followed by numerous other post graduate and professional qualifications such as Diploma in Marketing. Dr. Liyanage is the first Fellow of The Institute of Marketing in Sri Lanka and he holds membership of various professional bodies including Institute of Gemology, Institute of HR Professionals, and The Association of Accounting Technicians of Sri Lanka.

Starting his career in the private sector, he changed course in mid career to public sector and changed again to end up creating the well known, truly Sri Lankan FMCG company in the land, The Kingdom of Raigam. He was the Platinum Award winner of FCCISL Entrepreneur of the Year in 2005 and in the same year won the much coveted CIMA Business Leader of the Year, thus becoming the first ever entrepreneur to win both these prestigious awards in the same year. He presently serves as a Director of Puttalam Salt Limited. Dr. Liyanage is a Faculty Board Member of the Management Faculty of the University of Sri Jayewardenepura and a well known lecturer in Management subjects in many universities and institutions.

MR. G.V.P. GANAKA AMARASINGHE
MANAGING DIRECTOR

Mr. Ganegama Vidana Pathiranage Ganaka Amarasinghe commenced his career at Raigam as the Managing Director of the group in early 1999. He obtained his first Degree in Business Administration from the University of Sri Jayewardenepura and became a Fellow Member of the Institute of Chartered Accountants, Society of Certified Management Accountants and The Association of Accounting Technicians of Sri Lanka. For decades he has held senior positions in private and public sectors, as Accountant, Financial Analyst, and Finance Manager. He has served as a Member of the Governing Council's of The Institute of Chartered Accountants of Sri Lanka and The Association of Accounting Technicians of Sri Lanka (AAT Sri Lanka) for many years. Presently he is the President of AAT Sri Lanka.

Mr. Amarasinghe is a regular lecturer at the Institute for Accounting Studies and is a visiting lecturer for many professional and academic institutions. He has served as a Member of the Panel of Judges of National Exports Awards since 2005 and The Presidential Awards for Travel and Tourism in 2007. He is also a Director of Puttalam Salt Limited and Ceylease limited.

PROF. S.P.P. AMARATUNGA
NON - EXECUTIVE DIRECTOR

Prof. Sampath Perera Priyantha Amaratunga, who is presently, the Dean of the Faculty of Management Studies and Commerce, University of Sri Jayewardenepura, obtained his B.A Degree in Economics from the same university and his M.A. in Economics from the University of Colombo.

Obtaining his M.Sc in Economics of Rural Development from the Saga National University and Ph.D. in Economics of Rural Development from Kogoshima National University in Japan, Prof. Amaratunga counts over 20 years of service as an academic at the University of Sri Jayewardenepura. He has published many articles in international and national refereed journals. In addition, he serves as a consultant to many reputed companies. He is a Director of Laugfs Holdings Plc.

Prof. Amaratunga was the recipient of the prestigious Research Excellence Award in 2002, awarded by the Keyshu Society of Rural Economics, Japan, in addition to several other local and international awards. He is considered as an expert in the field of Economics with special reference to Rural Development, whose attention is not focused solely on the university community, but additionally, he has a wide array of interests and is actively involved in the development of the country.

MR. T. DHARMARAJAH
NON - EXECUTIVE DIRECTOR

Mr. Thiyagarajah Dharmarajah, the immediate past President of The Association of Accounting Technicians (AAT) of Sri Lanka, graduated from the University of Sri Jayewardenepura obtaining a B.Sc. Management (Sp) Degree and counts over 30 years experience in the disciplines of finance and accounting in the public and private sectors. Mr. Dharmarajah is well-known and respected in the field of finance & accountancy, who has been in active involvement in many accounting bodies of Sri Lanka. He is a partner of Amarasekara and Company, a well recognized firm of Chartered Accountants in Sri Lanka. He holds the fellow membership of The Institute of Chartered Accountants of Sri Lanka, The Association of Accounting Technicians of Sri Lanka, The Institute of Public Finance and Development Accountancy.

In addition, he holds the Higher National Diploma in Accountancy – Ceylon Technical College. He is also a member of the Governing Council of The Institute of Chartered Accountants of Sri Lanka (ICASL) and a member of the Council of the University of Sri Jayewardenepura. He is a Director of DFCC Vardhana Bank PLC and TKS Securities Pvt Ltd. Mr. Dharmarajah has been lecturing in Finance and Accountancy for decades and he is acknowledged as a respected lecturer who has contributed immensely to produce thousands of qualified Accountants in Sri Lanka.

MR. W.A. UPALI GUNAWARDENA
NON - EXECUTIVE DIRECTOR

Mr. Warusapperuma Arachchige Upali Gunawardena is a Chartered Engineer by Profession. He is a Member of the Institution of Engineers, Sri Lanka and a Fellow Member of the Institution of Incorporated Engineers, Sri Lanka. He holds a Post Graduate Diploma in Engineering (Construction Management) from the University of Moratuwa and many other qualifications.

After completing initial career in Civil Engineering, he gained over thirty five years of experience with significant exposure to the salt industry in Sri Lanka. During this period he held several positions in the management of the Sri Lanka National Salt Corporation, Lanka Salt Ltd, and Mantai Salt Ltd, including the positions of Chief Engineer, General Manager, Consultant and Director.

He was highly involved in the implementation of Universal Salt Iodization programe at the inception in Sri Lanka, and installed the first Salt Iodization plant in Palavi Saltern donated by UNICEF. Eng. Upali Gunawardena handled a special assignment as a Consultant to UNICEF to assess the damages to the Salterns in the country as a consequence of the Tsunami. He also participated in programs in managing, monitoring and controlling of iodine deficiency disorders, organized by WHO in India, Nepal and Thailand.

MR. N.B.W.C. PRASHANTHA
EXECUTIVE DIRECTOR

Mr. Nanayakkarawasam Bataduwa Widanelage Chandana Prashantha was the Director Finance of Raigam group. He holds B.Sc. (Special) Degree in Business Administration from the University of Sri Jayewardenepura. He is also a Member of The Institute of Chartered Accountants of Sri Lanka (ICASL). After completing his internship at Ernst & Young in 2000, he served in a few institutions in Sri Lanka and overseas in the field of Finance and accounting. Thereafter joining The Kingdom of Raigam as the Financial Controller, he was appointed as Director-Finance of the Raigam Group on 01st January 2006 after holding several positions in Raigam corporate ladder. He resigned from the company and his directorship with effect from 21st January 2013.

MR. K. R. Theodore
EXECUTIVE DIRECTOR

Mr. Kishan Rohana Theodore, the Deputy Chairman and co-founder of the Raigam Group was appointed as a director to the company with effect from 27th March 2013. He is a veteran in ICT Industry in Sri Lanka and is a pioneer in the introduction of novel ICT concepts including mobile ICT lab, Integrated Network Solutions etc to Sri Lanka. After completing his studies he started his own business in ICT industry, with an affiliation in Singapore, achieving tremendous success. Diversity of his portfolio is witnessed in his remarkable achievement in FMCG industry, which has made him to be designated the Deputy Chairman in well reputed Raigam Group in Sri Lanka. While in his busy schedules across different industries, he has contributed immensely to the country being the Head of Centre for Non-Governmental Sector attached to the Ministry of Finance, where he played a significant role during the Post-Tsunami period.

MR. S.A. WICKRAMAPALA
NON - EXECUTIVE DIRECTOR

Mr. Subasinghe Arachchige Wickramapala is currently the Chairman of Co-operative Leasing Company Ltd and Vice-Chairman of Co-operative Insurance Company Ltd. He counts over 35 years extensive experience in the public sector with considerable exposure to rural banking and co-operatives in Sri Lanka. Mr. Wickramapala served as an Assistant Commissioner, Government of Sri Lanka, until 2004. He has also functioned as a Director of Sri Lanka Co-operative Rural Bank Federation Ltd and as its Chairman, from 2004-2009, and also the Chairman of Wayamba Co-operative Rural Bank Union Ltd from 1996- 2009. He is a director of Puttalam Salt Ltd. During his tenure as Managing Director of Puttalam Salt Ltd (PSL) from 1997 to 2003, he contributed greatly, overseeing the transition of Sri Lanka Salt Corporation to Puttalam Salt Limited, for PSL to become one of the most profitable companies.

MANAGEMENT DISCUSSION AND FINANCIAL REVIEW

In the year concerned, the company continued with its development plan in expansion of salterns as well as increasing manufacturing capacity of value added salt. The dominant factor that decides your group performance; the behavior of weather pattern was fortunately favourable in Puttlam Saltern operations although the same brought negative impact pertaining to the saltern operations in Bata-Atha, in the year concerned. Adverse impact on the performance of Bata-Atha saltern which is reflected in the bottom line of Southern Salt Company Pvt Ltd, has been absorbed by the group performance in reaching to consolidated results. Nevertheless, company's salterns development architecture has been designed in a such a way that impact from changes of weather pattern to be minimized in long run. With the benefit of better performance in the market and the cost benefits that we derived through process improvements, overall performance of the group has started showing an upward trend which is quite satisfactory as the group is still in its development stage.

DEVELOPMENT DRIVE

During the year under review, major projects have reached to their ends and started producing results, in a slow phase. Though we had to face different challenges in terms of adopting novel technologies, unpredicted weather changes and human expertise etc, development plans continued well ahead according to the activity plans. We have been able to broaden the salt harvesting base and also have achieved success in the learning curve across the plant operations.

DEVELOPMENT OF SALTERNS

The group concentrated salterns development activities in Puttlam, under the parent and in Bata-Atha under the subsidiary. Many of development involved with constructions of newly acquired land areas, adjoin to the developed salterns so that to maximize yield, Brine usage and synergy in operations.

In Puttlam, construction of deep tanks in a newly acquired land area is noteworthy to mention as it has enable much of R&D works pertaining to developing new techniques to protect salt in rainy season and also to enhance the production capacities. Production of 500 Mt salt just after a rainy season by these salt tanks witnesses the convincing results over the success of R&D works. Similarly, one other significant benefit is these tanks provide "Brines" to shallow crystal harvest operation where necessary. In Bata-Atha, constructions works focused in improving the quality of the production of our salterns by way of launching a special construction project of rubble pitching. An other construction project started and is now under way so that to inter-connect Bata-Atha saltern to the refinery to derive number of synergitic benefits.

LOCATION	STATUS AT THE BEGINNING OF THE YEAR	NEW ACQUISITIONS	STATUS AT THE END OF THE YEAR	PLANNED
Puttalam – Palavi Saltern	110 completed acres improved to achieve standard yield	Nil	110 acres deployed measures to guard against unexpected weather	110 acres
Puttalam Saltern (alternative for Vanathavilluwa)	35 acres completed yet rubble pitching works remain	Nil	35 acres further improvements to enhance the yield	325 acres
Hambantota – Bata-atha Saltern	204 acres completed yet rubble pitching works remain	Nil	204 acres further improvements to enhance the yield	204 acres
Total	349 acres	Nil	349 acres	639 acres

Production Facilities

During the year concerned, success of the PVD (Pure Vacuum Dried) salt manufacturing has been the remarkable achievement that we proudly announce pertaining to the value added salt manufacturing in Sri Lanka. The investment committed for this production facility reaches Rs. 100 Mn, and further investment commitment is planned out to increase the output capacity to meet the ever increasing demand. Large number of PVD salt importers in the country, many of whom have been giants in food manufacturing in Sri Lanka have shifted from importing sources to us.

LOCATION	STATUS AT THE BEGINNING OF THE YEAR	DEVELOPMENTS DURING THE YEAR	CAPITAL EXPENDITURE DURING THE YEAR (Rs.)
Palavi Table Salt Plant	Completed	Process improvement	3,768,000
Palavi Pure Vacuum Dried Palnt	Completed	Process improvement	2,540,000
Bata-atha Salt Plant	Completed	Process improvement	155,000

Quality of our salt is far-reaching in comparing with imported stuff and more over consistency of the quality of our products has created a competitive advantage against the imported stuff. Further, PVD operation has created synergy in operations due to the fact that the outflows of the free flow salt manufacturing processes have become the input to PVD salt operation.

The process of free flow salt manufacturing also further improved incorporating few modifications which enabled meeting the extra demand generated in the market. Quality of the output has been in our control as significant quantity of the input was sourced from our own salterns during the period concerned.

PERFORMANCE TURNOVER

The consolidated turnover recorded under the year review has been Rs. 335.2 Mn as against the previous year acheivement of Rs. 265.7 Mn. This is an increase of Rs. 69.5 Mn which is by 26.1% in comparing with previous year. Favourable weather conditions, in Puttlam area increase in cost efficiencies, and also opportunities in the maket contributed to result the said growth.

The subsidiary company could not reach to the expected performance level due to unfavourable weather behaviour prevailed throughout the year. Nevertheless, outcome was not that high to bring consolidated performance downward.

PROFITABILITY

Although the profitability of the operation recorded an upward trend, entries came up resulting from IFRS convergence to the Income Statements led to show a downward trend in comparing with previous year. Net profit after taxation of the group for the year was Rs. 36.9 Mn in comparing with Rs. 43.8 Mn, the corresponding value recorded for the previous year, that worked out a decrease by 15.6 % downward. The factors, both in turnover end and cost end have contributed to result the growing trend despite challenging impact of IFRS convergence. In considering the expenditures, in an overall view we have been able to manage to retain at a satisfactory level though cost pressure was ever increasing. Especially, Selling and distribution cost assertions have been kept at an marginal increase in relating to increase in turnover. Expedited capital expenditures have led Finance cost to be increased in an increased rate, where as general Administration cost behaviours seems to be at a fair level.

EARNINGS PER SHARE

The Group's Earnings per share (EPS) stood at Rs. 0.13 for the financial year under review, as against Rs. 0.16 recorded in last year. This is a 18.7% decrease over the previous year's EPS. This is another reflection of IFRS convergence. However, the targeted plan for the next year would record increased results, as many of the factors attached across the company’s supply chain are under the control of the company.

FINANCIAL POSITION

During the year the group invested Rs. 66.2 Mn in capital assets as compared to the previous year's investment of Rs. 75.6 Mn. Net assets value of the group was grown by Rs. 37.1 Mn during the year.

Borrowing at the end of the year, amounting to Rs. 74.7 Mn includes bank overdraft for the value of Rs. 67.9 Mn since the developments were funded through short term financing facilities which were obtained against fixed deposits raised by utilizing IPO funds. The value of fixed deposits on 31 March 2013 reported to Rs. 61.3 Mn.

MARKET PRICE AND DIVIDEND

Reflecting sensitivity to the downward of All Share Price Index, the Company's share price also fluctuated, recording Rs. 3.70 and Rs. 2.20 the highest and the lowest respectively.

The company did not declare any dividend during the year concerned.

MOVING FORWARD

The intended integration of the Periyakarachchi saltern development project of Raigam Eastern Salt Company Pvt Ltd to the company is being planned out to be executed in near future. Through this the company plans out to go for a harvesting target in the financial year 2013/14 which will fulfill minimum 40% input quantity of the year's total input raw salt requirement. This will make a substantial contribution to reduce cost of production, bringing positive impact to the bottom line. With this move the company will surely be in a strong position of its backward integration resulting self-sufficient on its own raw crystal salt supply leading to hold a dominant position in Sri Lankan salt industry and market. Going beyond that, the company envisages to deploy its strength of endowing a large salt harvesting capacity, to divert to salt based other chemical industries like Caustic-soda, So-Dash, Chlorine etc which are entirely imported to the island at present.

As far as the turnover target is concerned the group plans out for a an amount exceeding Rs. 450 Mn where as simultaneously with that profit is also expected to increase at least by 20%.To achieve this level of increased target, the company expects to capture the market segments yet been catered by importers. In this context, PVD salt product range of the company is planned to be placed as the strategic product offering to such segments. Our PVD product range possesses competitive edge both in quality and price against the imported stuff and hence capturing the market would not be difficult. Pertaining to this sale and marketing move, the production capacity is also planned to be increased where certain modification to PVD plant is being figured out at present.

Envisaged minimum capital commitment of Rs. 20 Mn is figured out for next financial year, provided weather would be favourable to go ahead with the construction phase. The envisaged construction works are mainly on rubble pitching on salterns' fields and bunds which necessarily take time due to the nature of the process. With these development works, the company plans to increase its harvesting targets gradually and it is envisaged the present salterns under construction will reach to its full-swing production level by 2015.

CORPORATE GOVERNANCE

Good Corporate Governance Practices are always encouraged and followed by the company in its affairs. The Board of Directors is responsible for the governance of the company, in a manner that protects the rights and interests of the shareholders where corporate governance practices come into play in the company. Corporate governance is understood as the manner in which a corporate entity directs and controls its common affairs with respect to all stakeholders. There is no single model or set of structures which manifest the concept of good corporate governance. It is in effect the rules and regulations that govern the relationship between all stakeholders in the system.

COMPOSITION OF THE BOARD

The Board meets once every month. Its principal focus is the overall strategic direction, development and control of the company. The Board of Directors of the company comprises seven (07) Directors, consisting three (03) Executive Directors and four (04) Non- Executive Independent Directors. Out of the twelve Board Meetings held for the financial year ending 31 March 2013. The Directors' attendance has been shown in the below table.

NAME OF THE DIRECTOR	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT	NO. OF MEETINGS
Dr. Ravindranath Liyanage	√	-	-	12
Mr. G.V.P. Ganaka Amarasinghe	√	-	-	11
Mr. N.B.W.C. Prashantha (Resigned on 21.01.2013)	√	-	-	10
Mr. K. R. Theodore (Appointed on 27.03.2013)	√	-	-	01
Prof. S.P.P. Amaratunga	-	√	√	11
Mr. T. Dharmarajah	-	√	√	11
Mr. S.A. Wickramapala	-	√	√	12
Mr. W.A. Upali Gunawardena	-	√	√	12

STRATEGIC DIRECTION AND CORPORATE STRUCTURE

The company strongly pursues the direction identified and laid down in its strategic plan taking into account the current business and political environment. The company has recently benefited form initiatives such as Information Technology, Human Resources and Sourcing.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the company's systems of the internal control and risk management and for reviewing the effectiveness of those systems. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives. Any system can provide only reasonable and not absolute assurance against material misstatements or losses.

RELATIONSHIP WITH SHAREHOLDERS

It is our policy for all Directors to attend the AGM, if at all possible. Whilst, this may not always be achievable, under normal circumstances this means the Chairman and Directors are available to answer questions.

Established procedures ensure the timely release of share price sensitive information and the publication of financial results and regulatory financial statements.

BEST BUSINESS PRACTICES

To reinforce our commitment to our policy to achieve best practice in our standards of business integrity Raigam Wayamba Salterns PLC has communicated its best business practices across the company.

It now better reflects Raigam Wayamba Salterns PLC's growing operations and the increasing expectations in the areas of corporate governance and business practice standards.

COMMITTEES

BOARD AUDIT COMMITTEE

Members:

Mr. T. Dharmarajah (Head)
Mr. W.A.U. Gunawardena
Prof. S.P.P. Amaratunga

The Audit Committee is comprised of three (03) Non-Executive Directors of the Board, headed by Mr. Dharmarajah. The Audit Committee closely examines all internal audit reports and ensures appropriate follow up action is taken on the comments and recommendations made in these reports.

REMUNERATION COMMITTEE

Members:

Mr. W.A.U. Gunawardena (Head)
Mr. S.A. Wickramapala
Prof. S.P.P. Amaratunga

This committee recommends to the Board of Directors of the company the remuneration payable to the executive staff in managerial category and above. The Board of Directors will make the final determination upon consideration of such recommendations. Prior to the appointment of the Remuneration Committee the matters pertaining to the remuneration was determined by the Board of Directors of the company. The remuneration of the Executive Directors will be based on market rates and the remuneration of the Non Executive Directors will be an amount per Board sitting.

DISCLOSURE OF INFORMATION AND COMPLIANCE

The Board makes every endeavor to ensure that the business complies with all laws and regulations.

The Board of Directors requires that financial statements of the company are prepared in accordance with the Sri Lanka Accounting Standards (comprising SLFRS / LKAS) and in accordance with the requirements of the Colombo Stock Exchange. Maximum information is provided to shareholders and full disclosure is made subject only to any sensitive information, which could directly impact the business of the company.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors of Raigam Wayamba Salterns PLC have pleasure in presenting to the Members, their Report together with the Audited Financial Statements of the company for the year ended 31 March 2013 and the Auditor's Report thereon.

The details set out herein provide pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange, Securities and Exchange Commission of Sri Lanka and are guided by recommended best Accounting Practices.

OPERATIONAL REVIEW

TURNOVER

The Turnover of the group was Rs. 335,298,348 and a composition of Revenue is given in Note 03 to the financial statements.

FINANCIAL PERFORMANCE AND POSITION

For the year ended 31 March,

	Rs.	Rs.
Turnover	335,298,348	265,770,127
Gross Profit	118,846,118	106,398,124
Profit Before Tax	45,953,006	39,808,349
Profit After Tax	36,916,081	43,831,625
Total Assets	908,363,721	839,999,414
Net Assets	794,745,580	757,642,712
Net Current Assets	108,189,846	86,459,316

PROPERTY, PLANT AND EQUIPMENT

The total capital expenditure incurred on the acquisition of property, plant and equipment during the financial year amounted to Rs. 66,202,440 (2012 – Rs.75,600,636), out of which expenditure on Salterns and Field Development amounted to Rs.53,093,262 (2012 - Rs. 30,206,351). Further information relating to the movement of property, plant and equipment is given in Note 04 to the financial statements. Capital expenditure has been financed by either long or short term borrowing and or internally generated funds.

STATED CAPITAL

The Stated Capital of the company as at 31 March 2013 was Rs. 604,414,640. Details of the Stated Capital are given in Note 10 to the financial statements.

DONATIONS

The donations made during the year by the company amounted to Rs. 1, 132, 750 (2012- Rs. 537,190).

TAXATION

Pursuant to agreement dated 20 March 2006 entered into with Board of Investment Sri Lanka under Section 17 of the Board of Investment Law, the company is exempt from the business of manufacturing for a period of 8 years from year 2007. This exemption expires on the 2nd of March 2015 and for the immediately succeeding two years the company is liable to pay income tax at the rate of 10% and thereafter at the rate of 20%.

MAJOR SHAREHOLDERS

The details of 20 major shareholders of the company as at 31 March 2013 have been set out under "Investor information".

DIRECTORS

The names of the Directors who held office during the year are given below. Their brief profile has been set out under the content of "Board of Directors."

Names

Dr. Ravindranath Liyanage

Mr. G.V.P.G. Amarasinghe

Prof. S.P.P. Amaratunga

Mr.T. Dharmarajah

Mr. W.A. Upali Gunawardane

Mr. N. B. W. C. Prashantha (Resigned on 21.01.2013)

Mr. K. R. Theodore (Appointed on 27.03.2013)

Mr. S.A. Wickramapala

The balance of the composition of the Board between Executive and Non- executive is well structured by having four number of Non-executive Independent directors and three number of Executive directors.

DIRECTORS' INTERESTS IN CONTRACTS WITH THE COMPANY

No Directors held any Interests in contract with the company.

DIRECTORS' INTERESTS IN SHARES

Directors' share holding of the company as at 31 March 2013 is as follows.

Name of the Director	Number	Percentage
Dr. Ravindranath Liyanage	297,000	0.11%
Mr.G.V.P.G. Amarasinghe	250,000	0.08%

DIRECTORS' REMUNERATION AND OTHER BENEFITS

The remuneration of the Directors for the financial year ended 31st March 2013 was Rs. 5,741,000 (2012 - Rs. 5,281,000).

DIVIDEND

The company did not declare any dividend for the period concerned.

ENVIRONMENTAL PROTECTION

The company activities may have indirect effect on the environment. It is the policy of the company to minimize any adverse effects as much as possible and creating awareness among staff on current global environment threats.

EMPLOYMENT POLICY

The company's recruitment and employment policy is non discriminatory. Employees' appraisals are carried out by the respective Departmental Head annually in order to evaluate their performances and realize their potential to benefit the company and employees.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments have been made up to date.

POST BALANCE SHEET EVENTS

No circumstances have arisen since the Balance Sheet date, which would require adjustment or disclosure in the financial statements.

INTERNAL CONTROLS

The Board has overall responsibility for the company's system of internal controls. Although no system of internal control can provide absolute assurance against material misstatement or loss, the company's internal control system has been designed to provide the Directors with reasonable assurance that assets are safeguarded, transactions properly recorded and material errors and irregularities either prevented or detected within a reasonable period of time.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Statement of Director's Responsibility is given in this report.

AUDITORS

The financial statements for the year ended 31 March 2013 have been audited by Messrs. Ernst & Young, Chartered Accountants. In accordance with the Companies Act No. 7 of 2007, a resolution proposing re-appointment of Messrs. Ernst & Young as Auditors to the company and authorizing the Directors of the company to fix their remuneration will be forwarded at the Annual General Meeting.

The Audit Fees of Messrs. Ernst & Young for the current year was Rs.299,990 (2012 - Rs. 260,860) was paid by the company. As far as the Directors were aware the Auditors do not have any relationship other than that of an Auditor with the company.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 9.30 a.m. on 18 September 2013 at the Auditorium of the Institute of Chartered Accountants of Sri Lanka. The notice of Annual General Meeting is attached hereto the report.

By Order of the Board

Dr Ravindranath Liyanage
Chairman / CEO

G.V.P Ganaka Amarasinghe
Managing Director

27 August, 2013

STATEMENT OF DIRECTORS' RESPONSIBILITY

As stipulated by the Companies Act No. 07 of 2007 the Directors are responsible for the preparation and presentation of financial statements comprising an Income Statement for the year and a Statement of Financial Position which presents a true and fair view of the state of affairs of the company as at the end of the financial year, which have to be placed before the AGM.

In keeping with the provisions under the above Act, the Directors of Raigam Wayamba Salterns PLC, acknowledge their responsibility in relation to financial reporting of the company. The responsibilities differ from those of its Auditors, Messrs Ernst & Young, which are set out in their report.

The financial statements of the company for the year ended 31 March 2013 included in this report, have been prepared and presented in accordance with the Sri Lanka Accounting Standards (comprising SLFRS & LKAS), and they provide the information as required by the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards (comprising SLFRS & LKAS) and the Listing Rules of the Colombo Stock Exchange. The Directors confirm that suitable accounting policies have been used and applied consistently, and that all applicable accounting standards have been followed in the preparation of the financial statements. All material deviations from these standards if any have been disclosed and explained. The judgments and estimates made in the preparation of these financial statements are reasonable and prudent.

The Directors confirm their responsibility for ensuring that the company maintains accounting records, which are sufficient to prepare financial statements that disclose with reasonable accuracy, the financial position of the company. They also confirm their responsibility towards ensuring that the financial statements presented in the Annual Report give a true and fair view of the state of affairs of the company as at 31 March 2013 and that of the profit for the year then ended.

The overall responsibility for the company's internal control systems lies with the Directors. Whilst recognizing the fact that there is no single system of internal control that could provide absolute assurance against material misstatements and frauds, the Directors confirm that the prevalent internal control systems instituted by them and which comprise internal checks, internal audit and financial and other controls are so designed that, there is a reasonable assurance that all assets are safeguarded and transactions properly authorized and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time.

The Directors are of the view that the company has adequate resources to continue operations in the foreseeable future, and have continued to use the going concern basis in the preparation of these financial statements.

The Directors have provided the Auditors Messrs. Ernst & Young, Chartered Accountants with every opportunity to carry out reviews and tests that they considered appropriate and necessary for the performance of their responsibilities. The Auditors have examined the financial statements together with all financial records and related data they may have considered to be appropriate to enable them to express their opinion.

By Oder of the Board

Dr. Ravindranath Liyanage
Chairman / CEO

27 August, 2013

REPORT OF THE AUDIT COMMITTEE

The Board appointed Audit Committee which comprises three members namely, Mr. T. Dharmarajah, Prof. S.P.P. Amaratunga and Mr. W.A.U. Gunawardana, all being Non-Executive Independent Directors of the company. The Committee is chaired by Mr. T. Dharmarajah, a member of the Institute of Chartered Accountants of Sri Lanka. All members of the Audit Committee have requisite knowledge to carry-out their roles effectively and to discuss matters that come within their purview independently and professionally.

The Purpose of the Audit Committee is to:

1. Assist the Board of Directors in fulfilling its overall responsibilities for the financial reporting process
2. Review the system of internal control and risk management
3. Monitor the effectiveness of the internal audit function
4. Review the company's process for monitoring compliance with laws and regulations
5. Review the independence and performance of the external auditors
6. To make recommendations to the Board on the appointment of external auditors and recommend their remuneration and terms of engagement

The Principal activities of the Committee during the year are detailed below.

INTERNAL CONTROLS

During its meeting, the Committee reviewed the adequacy and effectiveness of the internal control systems and approach to its exposure to the business and financial risks. Processes are in place to safeguard the assets of the organization and to ensure that the financial reporting system can be relied upon in the preparation and presentation of financial statements.

FINANCIAL STATEMENTS

The Committee reviewed the company's Quarterly Financial Statements, the Annual Report and Statutory Accounts for reliability, consistency and compliance with the Sri Lanka Accounting Standards (comprising SLFRS / LKAS) and other statutory requirements, including the Companies Act No 7. of 2007 prior to issuance. It also reviewed the adequacy of disclosure in published financial statements.

EXTERNAL AUDITORS

The Committee reviewed the Management Letters Issued by the External Auditors and the Management response thereto.

The Audit Committee has recommended to the Board of Directors that Messrs Ernst & Young be re-appointed as Auditors for the financial year ending 31 March 2014 subject to the approval of the shareholders at the next Annual General Meeting.

CONCLUSION

The Audit committee is satisfied that the control environment adopted in the organization provides reasonable, but not absolute assurance that the financial position of the company is satisfactory and that systems are in place to minimize the impact of identifiable risks and that the Listing Rules of the Colombo Stock Exchange have been met.

T.Dharmarajah
Chairman - Audit Committee

27 August, 2013

REPORT OF THE REMUNERATION COMMITTEE

In Accordance with the Corporate Governance Guidelines the Board has appointed the Remuneration Committee which consists three independent Non Executive Directors; Mr. W.A.U. Gunawardana, Prof. S.P.P. Amaratunga and Mr. S.A. Wickramapala. The Committee is chaired by Mr. W.A.U. Gunawardana. The Committee met on several occasions during the financial year.

The Remuneration Committee has reviewed and recommended the following to the Board of Directors.

1. Policy on remuneration of the Executive Staff
2. Specific remuneration package for the Executive Directors
3. Recruitment and selection of staff to managerial cadre.

In a highly competitive environment attracting and retaining high calibre executives is a key challenge faced by the company. In this context, the Committee took into account, competition, market information and performance evaluated methodology in declaring the overall remuneration policy.

W.A.U.Gunawardana
Chairman - Remuneration Committee

27 August, 2013

RISK MANAGEMENT

Risk management is a systematic continuing process by which entities methodically address the risks attaching to their business activities with the goal of achieving sustained benefit within the activity and across the portfolio of entire business activities.

The company faces varied risks which affect value creation and preservation, including the followings. The board of directors places special consideration on mitigating of those risk to possible extent which are also set out below.

COMMODITY PRICE RISK

Impact to profitability due to fluctuation of raw material sourcing prices from time to time, especially raw crystal salt purchasing prices depending on harvest quantities and qualities from harvesting season to season.

MITIGATING ACTIONS

Entering into purchasing agreement with suppliers, deploying special purchasing plans on right time by purchasing division and passing the cost increases to customers.

BUSINESS RISK

Low returns due to resource limitation by nature. E.g. Weather pattern changes that bring unfavourable impact to raw salt harvest.

MITIGATING ACTIONS

Backward integration, obtaining expert knowledge on forecasting and assumptions.

PROJECT DEVELOPMENT RISK

Delays in project development due to deadlocks leading to loss of revenue E.g. Delay in granting approval by related authorities for project related matters.

MITIGATING ACTIONS

Building and maintaining a good rapport with the stakeholders to minimize project development delays.

TECHNOLOGICAL RISK

Obsolescent of existing technology due to innovation in the industry.

MITIGATING ACTIONS

Foreign consultancy, training.

COST OVERRUN RISK

Returns from new projects being lower due to actual project cost overruns.

MITIGATING ACTIONS

Making accurate project cost estimates using expert knowledge. Adopting budgetary controls on development cost.

OPERATIONAL RISK

Losses due to fraud, human errors, inefficient processes, natural perils and loss of sensitive information.

MITIGATING ACTIONS

Conduct periodic internal audit reviews which report to the Audit Committee of the company. Working out a business continuity plan to ensure disaster preparedness. Appropriate insurance covers.

REGULATORY AND COMPLIANCE RISK

Introduction of new regulations affecting the business adversely.

MITIGATING ACTIONS

Monitoring of compliance with regulatory requirements. Participate in lobbying efforts against regulations that could have a negative impact on business / industry.

HUMAN RISK

Adverse impact on business competitiveness due to the inability to recruit / retain required talented staff.

MITIGATING ACTIONS

Build strong employer brand.

INTEREST RATE RISK

Adverse impact on profitability due to interest rate fluctuations.

MITIGATING ACTIONS

Use of flexible financial sources and arrangement.

CREDIT RISK

Liquidity position being negatively affected due to delays / non-payments from debtors.

MITIGATING ACTIONS

Protection through legally enforceable agreements.

LEGAL RISK

Non adherence to the rules and regulations set out in numerous government Acts.

MITIGATING ACTIONS

Awareness of those regulations and policy level arrangement to address those risks.

BW/SCG/KGI/AD

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF RAIGAM WAYAMBA SALTERNS PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Raigam Wayamba Salterns PLC ("Company"), which comprise the Statement of Financial Position as at 31 March 2013, and the Income Statement, Statement of Other Comprehensive Income, Statement of Changes in Equity and statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory 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 Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

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

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

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007.

Ernst & Young

23 August 2013
Colombo

STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

	Note	Group 2013 Rs.	Group 2012 Rs.	Group 01.04.2011 Rs.	Company 2013 Rs.	Company 2012 Rs.	Company 01.04.2011 Rs.
ASSETS							
Non-Current Assets							
Property, Plant and Equipment	4	602,981,837	568,662,178	442,072,419	530,400,020	508,129,991	398,520,931
Investments in Subsidiaries	5	-	-	-	61,823,540	61,823,540	61,823,540
Other Non Current Financial Assets	7	83,836,203	103,852,172	96,186,331	83,836,203	103,852,172	96,186,331
Goodwill		1,846,790	1,846,790	1,846,790	-	-	-
Deferred Tax Assets	8	817,449	1,071,821	202,057	817,449	1,071,821	202,057
		689,482,279	675,432,961	540,307,597	676,877,213	674,877,524	556,732,859
Current Assets							
Inventories	9	40,519,876	35,709,302	29,191,336	38,303,012	33,613,942	27,809,135
Trade and other Receivables	10	112,920,915	73,525,714	92,242,867	153,809,778	96,129,463	84,471,218
Income Tax Receivable		-	1,335,772	-	-	1,335,772	-
Held to Maturity Financial Assets	6	61,328,923	53,104,563	150,000,000	61,328,923	53,104,563	150,000,000
Cash and Cash Equivalents	20.1	4,111,728	891,102	5,741,719	4,043,087	822,461	5,673,078
		218,881,442	164,566,453	277,175,922	257,484,800	185,006,201	267,953,431
Total Assets		908,363,721	839,999,414	817,483,519	934,362,013	859,883,725	824,686,290
EQUITY AND LIABILITIES							
Stated Capital	11	604,414,640	604,414,640	604,414,640	604,414,640	604,414,640	604,414,640
Revaluation Reserve		75,799,740	75,799,740	-	75,799,740	75,799,740	-
Retained Earnings		114,531,200	77,428,332	67,279,032	132,970,589	92,200,825	77,801,330
Total Equity		794,745,580	757,642,712	671,693,672	813,184,969	772,415,205	682,215,970
Non-Current Liabilities							
Interest Bearing Loans and Borrowings	12	-	2,226,276	6,783,658	-	2,226,276	6,783,658
Retirement Benefit Liability	13	2,926,544	2,023,289	1,192,424	2,926,544	2,023,289	1,192,424
		2,926,544	4,249,565	7,976,082	2,926,544	4,249,565	7,976,082
Current Liabilities							
Trade and Other Payables	15	31,909,692	24,744,731	18,560,265	39,806,240	30,082,124	16,598,990
Income Tax Payable		4,023,129	-	3,332,480	4,023,129	-	3,332,480
Interest Bearing Loans and Borrowings	12	74,758,775	53,362,406	115,921,020	74,341,130	53,136,830	114,562,768
		110,691,596	78,107,137	137,813,765	118,250,500	83,218,954	134,494,238
Total Equity and Liabilities		908,363,721	839,999,414	817,483,519	934,362,013	859,883,725	824,686,290

I Certify that these financial statements are in compliance with the requirements of the Companies Act No.07 of 2007.

....
E.A.C.K.Perera
General Manager Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board by:

....	....
G.V.P.D.Amarasinghe	R.Liyanage
Director	Director

The accounting policies and notes on pages 33 through 65 form an integral part of the Financial Statements.

23 August 2013
Colombo

INCOME STATEMENT

Year ended 31 March 2013

	Note	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
Revenue	3	335,298,348	265,770,127	335,298,348	265,770,127
Cost of Sales		(216,452,230)	(159,372,003)	(216,734,328)	(164,663,469)
Gross Profit		118,846,118	106,398,124	118,564,020	101,106,658
Selling and Distribution Costs		(30,377,012)	(29,887,377)	(29,920,348)	(29,794,376)
Administrative Expenses		(52,165,669)	(50,146,025)	(48,723,104)	(40,742,079)
Results From Operating Activities		36,303,437	26,364,722	39,920,569	30,570,203
Finance Income	16	18,603,519	18,522,339	18,603,519	18,522,339
Finance Cost	17	(8,953,951)	(5,078,712)	(8,904,187)	(5,033,997)
Net Finance (Cost) / Income		9,649,568	13,443,627	9,699,332	13,488,342
Profit Before Tax	19	45,953,006	39,808,349	49,619,901	44,058,544
Income Tax (Expense) / Income	14	(9,036,924)	4,023,276	(9,036,924)	4,023,276
Profit for the Year		36,916,081	43,831,625	40,582,977	48,081,820
Earnings Per Share - Basic Earnings per share	18	0.13	0.16	0.14	0.17

Raigam Wayamba Salterns PLC & Subsidiary Company

STATEMENT OF OTHER COMPREHENSIVE INCOME

Year ended 31 March 2013

	Note	Group		Company	
		2013	2012	2013	2012
		Rs.	Rs.	Rs.	Rs.
Profit for the Year		36,916,081	43,831,625	40,582,977	48,081,820
Acturial (Loss) / Gain on post Employment Benefit Obligations	13	186,787	182,553	186,787	182,553
Total Comprehensive Income, Net of Tax		37,102,868	44,014,178	40,769,764	48,264,373

The accounting policies and notes on pages 33 through 65 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2013

Group

	Note	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 31 March 2011		604,414,640	-	67,279,032	671,693,672
Dividends Paid		-	-	(33,864,878)	(33,864,878)
Surplus on Revaluation of PPE		-	75,799,740	-	75,799,740
Profit for the Year		-	-	43,831,625	43,831,625
Other Comprehensive Income		-	-	182,553	182,553
Balance as at 31 March 2012		604,414,640	75,799,740	77,428,332	757,642,712
Profit for the Year		-	-	36,916,081	36,916,081
Other Comprehensive Income		-	-	186,787	186,787
Balance as at 31March 2013		604,414,640	75,799,740	114,531,200	794,745,580

Company

	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 31 March 2011	604,414,640	-	77,801,330	682,215,970
Dividends Paid	-	-	(33,864,878)	(33,864,878)
Surplus on Revaluation of PPE	-	75,799,740	-	75,799,740
Profit for the Year	-	-	48,081,820	48,081,820
Other Comprehensive Income	-	-	182,553	182,553
Balance as at 31 March 2012	604,414,640	75,799,740	92,200,825	772,415,205
Profit for the Year	-	-	40,582,977	40,582,977
Other Comprehensive Income	-	-	186,787	186,787
Balance as at 31March 2013	604,414,640	75,799,740	132,970,589	813,184,969

CASH FLOW STATEMENT

Year ended 31 March 2013

		Group		Company	
	Note	2013	2012	2013	2012
		Rs.	Rs.	Rs.	Rs.
Cash Flows from Operating Activities					
Profit Before Income Tax Expense		45,953,006	39,808,349	49,619,901	44,058,544
Adjustments for					
Depreciation	4	31,882,783	19,207,928	31,111,715	18,529,218
Finance Costs	17	8,953,951	5,078,712	8,904,187	5,033,997
Provision for Defined Benefit Plans	13	1,143,556	1,055,731	1,143,556	1,055,731
Loss on Disposal of Property, Plant and Equipment		-	350,012	-	350,012
Provision for Doubtful Debtors		(1,168,254)	1,092,673	(1,168,254)	1,092,673
Operating Profit before Working Capital Changes		86,765,043	66,593,405	89,611,106	70,120,176
(Increase)/Decrease in Inventories		(4,810,575)	(6,517,966)	(4,689,071)	(5,804,807)
(Increase)/Decrease in Trade and Other Receivables		(39,395,201)	17,624,479	(56,512,061)	(12,750,919)
Increase/ (Decrease) in Trade and Other Payables		8,333,214	6,184,466	9,804,116	13,483,134
Cash Generated from Operations		50,892,481	83,884,385	38,214,090	65,047,585
Income Tax Paid		(3,423,651)	(1,514,740)	(3,423,651)	(1,514,740)
Gratuity Paid	13	(53,514)	(42,313)	(53,514)	(42,313)
Finance Costs Paid	17	(8,953,951)	(5,078,712)	(8,904,187)	(5,033,997)
Net Cash from Operating Activities		38,461,366	77,248,620	25,832,739	58,456,535
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment	4.2	(66,202,440)	(75,600,638)	(53,381,745)	(57,941,229)
Investment in FD's		(8,224,360)	(53,104,563)	(8,224,360)	(53,104,563)
Withdrawals of Investment		-	150,000,000	-	150,000,000
Net Movement of Loans given to related parties		20,015,969	(7,665,841)	20,015,969	(7,665,841)
Disposal Proceeds from Property, Plant and Equipment		-	5,252,679	-	5,252,679
Net Cash from/(Used in) Investing Activities		(54,410,832)	18,881,637	(41,590,136)	36,541,046
Cash Flows from Financing Activities					
Principal Payment under Finance Lease Liabilities	12.5	(3,573,802)	(3,709,621)	(3,573,802)	(3,709,621)
Repayment of Interest Bearing Loans and Borrowings	12.4	(6,682,346)	(3,752,818)	(6,682,347)	(3,752,817)
Loans Obtained During the Period		10,000,000	-	10,000,000	-
Payment of Dividends		-	(33,864,878)	-	(33,864,878)
Net Cash from/(used in) Financing Activities		(256,148)	(41,327,317)	(256,149)	(41,327,316)
Net Increase/(Decrease) in Cash and Cash Equivalents		(16,205,614)	54,802,941	(16,013,546)	53,670,265
Cash and Cash Equivalents at the Beginning of the Year		(47,666,735)	(102,469,676)	(47,509,800)	(101,180,065)
Cash and Cash Equivalents at the End of the Year	20	(63,872,349)	(47,666,735)	(63,523,346)	(47,509,800)

1. CORPORATE INFORMATION

1.1 General

Raigam Wayamba Salterns PLC ("Company") is a limited liability Company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 23, Walukarama Road, Colombo 03.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company and Subsidiary were Manufacturing and Distribution of Salt Island wide and development of Salterns.

1.3 Parent Entity and Ultimate Parent Entity

The Company's parent entity is Raigam Marketing Services (Pvt) Limited. In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is also Raigam Marketing Services (Pvt) Limited, which is incorporated in Sri Lanka.

1.4 Date of Authorization for Issue

The Consolidated Financial Statements of Raigam Wayamba Salterns PLC and its Subsidiary (Collectively, the Group) for the year ended 31 March 2013 were authorized for issue in accordance with a resolution of the board of directors on August 23, 2013.

2. BASIS OF PREPARATION

2.1 BASIS OF PREPARATION AND ADOPTION OF SLAS (SLFRS/LKAS) EFFECTIVE FOR THE FINANCIAL PERIOD BEGINNING ON OR AFTER 01 JANUARY 2012.

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

For all periods up to and including the year ended 31 March 2012, the Group prepared its Consolidated Financial Statements in accordance with SLASs effective up to 31 March 2012. These Consolidated Financial Statements for the year ended 31 March 2013 are the first the Group has prepared in accordance with SLASs (SLFRS and LKAS) effective for the periods beginning on or after 01 January 2012.

The Group has consistently applied the accounting policies used in preparation of its opening SLFRS Consolidated Statement of Financial Position as 01 April 2011 through all periods presented, as if these policies had always been in effect.

Note 2.5 discloses the impact of the transition to SLFRS on the Group's reported financial position and cash flows including the nature and effect of significant changes in accounting policies from those used in the Group's Consolidated Financial Statements for the year ended 31 March 2012 prepared under SLASs.

2.1.1 Statement of Compliance

The Consolidated Financial Statements of the Group comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows. The Consolidated Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS / LKASs) and comply with the requirements of the Companies Act No. 07 of 2007.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2013.

Subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiary is prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

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

If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences, recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent to profit or loss or retained earnings, as appropriate.

2.2.1 Subsidiary

Subsidiary is the enterprise controlled by the parent. Control exists when the parent has the power, directly or indirectly to govern the financial and operating policies of an enterprise. Subsidiary is controlled from the date the parent obtains control until the date that control ceases. The following companies have been consolidated.

Raigam Wayamba Saltern PLC	-	Parent
Southern Salt Company (Pvt) Ltd.	-	Subsidiary

All companies of the group are incorporated in Sri Lanka and have a common financial year which ends on 31[st] March.

2.2.2 The total profits and losses for the year, of the company and of its subsidiary included in consolidation are shown in the consolidated income statement. All assets and liabilities of the company and its subsidiary included in consolidation are shown in the consolidated balance sheet. The consolidated cash flow statement includes the cash flows of the company and its subsidiary.

2.2.3 Goodwill

Goodwill represents the excess of the cost of the acquisition over the Fair value of identifiable net assets of a subsidiary as at the date of acquisition. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash generating units that are expected to benefit from the combination transferred; irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Judgments

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Consolidated Financial Statements.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group's domicile. As the Group assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of Trade Debtors:

The Group reviews at each balance sheet date all receivables to assess whether an allowance should be recorded in the income statement. The Management uses judgement in estimating such amounts in the light of the duration of outstanding and any other factors management is aware of, that indicate uncertainty in recovery.

Critical Accounting Estimates and Assumptions

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

Fair Value of Property, Plant and Equipment

The Property, Plant and Equipment of the Group are reflected at fair value when current market prices of similar assets are available; such evidences are considered in estimating fair values of these assets. In the absence of such information the Group determines within a reasonable fair value estimates, amounts that can be attributed as fair values, with the assistance of an independent valuer.

Fair Value of Financial Instruments

Where the fair value of financial assets and financial liabilities recorded in the Statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible.

Where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Employee Benefit Plans - Gratuity

The employee benefit liability of the Group is based on the actuarial valuation carried out by independent actuarial specialist. The actuarial valuations involve making assumptions about discount rates and future salary increases. The complexity of the valuation, the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details of the key assumptions used in the estimates are contained in note 13.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Group in preparing its Consolidated Financial Statements.

2.4.1 Foreign Currency Translation

The Group's Consolidated Financial Statements are presented in Sri Lanka Rupees, Which is the Group's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group entities at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the income statement with the exception of all monetary items that forms part of a net investment in a foreign operation.

These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

2.4.2 Taxation

a) Current Taxes

Raigam Wayamba Salterns PLC

Pursuant to agreement dated 20 March 2006 entered into with Board of Investment under Section 17 of the Board of Investment Law, the Raigam Wayamba Salterns PLC is exempt from the business of manufacturing for a period of 8 years from year 2007. This exemption expires on the 2nd of March 2015 and for the immediately succeeding two years the Company is liable to pay income tax at the rate of 10% and thereafter at the rate of 20%.

Southern Salt Company (Private) Limited

Pursuant to approval granted on 05th August 2008 by the Ministry of Industrial Development under "300 Industries Program. "Gamata Karmantha Project" referring to Section 20 of the Inland Revenue Act, No. 10 of 2006 and section 11 of the Inland Revenue (Amendment) Act, No. 09 Of 2008, the company has been entitled to a tax holiday period up to a minimum period of five years and a maximum period of ten years provided certain conditions are met by the company.

b) Deferred Taxation

Deferred income tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

c) Sales Tax

Revenues, expenses and assets are recognized net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the sales tax is recognized as a part of the cost of the asset or part of the expense items as applicable and receivable and payable that are stated with the amount of sales tax included. The amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of receivables and payables in the Statement of Financial Position.

2.4.3 Borrowing Costs

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

2.4.4 Financial Instruments – Initial Recognition and Subsequent Measurement

Financial Assets

Initial recognition and measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investment, available-for-sale financial assets. The Group determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss directly attributable transaction cost.

The Group's financial assets include cash and short term deposits, trade and other receivables, loans and other receivables and unquoted investments.

Subsequent Measurement

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking in to account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in selling and distributed expenses.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking in to account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance cost.

De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired,
- The Group has transferred its rights to receive cash flows from the assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement: and either

  (a) the Group has transferred substantially all the risks and rewards of the asset, or

  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

Impairment of Financial Assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial assets or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measureable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial Assets carried at amortized cost

For financial assets carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant, if the Group determines that no objective evidence of impairment, exists for an individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred. The present value of the estimated future cash flows are discounted at the financial assets original effective interest rate. If a loan has variable interest rate the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized.

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

2.4.5 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loan and borrowings, or as derivatives designated as hedging instruments in an effective hedged, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized costs; this includes directly attributable transaction cost.

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

Subsequent Measurement

The measurement of financial liabilities depends on their classifications as follows.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process. Amortized cost is calculated by taking in to account any discount or premium on acquisition and fess or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the income statement.

De-recognition

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

2.4.6 Inventories

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

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formulae:-

Raw Materials	-At purchase cost on first-in first-out basis
Finished Goods & Work-In-Progress	-At the cost of direct materials, direct labor and an appropriate proportion of manufacturing overheads based on normal operating Capacity, but excluding borrowing costs.
Engineering Stock and Other Chemicals Stock	-At purchase cost on first in first out basis

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

2.4.7 Property, Plant and Equipment

Basis of Recognition

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of Measurement

Property, plant and equipment are measured at fair value less accumulated depreciation. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Any revaluation surplus is recognized in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revaluated amount of the asset. Upon disposal, any revaluation reserve retaining to the particular asset being sold is transferred to retained earnings.

De-recognition

An item of property, plant and equipment are derecognized upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the income statement in the year the asset is derecognized.

Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land over the useful life of the assets as disclosed in Note 4.3.

2.4.8 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2011, the date of inception is deemed to be 1 April 2011 in accordance with SLFRS 1 First-time Adoption of Sri Lanka Accounting Standards.

Group as a lessee:
Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased f property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Income Statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

2.4.10 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

2.4.11 Retirement Benefit Obligations

a) Defined Benefit Plan – Gratuity

The Group measures the present value of the promised retirement benefits of gratuity which is a defined benefit plan with the advice of a qualified actuary, using the Projected Unit Credit (PUC) method for the purpose of determining the charge for any period before the next regular actuarial valuation fall due and approximate estimation provided by the qualified actuary is used.

Actuarial gains and losses are recognized in Other Comprehensive Income immediately.

b) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Group contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.4.12 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast which are prepared separately for each of the Group's cash- generating units to which the individual assets are allocated. These budgets and forecasts are generally covering a period of five years. The longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to comprehensive income. In this case the impairment is also recognised in comprehensive income up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.4.13 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

a) Sales of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to buyer, usually on dispatch of the goods; with the Group not retaining neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

b) Interest

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

Interest income is recognized as the interest accurate unless collectability is in doubt. Interest income is included in finance income in the income statement.

c) Dividends

Dividend Income is recognized when the shareholders' right to receive the payment is established.

d) Others

Other income is recognized on an accrual basis.

2.5 FIRST-TIME ADOPTION OF SLFRS

The effect of Group's transition to SLFRS, described in Note 2.1 is summarised in the Note 2.5.7

2.5 FIRST TIME ADOPTION OF SLFRS (Contd.)

2.5.1 Group Reconciliation of Equity as at 01 April 2011 (Date of Transition to SLFRS)

	Note	SLAS	Remearsurements/ Reclassifications	SLFRS
		Rs.	Rs.	Rs.
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		442,072,419	-	442,072,419
Leasehold Land		1,200,000	(1,200,000)	-
Other Non Current Financial Assets	C	-	96,186,331	96,186,331
Goodwill		1,846,790	-	1,846,790
Deferred Tax Assets		202,057	-	202,057
		445,321,266	94,986,331	540,307,597
Current Assets				
Inventories		29,191,336	-	29,191,336
Trade and other Receivables	A , C	176,416,295	(84,173,428)	92,242,867
Investment in FD's		150,000,000	(150,000,000)	-
Held to Maturity Financial Assets		-	150,000,000	150,000,000
Cash and Cash Equivalents		5,741,719	-	5,741,719
		361,349,350	(84,173,428)	277,175,922
Total Assets		806,670,616	10,812,903	817,483,519
EQUITY AND LIABILITIES				
Stated Capital		604,414,640	-	604,414,640
Retained Earnings	A , C	56,466,129	10,812,903	67,279,032
Total Equity		660,880,769	10,812,903	671,693,672
Non-Current Liabilities				
Interest Bearing Loans and Borrowings		6,783,658	-	6,783,658
Retirement Benefit Liability		1,192,424	-	1,192,424
		7,976,082	-	7,976,082
Current Liabilities				
Trade and Other Payables		18,560,265	-	18,560,265
Interest Bearing Loans and Borrowings		115,921,020	-	115,921,020
Income Tax Payable		3,332,480	-	3,332,480
		137,813,765	-	137,813,765
Total Equity and Liabilities		806,670,616	10,812,903	817,483,519

2.5.2 Group Reconciliation of Equity as at 31 March 2012

	Note	SLAS	Remearsurements/ Reclassifications	SLFRS
		Rs.	Rs.	Rs.
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		568,662,178	-	568,662,178
Leasehold Land		1,200,000	(1,200,000)	-
Other Non Current Financial Assets	C	-	103,852,172	103,852,172
Goodwill		1,846,790	-	1,846,790
Deferred Tax Assets		1,071,821	-	1,071,821
		572,780,789	102,652,172	675,432,961
Current Assets				
Inventories		35,709,302	-	35,709,302
Trade and other Receivables	A , C	154,566,777	(81,041,063)	73,525,714
Income tax Receiveble		-	1,335,772	1,335,772
Investment in FD's		53,104,563	(53,104,563)	-
Held to Maturity Financial Assets			53,104,563	53,104,563
Cash and Cash Equivalents		891,102	-	891,102
		244,271,744	(79,705,291)	164,566,453
Total Assets		817,052,533	22,946,881	839,999,414
EQUITY AND LIABILITIES				
Stated Capital		604,414,640	-	604,414,640
Revaluation Reserve		75,799,740	-	75,799,740
Retained Earnings	A , C , D	50,806,903	26,621,429	77,428,332
Total Equity		731,021,283	26,621,429	757,642,712
Non-Current Liabilities				
Interest Bearing Loans and Borrowings		2,226,276	-	2,226,276
Retirement Benefit Liability		2,023,289	-	2,023,289
		4,249,565	-	4,249,565
Current Liabilities				
Trade and Other Payables		24,744,731	-	24,744,731
Interest Bearing Loans and Borrowings		53,362,406	-	53,362,406
Non Interest Bearing Borrowings			-	
Income Tax Payable	D	3,674,548	(3,674,548)	-
Dividend Payable		-	-	
		81,781,685	(3,674,548)	78,107,137
Total Equity and Liabilities		817,052,533	22,946,881	839,999,414

2.5.3 Group Reconciliation of Total Comprehensive Income for the Year Ended 31 March 2012

	Note	SLAS	Remearsurements/ Reclassifications	SLFRS
		Rs.	Rs.	Rs.
Revenue		265,770,127	-	265,770,127
Cost of Sales	B	(159,257,460)	(114,543)	(159,372,003)
Gross Profit		106,512,667	(114,543)	106,398,124
Selling and Distribution Costs	A , B	(28,776,806)	(1,110,570)	(29,887,377)
Administrative Expenses	B	(50,095,912)	(50,113)	(50,146,025)
Results From Operating Activities		27,639,949	(1,275,226)	26,364,722
Finance Cost		(5,078,712)	-	(5,078,712)
Finance Income		6,631,460	11,890,879	18,522,339
Net Finance (Cost) / Income		1,552,748	11,890,879	13,443,627
Profit Before Tax		29,192,697	10,615,653	39,808,349
Income Tax Expense	D	(987,045)	5,010,321	4,023,276
Profit for the Year		28,205,652	15,625,974	43,831,625
Other Comprehensive Income				
Acturial (Loss) / Gain on post Employment Benefit Obligations	B	-	182,553	182,553
Total Comprehensive Income, Net of Tax		28,205,652	15,808,527	44,014,178

2.5 FIRST TIME ADOPTION OF SLFRS (Contd.)

2.5.4 Company Reconciliation of Equity as at 01 April 2011 (Date of Transition to SLFRS)

	Note	SLAS	Remearsurements/ Reclassifications	SLFRS
		Rs.	Rs.	Rs.
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		398,520,931	-	398,520,931
Investments in Subsidiaries		61,823,540	-	61,823,540
Other Non Current Financial Assets	C	-	96,186,331	96,186,331
Deferred Tax Assets		202,057	-	202,057
		460,546,528	96,186,331	556,732,859
Current Assets				
Inventories		27,809,135	-	27,809,135
Trade and other Receivables	A , C	169,844,646	(85,373,428)	84,471,218
Investment in FD's		150,000,000	(150,000,000)	-
Held to Maturity Financial Assets		-	150,000,000	150,000,000
Cash and Cash Equivalents		5,673,078	-	5,673,078
		353,326,859	(85,373,428)	267,953,431
Total Assets		813,873,387	10,812,903	824,686,290
EQUITY AND LIABILITIES				
Stated Capital		604,414,640	-	604,414,640
Revaluation Reserve		-	-	-
Retained Earnings	A , C	66,988,427	10,812,903	77,801,330
Total Equity		671,403,067	10,812,903	682,215,970
Non-Current Liabilities				
Interest Bearing Loans and Borrowings		6,783,658	-	6,783,658
Retirement Benefit Liability		1,192,424	-	1,192,424
		7,976,082	-	7,976,082
Current Liabilities				
Trade and Other Payables		16,598,990	-	16,598,990
Interest Bearing Loans and Borrowings		114,562,768	-	114,562,768
Income Tax Payable		3,332,480	-	3,332,480
		134,494,238	-	134,494,238
Total Equity and Liabilities		813,873,387	10,812,903	824,686,290

2.5.5 Company Reconciliation of Equity as at 31 March 2012

	Note	SLAS	Remearsurements/ Reclassifications	SLFRS
		Rs.	Rs.	Rs.
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		508,129,991	-	508,129,991
Investments in Subsidiaries		61,823,540	-	61,823,540
Other Non Current Financial Assets	C	-	103,852,172	103,852,172
Deferred Tax Assets		1,071,821	-	1,071,821
		571,025,352	103,852,172	674,877,524
Current Assets				
Inventories		33,613,942	-	33,613,942
Trade and other Receivables	A , C	178,370,526	(82,241,063)	96,129,463
Income Tax Receivable	D	-	1,335,772	1,335,772
Investment in FD's		53,104,563	(53,104,563)	-
Held to Maturity Financial Assets			53,104,563	53,104,563
Cash and Cash Equivalents		822,461	-	822,461
		265,911,492	(80,905,291)	185,006,201
Total Assets		836,936,844	22,946,881	859,883,725
EQUITY AND LIABILITIES				
Stated Capital		604,414,640	-	604,414,640
Revaluation Reserve		75,799,740	-	75,799,740
Retained Earnings	A , C , D	65,579,398	26,621,427	92,200,825
Total Equity		745,793,778	26,621,427	772,415,205
Non-Current Liabilities				
Interest Bearing Loans and Borrowings		2,226,276	-	2,226,276
Retirement Benefit Liability		2,023,289	-	2,023,289
		4,249,565	-	4,249,565
Current Liabilities				
Trade and Other Payables		30,082,124	-	30,082,124
Interest Bearing Loans and Borrowings		53,136,830	-	53,136,830
Income Tax Payable	D	3,674,548	(3,674,548)	-
		86,893,501	(3,674,548)	83,218,954
Total Equity and Liabilities		836,936,844	22,946,881	859,883,725

2.5.6 Company Reconciliation of Total Comprehensive Income for the Year Ended 31 March 2012

	Note	SLAS	Remearsurements/ Reclassifications	SLFRS
		Rs.	Rs.	Rs.
Revenue		265,770,127	-	265,770,127
Cost of Sales	B	(164,548,925)	(114,544)	(164,663,469)
Gross Profit		101,221,202	(114,544)	101,106,658
Selling and Distribution Costs	A , B	(28,683,806)	(1,110,570)	(29,794,376)
Administrative Expenses	B	(40,691,965)	(50,114)	(40,742,079)
Results From Operating Activities		31,845,431	(1,275,228)	30,570,203
Finance Cost		(5,033,997)	-	(5,033,997)
Finance Income	C	6,631,460	11,890,879	18,522,339
Net Finance (Cost) / Income		1,597,463	11,890,879	13,488,342
Profit Before Tax	B	33,442,894	10,615,650	44,058,544
Income Tax Expense	D	(987,045)	5,010,321	4,023,276
Profit for the Year		32,455,849	15,625,971	48,081,820
Other Comprehensive Income				
Acturial (Loss) / Gain on post Employment Benefit Obligations	B	-	182,553	182,553
Total Comprehensive Income, Net of Tax		32,455,849	15,808,524	48,264,373

2.5 FIRST TIME ADOPTION OF SLFRS (Contd.)

2.5.7 Notes to the Group / Company Reconciliation of Equity as at 01 April 2011 and 31 March 2012 and Total Comprehensive Income as at 31 March 2012

NOTE A Remearsurement of Trade Receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. As per LKAS 39 after initial mearsurement such financial assets are subsequently mearsured at amortized cost using the effective interest rate method less impairment.

Accordingly the group/company remearsured the impairment of its trade and other receivables by using collective impairment method and thereby recognized an additional impairment loss of Company-Rs. 1,099,065 / Group-Rs 1,099,065 as at transition date and Company-Rs 2,192,338 / Group-Rs 2,192,338 as at 31.03.2012 in the statement of changes in equity.

Note B Reclasification of Acturial gain on gratuity provision

As per LKAS 1- Presentation of Financial Statements, the acturial gain or loss required to be disclosed as a part of other comprehensive income. Accordingly the acturial gain amounting Rs. 182,553 arosed in valuation of gratuity liability as at 31.03.2012 (2013 Rs 186,787/- Rs was reclassified as a part of other comprehensive income in both group and company.

Note C Reclassification of inter company receivable balances as Non current financial assets

Long outstanding intercompany receivable balances as at the transition date, was considered as Intercompany loans. As per LKAS 39 intercompany loans at initial recognition should be mearsured at fair value and subsequently mearsured at amortised cost.

Such long outstanding intercompany receivable balances as at transition date (01/04/2011) amounting Rs.96,186,331 was reclassified under other non current financial assets for interest income on such intercompany loan balance as at transition date amounting Rs.11,912,568 was recognized in retained earnings for both group and company.

Further, in preparation of statement of financial position as at 31 March 2012 under SLFRS the long outstanding intercompany balance of Rs.80,048,725/- was reclassified under other non current financial assets on the above basis. The interest income recognized. For the financial year 2011/2012 amounting Rs.11,890,879/- was recognized as finance income in the income statement for both group and company.

Note D Income tax over provision

Income tax over provision for the financial year 2010 / 2011 amounting Rs.5,010,321was adjusted in the financial statements as of 31 March 2012 for both group and company.

Note E Statement of Cash Flows

The transition from SLAS to SLFRS has not had a material impact on the statement of cash flows.

3. REVENUE

	Group		Company	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Revenue from Sale of goods	335,298,348	265,770,127	335,298,348	265,770,127
	335,298,348	265,770,127	335,298,348	265,770,127

4. PROPERTY, PLANT & EQUIPMENT - GROUP

4.1 Gross Carrying Amounts

	Balance As at 01.04.2012	Additions/ Acquisitions	Disposals/ Transfers	Balance As at 31.03.2013
At Cost	Rs.	Rs.	Rs.	Rs.
Buildings	108,440	-	-	108,440
Plant & Machinery	5,628,900	6,477,902	-	12,106,802
Motor Vehicles	1,367,000	-	-	1,367,000
Furniture and Fittings	58,960	74,467	-	133,427
Factory Equipment	468,972	242,000	-	710,972
Office Equipment	20,160	16,900	-	37,060
Computers & Accessories	56,690	575,104	-	631,794
Deep Well	-	914,217	-	914,217
	7,709,122	8,300,590	-	16,009,712
At Valuation				
Freehold Lands	222,659,932	-	-	222,659,932
Buildings on Freehold Land	59,584,000	-	-	59,584,000
Plant and Machinery	91,589,816	-	-	91,589,816
Motor Vehicles	27,131,684	-	-	27,131,684
Furniture and Fittings	200,000	-	-	200,000
Factory Equipment	1,000,000	-	-	1,000,000
Office Equipment	100,000	-	-	100,000
Name Board	63,832	-	-	63,832
Salterns Development	71,307,737	-	-	71,307,737
Computers & Accessories	800,000	-	-	800,000
	474,437,001	-	-	474,437,001
Assets on Finance Lease				
Plant and Machinery	10,638,000	-	-	10,638,000
	10,638,000	-	-	10,638,000
Total Value of Depreciable Assets	492,784,123	8,300,590	-	501,084,713

4.2 In the Course of Construction

Salterns Development	41,635,468	53,093,262	-	94,728,730
Factory Extention	-	3,009,043	-	3,009,043
Factory Building	10,421,427	-	-	10,421,427
Plant Installation	4,352,270	-	-	4,352,270
Office Extention WIP	656,863	9,280	-	666,143
PVD Plant WIP	19,914,266	1,790,267	-	21,704,533
	76,980,295	57,901,851	-	134,882,145
Total Gross Carrying Amount	569,764,418	66,202,440	-	635,966,858

4. PROPERTY, PLANT & EQUIPMENT - GROUP (Contd...)

4.3 Depreciation

	Balance As at 01.04.2012 Rs.	Charge for the Year Rs.	Transfers/ Disposals Rs.	Balance As at 31.03.2013 Rs.
At Cost				
Buildings	45,552	10,844	-	56,396.44
Plant & Machinery	909,699	939,820	-	1,849,519
Motor Vehicles	74,046	136,700	-	210,746
Furniture and Fittings	11,500	6,705	-	18,205
Factory Equipment	53,293	57,583	-	110,876
Office Equipment	3,500	2,853	-	6,353
Computer & Accessories	4,648	120,560	-	125,208
Deep Well	-	11,428		11,428
	1,102,238	1,286,492	-	2,388,730
At Valuation				
Buildings on Freehold Land	-	7,380,500	-	7,380,500
Plant and Machinery	-	15,264,969	-	15,264,969
Motor Vehicles	-	2,713,168	-	2,713,168
Furniture and Fittings	-	40,000	-	40,000
Factory Equipment	-	100,000	-	100,000
Office Equipment	-	10,000	-	10,000
Name Board	-	12,767	-	12,767
Computers & Accessories	-	200,000	-	200,000
Salterns Development	-	3,565,387	-	3,565,387
	-	29,286,791	-	29,286,791
Assets on Finance Lease				
Plant and Machinery	-	1,309,500	-	1,309,500
	-	1,309,500	-	1,309,500
Total Depreciation	1,102,238	31,882,783	-	32,985,021

4.4 Net Book Values

	2013 Rs.	2012 Rs.
At Cost		
Buildings	52,044	62,889
Plant and Machinery	10,257,283	4,719,201
Motor Vehicles	1,156,254	1,292,954
Furniture and Fittings	115,222	47,460
Factory Equipment	600,097	415,680
Office Equipment	30,707	16,659
Computers & Accessories	506,586	52,042
Deep Well	902,789	-
	13,620,982	6,606,884

	2013	2012
At Valuation	**Rs.**	**Rs.**
Freehold Lands	222,659,932	222,659,932
Buildings on Freehold Land	52,203,500	59,584,000
Plant and Machinery	76,324,847	91,589,816
Motor Vehicles	24,418,516	27,131,684
Furniture and Fittings	160,000	200,000
Factory Equipment	900,000	1,000,000
Office Equipment	90,000	100,000
Name Board	51,065	63,832
Computers & Accessories	600,000	800,000
Salterns Development	67,742,350	71,307,737
	445,150,210	474,437,001
Assets on Finance Lease		
Plant and Machinery	9,328,500	10,638,000
	9,328,500	10,638,000
In the Course of Construction		
Salterns Development	94,728,730	41,635,468
Factory Extention	3,009,043	-
Factory Building	10,421,427	10,421,425
Plant Installation	4,352,270	4,352,271
Office Extention WIP	666,143	656,863
PVD Plant WIP	21,704,533	19,914,266
	134,882,145	76,980,293
Total carrying amounts of Proeprty, Plant and Equipment	602,981,837	568,662,178

PROPERTY, PLANT & EQUIPMENT - COMPANY

4.5 Gross Carrying Amounts

	Balance As at 01.04.2012	Additions/ Transfers/ Acquisitions	Disposals/ Transfers	Balance As at 31.03.2013
At Cost	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Plant & Machinery	-	6,457,566	-	6,457,566
Furniture and Fittings	-	71,017	-	71,017
Factory Equipment	-	189,000	-	189,000
Office Equipment	-	16,900	-	16,900
Computers & Accessories	-	562,204	-	562,204
Deep Well	-	914,217	-	914,217
	-	8,210,904	-	8,210,904
At Valuation				
Freehold Lands	222,659,932	-	-	222,659,932
Buildings on Freehold Land	59,584,000	-	-	59,584,000
Plant and Machinery	91,589,816	-	-	91,589,816
Motor Vehicles	27,131,684	-	-	27,131,684
Furniture and Fittings	200,000	-	-	200,000
Factory Equipment	1,000,000	-	-	1,000,000
Office Equipment	100,000	-	-	100,000
Name Board	63,832	-	-	63,832
Salterns Development	71,307,737	-	-	71,307,737
Computers & Accessories	800,000	-	-	800,000
	474,437,001	-	-	474,437,001
Assets on Finance Lease				
Plant and Machinery	10,638,000	-	-	10,638,000
	10,638,000	-	-	10,638,000
Total Value of Depreciable Assets	485,075,001	8,210,904	-	493,285,905

4. PROPERTY, PLANT & EQUIPMENT -COMPANY (Contd...)

4.6 In the Course of Construction	Balance As at 01.04.2012 Rs.	Charge for the year/ Transfers Rs.	Transfers/ Disposals Rs.	Balance As at 31.03.2013 Rs.
Salterns Development	2,483,861	40,363,682	-	42,847,543
Factory Extension	-	3,007,613	-	3,007,613
Office Extension WIP	656,863	9,280	-	666,143
PVD Plant WIP	19,914,266	1,790,267	-	21,704,533
	23,054,990	45,170,841	-	68,225,331
Total Gross Carrying Amount	508,129,991	53,381,745	-	561,511,736

4.7 Depreciation	Balance As at 01.04.2012 Rs.	Charge for the year/ Transfers Rs.	Transfers/ Disposals Rs.	Balance As at 31.03.2013 Rs.
At Cost				
Plant & Machinery	-	376,609	-	376,609
Furniture and Fittings	-	3,240	-	3,240
Factory Equipment	-	8,208	-	8,208
Office Equipment	-	845	-	845
Computers & Accessories	-	115,094	-	115,094
Deep Well	-	11,428	-	11,428
	-	515,424	-	515,424
At Valuation				
Buildings on Freehold Land	-	7,380,500	-	7,380,500
Plant and Machinery	-	15,264,969	-	15,264,969
Motor Vehicles	-	2,713,168	-	2,713,168
Furniture and Fittings	-	40,000	-	40,000
Factory Equipment	-	100,000	-	100,000
Office Equipment	-	10,000	-	10,000
Name Board	-	12,767	-	12,767
Computers & Accessories	-	200,000	-	200,000
Salterns Development		3,565,387		3,565,387
	-	29,286,791	-	29,286,791
Assets On Finance Lease				
Plant and Machinery	-	1,309,500	-	1,309,500
	-	1,309,500	-	1,309,500
Total Depreciation		31,111,715		31,111,715

4.8	Net Book Values	2013 Rs.	2012 Rs.
	At Cost		
	Plant and Machinery	6,080,957	-
	Furniture and Fittings	67,777	-
	Factory Equipment	180,792	-
	Office Equipment	16,055	-
	Computers & Accessories	447,109	-
	Deep Well	902,789	-
		7,695,479	-
	At Valuation		
	Freehold Lands	222,659,932	222,659,932
	Buildings on Freehold Land	52,203,500	59,584,000
	Plant and Machinery	76,324,847	91,589,816
	Motor Vehicles	24,418,516	27,131,684
	Furniture and Fittings	160,000	200,000
	Factory Equipment	900,000	1,000,000
	Office Equipment	90,000	100,000
	Name Board	51,065	63,832
	Computers & Accessories	600,000	800,000
	Salterns Development	67,742,350	71,307,737
		445,150,210	474,437,001
	Assets on Finance Lease		
	Plant and Machinery	9,328,500	10,638,000
		9,328,500	10,638,000
	In the Course of Construction		
	Salterns Development	42,847,543	2,483,861
	Factory Extension	3,007,613	-
	Office Extension WIP	666,143	656,863
	PVD Plant WIP	21,704,533	19,914,266
		68,225,831	23,054,990
	Total carrying amounts of Property, Plant and Equipment	530,400,020	508,129,991

4.9	The useful lives of the assets of the Group are estimated as follows.	2013	2012
	Buildings	8 Years	10 Years
	Plant and Machinery	6 Years	10 Years
	Motor Vehicles	10 Years	10 Years
	Furniture and Fittings	5 Years	10 Years
	Factory Equipments	20 Years	10 Years
	Name Board	5 Years	10 Years
	Office Equipment	10 Years	10 Years
	Salterns Development	20 Years	10 Years
	Computer & Accessories	4 Years	10 Years
	Deep Well	20 Years	-

4. PROPERTY, PLANT & EQUIPMENT (Contd….)

4.10 During the financial year, the Group and the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 8,300,590/- and Rs 8,210,904/- Cash payments amounting to Rs. 8,300,590/- and Rs 8,210,904/- respectively (2012 - Group & Company Rs. 75,600,638/- and 57,941,229/-). were made during the year for purchase of Property, Plant and Equipment.

4.11 The fair value of Land and Building was determined by Means at a revaluation during the financial year 31 March 2012, by Messrs D. Jayawardana an independent valuer in reference to market based evidence the results of such revaluation were incorporated in these Financial Statements from its effective date which is 27 March 2012. The surplus arising from the revaluation was transferred to a revaluation reserve.

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

Class of Asset	Cost Rs.	Cumulative Depreciation of assets were carried at cost Rs.	Net Carrying Amount 2013 Rs.	Net Carrying Amount 2012 Rs.
Freehold Land	47,651,247	-	47,651,247	47,651,247
Building on Free hold land	47,042,146	18,385,600	28,656,545	33,360,760
Plant and Machinery	70,880,621	26,259,274	44,621,348	51,709,410
Motor Vehicles	23,144,589	5,979,362	17,165,227	19,479,686
Furniture and Fittings	456,252	165,715	290,537	336,162
Factory Equipment	1,498,836	354,920	1,143,916	1,293,800
Office Equipment	162,571	35,282	127,289	143,546
Name Board	70,926	39,407	31,519	38,612
Salterns Development	70,296,141	8,126,054	62,170,087	69,199,701
Computers & Accessories	1,118,740	245,327	873,413	985,287

5. INVESTMENTS	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
Non Current				
Investment in Subsidiaries (5.1)	-	-	61,823,540	61,823,540
Acquisition of Investments	-	-	-	-
Balance as at 31 March	-	-	61,823,540	61,823,540

5.1 Investments in Subsidiaries	% of Holding 2013	% of Holding 2012	Carrying Value 2013 Rs.	Directors' Valuation 2013 Rs.	Carrying Value 2012 Rs.	Directors' Valuation 2012 Rs.
Southern Salt Co (Pvt) Ltd	100%	100%	61,823,540	61,823,540	61,823,540	61,823,540
Total Investments in Non-Quoted Equity Securities			61,823,540	61,823,540	61,823,540	61,823,540
Total Gross Carrying Value of Investments in Equity Securities			61,823,540		61,823,540	
Provision for Decline in Value Other than Temporary			-		-	
Total Net Carrying Value of Investments			61,823,540		61,823,540	

6 Held to Maturity Financial Assets	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
Current				
Investment in Fixed Deposits - At the beginning of the Year	53,104,563	150,000,000	53,104,563	150,000,000
Acquisition of Investments	8,224,361	53,104,563	8,224,361	53,104,563
Disposal of Investments	-	(150,000,000)	-	(150,000,000)
Balance as at 31 March	61,328,923	53,104,563	61,328,923	53,104,563

7. OTHER NON CURRENT FINANCIAL ASSETS

	Group		Company	
	2013	2012	2013	2012
Loans and Receivables	Rs.	Rs.	Rs.	Rs.
Loans due from related parties (Note 7.1)	83,836,203	103,852,172	83,836,203	103,852,172
	83,836,203	103,852,172	83,836,203	103,852,172

7.1 Loans due from related parties

		Group		Company	
		2013	2012	2013	2012
Loans due from related parties	**Relationship**	Rs.	Rs.	Rs.	Rs.
Raigam Marketing Services (Pvt) Ltd	Parent Company	58,286,376	66,023,762	58,286,376	66,023,762
Dream Life Science (Pvt) Ltd	Other Related Party	21,247,693	23,646,570	21,247,693	23,646,570
Raigam Herbal Remedies (Pvt) Ltd	Other Related Party	4,302,135	10,542,464	4,302,135	10,542,464
Raigam Eastern Salt Company (Pvt) Ltd	Other Related Party	-	1,408,481	-	1,408,481
Raigam Distributors (Pvt) Ltd	Other Related Party	-	2,230,896	-	2,230,896
		83,836,203	103,852,172	83,836,203	103,852,172

8. DEFERRED TAX ASSET

	Group		Company	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	1,071,821	202,057	1,071,821	202,057
Charge / Release for the year	(254,372)	869,764	(254,372)	869,764
At the end of the year	817,449	1,071,821	817,449	1,071,821

9. INVENTORIES

	Group		Company	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Raw Materials	25,987,783	18,927,768	26,153,558	18,169,018
Finished Goods	5,157,970	5,761,632	4,775,331	4,425,022
Packing Materials	5,171,155	8,401,913	5,171,155	8,401,913
Other Chemical Stocks	1,373,149	1,317,556	1,373,149	1,317,556
Engineering Stocks	829,820	1,300,433	829,820	1,300,433
	38,519,876	35,709,302	38,303,012	33,613,942

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Trade Debtors - Others	72,335,471	64,907,293	72,335,471	64,907,293
Less : Provision for Doubtful Debts	(3,324,123)	(4,492,377)	(3,324,123)	(4,492,377)
	69,011,347	60,414,916	69,011,347	60,414,916
Other Debtors-Related Parties (10.1)	26,844,677	-	76,318,639	25,083,136
Advances, Prepayments and Deposits	17,064,890	13,110,798	8,479,792	10,631,411
	112,920,915	73,525,714	153,809,778	96,129,463

10.1 Other Receivables From Related Parties

		Group		Company	
		2013	2012	2013	2012
	Relationship	Rs.	Rs.	Rs.	Rs.
Southern Salt Company (Pvt) Ltd	Subsidiary Company	-	-	49,473,962	25,083,136
Raigam Eastern Salt Company (Pvt) Ltd	Other Related Party	1,179,028	-	1,179,028	-
Raigam Marketing Services (Pvt) Ltd	Other Related Party	15,000,000	-	15,000,000	-
Raigam Herbal Remedies (Pvt) Ltd	Other Related Party	5,000,000	-	5,000,000	-
Dream Life Science (Pvt) Ltd	Other Related Party	5,000,000	-	5,000,000	-
Raigam Distributors (Pvt) Ltd	Other Related Party	665,649	-	665,649	-
		25,844,677	-	76,318,639	25,083,136

11 STATED CAPITAL - GROUP & COMPANY

	2013		2012	
Fully Paid Ordinary Shares	Number	Rs.	Number	Rs.
Balance as at the Beginning of the Year	282,207,320	604,414,640	282,207,320	604,414,640
Balance as at the End of the Year	282,207,320	604,414,640	282,207,320	604,414,640

12. INTEREST BEARING LOANS AND BORROWINGS - GROUP

	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2013 Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2012 Total Rs.
Bank Loans (12.1)	4,548,423	-	4,548,423	1,230,769	-	1,230,769
Finance Leases (12.2)	2,226,274	-	2,226,274	3,573,800	2,226,276	5,800,076
Bank Overdrafts (20.2)	67,984,077	-	67,984,077	48,557,837	-	48,557,837
	74,758,775	-	74,758,775	53,362,406	2,226,276	55,588,682

12.1 Bank Loans

	As at 01.04.2012 Rs.	Loans Obtained Rs.	Repayments Rs.	As at 31.03.2013 Rs.
People's Bank	1,230,769	-	(1,230,769)	-
Sampath Bank PLC	-	10,000,000	(5,451,577)	4,548,423
	1,230,769	10,000,000	(6,682,346)	4,548,423

Loan Term - 5 Months
Installment - Rs 2,000,000 per month
Rate of Interest - 23% p.a

12.2 Finance Leases

	As at 01.04.2012 Rs.	New Leases / Hire Purchases Obtained Rs.	Repayment Rs.	As at 31.03.2013 Rs.
Sampath Bank PLC	6,256,289	-	(3,937,084)	2,319,205
	6,256,289	-	(3,937,084)	2,319,205
Gross Liability	6,256,289			2,319,205
Finance Charges Allocated to Future Periods	(456,213)			(92,931)
Net Liability	5,800,076			2,226,274

12.3 INTEREST BEARING LOANS AND BORROWINGS - COMPANY

	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2013 Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2012 Total Rs.
Bank Loans (12.4)	4,548,423	-	4,548,423	1,230,769	-	1,230,769
Finance Leases (12.5)	2,226,274	-	2,226,274	3,573,800	2,226,276	5,800,076
Bank Overdrafts (20.2)	67,566,433	-	67,566,433	48,332,261	-	48,332,261
	74,341,130	-	74,341,130	53,136,830	2,226,276	55,363,106

12.4 Bank Loans

	As at 01.04.2012 Rs.	Loans Obtained Rs.	Repayment Rs.	As at 31.03.2013 Rs.
People's Bank	1,230,769	-	(1,230,769)	-
Sampath Bank PLC	-	10,000,000	(5,451,577)	4,548,423
	1,230,769	10,000,000	(6,682,346)	4,548,423

Loan Term - 5 Months
Installment - Rs 2,000,000 per month
Rate of Interest - 23% p.a

12. INTEREST BEARING LOANS AND BORROWINGS - COMPANY

12.5 Finance Leases

	As at 01.04.2012 Rs.	New Leases Obtained Rs.	Repayment Rs.	As at 31.03.2013 Rs.
Sampath Bank PLC	6,256,289	-	(3,937,084)	2,319,205
	6,256,289	-	(3,937,084)	2,319,205
Gross Liability	6,256,289			2,319,205
Finace Charges allocated to Future Periods	(456,213)			(92,931)
Net Liability	5,800,076			2,226,274

13. OTHER DEFERRED LIABILITIES

13.1 Expense on Defined Benefit Plans

	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
Current Service Cost	920,994	924,564	920,994	924,564
Interest Cost on Benefit Obligation	222,562	131,167	222,562	131,167
Net Acturial (Gain)/Loss on Obligation	(186,787)	(182,553)	(186,787)	(182,553)
	956,769	873,178	956,769	873,178

13.2 Defined Benefit Obligation

	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
Balance as at the Beginning of the Year	2,023,289	1,192,424	2,023,289	1,192,424
Current Service Cost	920,994	924,564	920,994	924,564
Interest Cost on Benefit Obligation	222,562	131,167	222,562	131,167
Net Acturial (Gain)/Loss on Obligation	(186,787)	(182,553)	(186,787)	(182,553)
Benefit Paid	(53,514)	(42,313)	(53,514)	(42,313)
Balance as at the end of the Year	2,926,544	2,023,289	2,926,544	2,023,289

13.3 As at 31st March 2013 the gratuity liability was acturiallly valued by Messers. Actuarial & Management Consultants (Pvt) Ltd.

13.4 Principal Assumptions in Ascertaining Employee Gratuity Liability

The principal assumptions used in determining the post employment benefit liability for the Group are shown below.

	2013	2012
Staff Turnover Ratio	5%	5%
Salary Increase Rate	10%	10%
Discount Rate	11%	11%
Retirement Age	55 Years	55 Years

14. INCOME TAX

The major components of income tax expense for the years ended 31 March are as follows :

	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
Income Statement				
Current Income Tax				
Current Income Tax Charge (14.1)	5,208,985	1,856,809	5,208,985	1,856,809
Previous Year (Over) / Under Provision	3,573,567	(5,010,321)	3,573,567	(5,010,321)
Deferred Income Tax				
Deferred Taxation Charge/(Reversal) (14.2)	254,372	(869,764)	254,372	(869,764)
Income tax (Income) / expense reported in the Income Statement	9,036,924	(4,023,276)	9,036,924	(4,023,276)

14. INCOME TAX - (Group/Company)

14.1 A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows:

	Group		Company	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Accounting Profit Before Tax	45,953,006	39,808,349	49,619,901	44,058,544
Aggregate Allowed Items	(45,953,006)	(39,808,349)	(49,619,901)	(44,058,544)
	-	-	-	-
Other Income	18,603,519	6,631,460	18,603,519	6,631,460
Tax loss brought forward & Utilised	-	-	-	-
Taxable Profit	18,603,519	6,631,460	18,603,519	6,631,460
Current Income Tax Expense	5,208,985	1,856,809	5,208,985	1,856,809
Current Income Tax Expense	5,208,985	1,856,809	5,208,985	1,856,809

Group is not liable to pay income tax on profit of trade and business. (Refer Note No. 2.4.2)

14.2 Deferred Tax Assets, Liabilities and Income Tax relates to the followings;

	Group		Company	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Capital Allowances for Tax Purpose	344,697	(786,677)	344,697	(786,677)
Defined Benefit Plans	(90,326)	(83,087)	(90,326)	(83,087)
	254,372	(869,764)	254,372	(869,764)

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Trade Payables - Others	1,382,560	3,660,231	1,382,560	3,660,231
- Related Parties (15.1)	5,832,144	2,819,503	17,299,194	10,220,954
Other Payables - Related Parties (15.2)	793,000	793,000	43,000	43,000
Sundry Creditors Including Accrued Expenses	23,583,988	17,153,998	20,843,486	15,839,940
Excess Funds Refundable against IPO Proceeds	318,000	318,000	318,000	318,000
	31,909,692	24,744,731	39,886,240	30,082,124

15.1 TRADE PAYABLES TO THE RELATED PARTIES

	Relationship	Group 2013	Group 2012	Company 2013	Company 2012
Puttalam Salt Ltd	Other Related Party	2,005,531	263,596	2,005,531	263,596
Sun Salt (Pvt) Ltd	Other Related Party	3,826,613	2,555,907	3,826,613	2,555,907
Southern Salt Company (Pvt) Ltd	Subsidiary	-	-	11,467,050	7,401,450
		5,832,144	2,819,503	17,299,194	10,220,953

15.2 OTHER PAYABLES TO RELATED PARTIES

	Relationship	Group 2013	Group 2012	Company 2013	Company 2012
Raigam Marketing Services (Pvt) Ltd	Parent Company	750,000	750,000	-	-
Raigam Creations (Pvt) Ltd	Other Related Party	43,000	43,000	43,000	43,000
		793,000	793,000	43,000	43,000

16. FINANCE INCOME

	Group		Company	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Interest Income - Fixed Deposits	7,179,780	6,631,460	7,179,780	6,631,460
Interest Income on Inter Company Loans (Note 16.1)	11,423,739	11,890,879	11,423,739	11,890,879
	18,603,519	18,522,339	18,603,519	18,522,339

			Group		Company	
			2013	2012	2013	2012
16.1	**Interest Income on Inter Company Loans**	**Relationship**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
	Raigam Marketing Services (Pvt) Ltd.	Parent Company	7,262,614	8,142,118	7,262,614	8,142,118
	Dream Life Science (Pvt) Ltd	Other Related Party	2,601,123	2,343,354	2,601,123	2,343,354
	Raigam Herbal Remedies (Pvt) Ltd	Other Related Party	1,159,671	1,044,749	1,159,671	1,044,749
	Raigam Eastern Salt Company (Pvt) Ltd	Other Related Party	154,933	139,579	154,933	139,579
	Raigam Distributors (Pvt) Ltd	Other Related Party	245,399	221,080	245,399	221,080
			11,423,739	11,890,879	11,423,739	11,890,879

		Group		Company	
		2013	2012	2013	2012
17.	**FINANCE COST**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
	Interest Charges	8,413,967	3,984,503	8,364,203	3,939,788
	Lease Interest Charges	539,984	1,094,209	539,984	1,094,209
		8,953,951	5,078,712	8,904,187	5,033,997

18. EARNINGS PER SHARE

18.1 Basic Earnings Per Share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events, if any, that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

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

	Group		Company	
	2013	2012	2013	2012
Amount Used as the Numerator:	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Net Profit Attributable to Ordinary Shareholders for Basic Earnings Per Share	36,916,081	43,831,625	40,582,977	48,081,820
	2013	**2012**	**2013**	**2012**
Number of Ordinary Shares Used as Denominator:	**Number**	**Number**	**Number**	**Number**
Number of Ordinary Shares in Issue Applicable to Basic Earning Per Share	282,207,320	282,207,320	282,207,320	282,207,320

18.3 Consolidation and subdivision of share was without consideration hence it is treated as if had accrued of the beginning of the earliest period.

19. PROFIT FROM CONTINUING OPERATIONS

	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
Included in Cost of Sales				
Depreciation	25,784,061	15,446,092	20,171,476	14,912,786
Staff Costs includes	44,076,576	40,631,611	42,422,275	40,601,611
- Defined Benefit Plan Costs -Gratuity (included in staff cost)	715,695	662,419	715,695	662,419
- Defined Contribution Plan Costs - EPF & ETF (included in staff cost)	2,774,660	2,615,604	2,689,069	2,615,604
Included in Administrative Expenses				
Depreciation	5,098,722	3,739,223	4,940,239	3,616,432
Staff Costs includes	32,745,222	30,409,333	31,600,423	24,533,280
- Defined Benefit Plan Costs -Gratuity (included in staff cost)	318,951	289,809	318,951	289,809
- Defined Contribution Plan Costs - EPF & ETF (included in staff cost)	2,535,654	2,615,722	2,369,741	1,831,009
Audit Fee & Expenses	337,740	273,850	299,990	260,860
Loss on Disposals	-	350,012	-	350,012

20. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT

		Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
20.1	**Favourable Cash & Cash Equivalent Balances**				
	Cash & Bank Balances	4,111,728	891,102	4,043,087	822,461
20.2	**Unfavourable Cash & Cash Equivalent Balances**				
	Bank Overdrafts (Note 12)	(67,984,077)	(48,557,837)	(67,566,433)	(48,332,261)
	Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	(63,872,349)	(47,656,735)	(63,523,346)	(47,509,800)

21. COMMITMENTS AND CONTINGENCIES

21.1 Capital Expenditure Commitmnets

Commitments for acquisition of Salterns Development as at the Balance Sheet date is as follows;

	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
Authorised by the Board, but not Contracted for	20,000,000	20,000,000	20,000,000	20,000,000
	20,000,000	20,000,000	20,000,000	20,000,000

21.2 Contingencies

The Group does not have significant contingencies as at reporting date.

22. ASSETS PLEDGED - COMPANY & GROUP

The following assets have been pledged as security for liabilities.

Nature of the assets Pledged	Facility Obtained	Carring Value of the Assets Pledged 2013	Carring Value of the Assets Pledged 2012	Included Under
Land at Palavi	Loan and Overdraft Facility	223 Mn	223 Mn	Property, Plant and equipment
Salterns Developments at Palavi	Loan and Overdraft Facility	68 Mn	71 Mn	
Building at Palavi	Loan and Overdraft Facility	52 Mn	60 Mn	
Machinery at Palavi	Lease Facility	76 Mn	92 Mn	
Fixed Deposits	Overdraft Facility	58 Mn	45 Mn	Investments

23. RELATD PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

23.1 Transaction with the parent

	Group		Company	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Balance as at 1 April	66,023,762	74,019,250	66,023,762	74,019,250
Fund Transfers	-	(16,137,606)	-	(16,137,606)
Interest Charged	7,262,614	8,142,118	7,262,614	8,142,118
Balance as at 31 March	73,286,376	66,023,762	73,286,376	66,023,762

23.2 Transaction with the Subsidiary and Other Related Entities

	Group		Company	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Balance as at 1 April	27,564,456	33,773,052	52,647,591	35,862,016
Fund Transfers	(4,595,031)	-	19,795,794	22,994,171
Purchase of goods and Services	(54,867,585)	(52,933,840)	(54,867,585)	(52,933,840)
Settlement for purchase of goods and services	47,789,344	42,976,483	47,789,344	42,976,483
Interest charged	4,161,125	3,748,761	4,161,125	3,748,761
Balance as at 31 March	20,052,309	27,564,456	69,526,269	52,647,591

The above transactions are included in current liabilities as balance due to related parties and in current assets as balance due from related parties.

The above other related companies include following companies.

- Southern Salt Company (Pvt) Ltd
- Raigam Creations (Pvt) Ltd
- Dream Cosmatics (Pvt) Ltd
- Raigam Herbal Remedies (Pvt) Ltd
- Raigam Eastern Salt Company (Pvt) Ltd
- Puttalam Salt Ltd
- Sun Salt Ltd

23.3 Transaction with Key Management Personel

Key Management Personel include directors of the company and it's subsidiaries

	Group		Company	
Key Management Personel Compensation	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Short - Term Employee Benefits	6,156,000	5,676,000	5,741,000	5,281,000

23.4 Transactions with entities that are controlled or significantly influenced by Key Management Personnel or their Close Members of Family

a) Joint and Several Gurantee for Rs.9,499,452/- has been executed by Mr.G.V.P.G.Amarasinghe and Dr. R.Liyanage as at the Balance Sheet date, in respect of lease agreement no 012/L/2009/SBL/PET.

b) Joint and Several Guarantee for Rs.8,312,020/- has been executed by Mr. G. V. P.G Amarasinghe and Dr. R.Liyanage as at the Balance Sheet date, in respect of lease agreement no 011/L/2009/SBL/PET.

c) Joint and Several Guarantee for Rs. 4,761,340/- has been executed by Dr.R.Liyanage, Mr. K.R. Theodore, Mr. G.V.P.G. Amarasinghe, Mrs. G.P. Madumage, Mrs. M.U.N.Perera, Mrs. R.A.S.M. Darmajeewa as at the Balance Sheet date, in respect of lease agreement numbers 020, 021 and 022/L/2007/SBL/PET.

d) Joint and Several Guarantee has been executed by Mr.K.R.Theodore and G.V.P.G.Amarasinghe as at the Balance Sheet date, in respect of bank loan of 20 Mn.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

24.1 Introduction

Risk is inherent in company's business activities, but is managed through a process of ongoing identification, measurement, and monitoring, subject to risk limits and other controls. The Board of Directors places special consideration on the management of such risks. The Company

- Commodity Price Risk
- Liquidity risk
- Equity price risk
- Credit risk

Commodity Price Risk

The entity is affected by the availability & price of certain commodities, specially raw crystal salt. Depending on the raw salt harvesting quantities and qualities the prices are decided. This risk is mitigated throughpassing on cost increases to the customer through the regular price adjustments & planning purchasing on right period by procurement division.

Liquidity risk

Liquidity risk arises from the financial liabilities of the entity and entity's subsequent ability to meet their obligation to repay their financial liabilities as and when they fall due.

Liquidity risk management involves maintaining available funding and ensuring the entity has access to an adequate amount of committed credit facilities. Due to the dynamic nature of theunderlying businesses, Raigam Wayamba Salterns PLC aims to maintain flexibility within the funding structure through the use of bank Overdrafts and Short Term Loans.
The company also regularly performs a comprehensive analysis of all cash inflows and outflows that relate to financial assets and liabilities.

Below table illustrates the maturity periods of liabilities in due.

	Group			Company		
Type of Loan	Repayable Within 1 Year Rs.	Repayable After 1 Year Rs.	Total Repayable Rs.	Repayable Within 1 Year Rs.	Repayable After 1 Year Rs.	Total Repayable Rs.
Bank Loans	4,548,423	-	4,548,423	4,548,423	-	4,548,423
Finance Leases	2,226,274	-	2,226,274	2,226,274	-	2,226,274
Bank Overdrafts	67,984,077	-	67,984,077	67,566,433	-	67,566,433
Trade & Other Payables	31,909,692	-	31,909,692	39,886,240	-	39,886,240
	106,668,467	-	106,668,467	114,227,370	-	114,227,370

Equity price risk

The key objective of entity when managing capital is to safeguard its ability to continue as a going concern and maintain optimal returns to shareholders and benefits for other stakeholders. In addition to this with regard to investment in shares the board reviews and approves all equity investment decisions.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (Primarily for trade receivables). The company minimizes credit risk towards its customers by having high level scrutiny before converting a cash customer to a credit customer. Also the company adheres to the policy of obtaining bank guarantees from distributors and adequate cash deposits from dealers. The maximum exposure will be equal to the carring amount of these instruments.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

24.1 Introduction (Contd.)

The maximum exposure to credit risk at the reporting date was:

	Carrying Value			
	Group		Company	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	Rs.	Rs.	Rs.	Rs.
Trade Receivables	72,335,471	64,907,293	72,335,471	64,907,293
Other Receivables	43,909,567	13,110,798	84,798,431	35,714,547

The ageing of trade receivables, at the end of the reporting period is:

	Group			Company		
	Gross Carrying Amount	Impairment Allowance	Net Carrying Amount	Gross Carrying Amount	Impairment Allowance	Net Carrying Amount
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Neither past due, nor impaired	38,181,705	-	38,181,705	38,181,705	-	38,181,705
Past due 31-180	26,632,904	-	26,632,904	26,632,904	-	26,632,904
Past due 181-365	4,196,739	-	4,196,739	4,196,739	-	4,196,739
Past due more than 365 days	3,324,123	(3,324,123)	-	3,324,123	(3,324,123)	-
	72,335,471	(3,324,123)	69,011,347	72,335,471	(3,324,123)	69,011,347

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Company	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Gross debtor balance	72,335,471	64,907,293	72,335,471	64,907,293
Impairment Written Off	(3,324,123)	(4,492,377)	(3,324,123)	(4,492,377)
Net debtor balance	69,011,347	60,414,916	69,011,347	60,414,916

24.2 Capital Management

The Board of Directors reviews the capital structure of the company on regular basis. The intention of Board of Directors is to maintain an optimum capital structure while minimizing cost of financing and safeguarding key stakeholders' interest.

25. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date date that require adjustments to or disclosure in the Financial Statements.

INVESTOR INFORMATION

STOCK EXCHANGE

The issued Ordinary shares of Raigam Wayamba Salterns PLC are listed with the Colombo Stock Exchange of Sri Lanka, since 29 April 2010. The Audited Financial Statements of the company for the year ended 31 March 2013 have been submitted to the Colombo Stock Exchange.

COMPOSITION OF SHARE HOLDINGS

The details of shareholders as at 31 March 2013 are as follows;

	31.03.2013		31.03.2012	
	No. of Shares	%	No. of Shares	%
Major share holding				
Raigam Marketing Services (Pvt) Ltd	101,103,660	35.83%	101,103,660	35.83%
Raigam Distributors (Pvt) Ltd	101,103,660	35.83%	101,103,660	35.83%
Employees Provident Fund	28,157,800	9.98%	28,157,800	09.98%
Directors' share holding				
Ravindranath Liyanage	297,000	0.11%	-	-
G. V. P. G. Amarasinghe	250,000	0.08%	250,000	0.08%
Public share holding				
3,882 numbers of shareholders	79,453,000	28.15%	79,750,000	28.26%

STATED CAPITAL

Stated Capital as at 31 March 2013 is represented by shares in issue as given below;

	31.03.2013	31.03.2012
Ordinary Shares (Nos.)	282,207,320	282,207,320

MARKET VALUE PER SHARE

		2012/13	2011/12
Highest	Rs.	3.70	5.40
Lowest	Rs.	2.20	2.90
As at the year end	Rs.	2.20	3.10

TRADING ACTIVITIES

		2012/13	2011/12
No. of Transactions	No. of times	6,633	10,986
No. of Shares Traded	Nos.	26,426,715	87,667,031
Value of Shares Traded	Rs.	75,925,424	398,104,294

INVESTOR RATIOS

		2012/13	2011/12
Earnings per Share	Rs.	0.13	0.16
Dividend per Share	Rs.	-	-
Price Earning Ratio	No. of Times	16.92	19.38
Earnings Yield	%	5.91	5.16
Net Assets per Share	Rs.	2.82	2.68
Debt Equity Ratio	%	14.29	10.87
Interest Cover	No. of Times	6.13	8.84

EXCHANGE RATES US$

	2012/13	2011/12
At the year end	128.47	129.57

VALUE ADDED STATEMENT
YEAR ENDED 31 MARCH 2013

	2013		2012	
VALUE ADDITION	%	Rs	%	Rs
Gross Turnover		335,298,348		265,770,127
Cost of Materials & Services Purchased		(190,199,795)		(144,591,085)
Other Income		18,603,519		18,522,339
Total Value Addition		163,702,073		139,701,381
DISTRIBUTION OF VALUE ADDITION				
To Employees (as Remuneration)	47%	76,937,030	52%	73,107,976
To Government	23%	37,049,031	14%	19,769,264
To Providers of Capital	5%	8,953,951	4%	5,078,712
Retained in the Business	25%	40,762,061	30%	41,745,429
	100%	163,702,073	100%	139,701,381
Value Added per Employee		673,671		662,092
Value Added as a % of Turnover		49%		53%

COMPOSITION OF SHAREHOLDERS
YEAR ENDED 31 MARCH 2013

	31 March 2013			31 March 2012		
	No of Shareholders	% of Holding	No of Shares	No of Shareholders	% of Holding	No of Shares
DISTRIBUTION OF SHAREHOLDING						
Less than or equal to 1000	1,374	0.26 %	747,360	1,261	0.27 %	775,977
1,001 - 10,000	2,058	3.27 %	9,229,745	2,167	3.49 %	9,854,060
10,001 - 100,000	384	4.26 %	12,021,029	376	4.28 %	12,076,501
100,001 - 1,000,000	60	5.48 %	15,451,767	51	4.73 %	13,347,462
Over 1,000,001	11	86.73 %	244,757,419	12	87.23 %	246,253,320
Grand Total	3,887	100.00 %	282,207,320	3,867	100.00 %	282,307,320
RESIDENT & NON - RESIDENT						
Resident	3,753	97.97 %	276,488,021	3,720	98.16 %	277,006,320
Non - Resident	134	2.03 %	5,719.299	147	1.84 %	5,201,000
Total Shareholding	3,887	100.00 %	282,207,320	3,867	100.00 %	282,207,320
INDIVIDUALS & INSTITUTIONS						
Individuals	3,786	13.99 %	39,475,177	3,765	13.91 %	39,260,095
Institutions	101	86.01 %	242,732,133	102	86.09 %	242,947,225
Total Shareholding	3,887	100.00 %	282,207,320	3,867	100.00 %	282,207,320

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders		As at 31 March 2013 No.of Share held	As at 31 March 2013 %	As at 31 March 2012 No.of Share held	As at 31 March 2012 %
1.	Raigam Marketing Services (Pvt) Ltd	101,103,660	35.83%	101,103,660	35.83 %
2.	Raigam Distributors (Pvt) Ltd	101,103,660	35.83%	101,103,660	35.83 %
3.	Employees Provident Fund	28,157,800	9.98%	28,157,800	9.98 %
4.	Mr. T.L.M. Imtiaz	3,748,600	1.33%	3,886,600	1.38 %
5.	Mr. M.N. Singa Laxana	2,022,000	0.72%	2,328,000	0.82 %
6.	Tranz Dominion, LLC	1,716,699	0.61%	1,550,500	0.55 %
7.	Sri Lanka Insurance Corporation Ltd - General Fund	1,700,000	0.60%	1,700,000	0.60 %
8.	Mr. D. Kim	1,476,000	0.52%	1,476,000	0.52 %
9.	Merchant Bank of Sri Lanka Ltd	1,392,100	0.49%	1,392,100	0.49 %
10.	Seylan Bank PLC / Mr. Jayantha Dewage	1,277,100	0.45%	1,277,100	0.45 %
11.	Venture Partners (Pvt) Ltd	1,059,800	0.38%	1,059,800	0.38 %
12.	Mr. B.L.S. Peiries	100,000	0.35%	500,000	0.18 %
13.	Mr. H.N. De Silva	904,800	0.32%	904,800	0.32 %
14.	Pan Asia Banking Corporation PLC / Mr. Ravindra Erle	875,000	0.31%	959,800	0.34 %
15.	Waldoc Mackenzie Limited / Mr. Ravindra Erle	630,000	0.22%	1,118,100	0.40 %
16.	Mr. H.A.S. Madanayake	569,800	0.20%	569,800	0.20 %
17.	Mr. H.A.S. Udayananda	500,000	0.18%	N/A	N/A
18.	Elgin Investments Limited	500,000	0.18%	500,000	0.18 %
19.	Mr. R.E. Rambukwelle	431,400	0.15%	426,100	0.15 %
20.	Sandwave Limited	400,000	0.14%	N/A	N/A
21.	Mr. M. M. Udeshi	N/A	N/A	678,300	0.24 %
22.	Mr. F. G. N. Mendis	N/A	N/A	612,400	0.22 %
Sub Total		250,568,419	88.79%	251,304,520	89.06%
Balance held by 3,867 shareholders (2012- 3,847)		31,638,901	11.21 %	30,902,800	10.94%
Total No. of shares		282,207,320	100 %	282,207,320	100%

FIVE YEAR SUMMARY
YEAR ENDED 31 MARCH

OPERATING RESULTS		2013*	2012*	2011	2010	2009
Turnover	Rs.	335,298,348	265,770,127	297,411,339	259,531,518	382,619,050
Gross Profit	Rs.	118,846,118	106,398,124	136,002,558	115,952,873	203,298,171
Earning Before Interest & Taxation (EBIT)	Rs.	54,906,956	44,887,061	73,381,090	58,720,035	180,689,019
Profit / (Loss) Before Taxation (PBT)	Rs.	45,953,006	39,808,349	64,161,794	51,256,027	172,053,821
Profit / (Loss) After Taxation (PAT)	Rs.	36,916,081	43,831,625	57,865,492	51,256,027	172,053,821
Retained Profit / (Loss)	Rs.	114,531,200	77,428,332	67,279,032	(1,399,363)	183,557,518
FINANCIAL POSITION						
CAPITAL EMPLOYED						
Stated Capital	Rs.	604,414,640	604,414,640	604,414,640	604,414,640	204,414,629
Reserves	Rs.	190,330,940	153,228,072	67,279,032	(1,399,363)	183,557,518
Total Equity	Rs.	794,745,580	757,642,712	671,693,672	603,015,277	387,972,147
Total Debt	Rs.	113,618,140	82,356,702	145,789,847	1,023,594,704	73,973,666
Total Capital Employed	Rs.	908,363,721	839,999,414	817,483,519	1,626,609,981	461,945,813
ASSETS EMPLOYED						
Property, Plant & Equipment - Leasehold	Rs.	9,328,500	10,638,000	12,153,167	13,626,167	2,229,500
Property, Plant & Equipment - Outright	Rs.	593,653,337	558,024,178	429,919,252	317,580,083	307,849,529
Other Non Current Assets	Rs.	86,500,442	106,770,783	98,235,178	3,046,790	3,046,790
Total Current Assets	Rs.	218,881,442	164,566,453	277,175,922	1,292,356,941	148,819,998
KEY FINANCIAL INDICATORS						
Equity / Asset Ratio	No. of Times	0.87	0.90	0.82	0.37	0.84
Current Ratio	No. of Times	1.98	2.11	2.01	1.28	2.34
Gearing Ratio	%	14	11	22	169	19
Turnover to Capital Employed	No. of Times	0.37	0.32	0.37	0.16	0.83
Earnings Per Share (EPS)	Rs.	0.13	0.16	0.21	0.18	8.42

* The figures are derived from financial statements prepared in accordance with Sri Lanka Accounting Standards (SLFRS / LKAS) for the years ended 2013 and 2012. Figures for the remaining periods are derived from financial statements prepared in accordance with previous version of Sri Lanka Accounting Standards (SLAS).

GROUP REAL ESTATE PORTFOLIO

YEAR ENDED 31 MARCH 2013

Owning Company	Location	Land				Building		
		Freehold Land	Leasehold Land	Extent Acers	Value Rs.	No. of Buildings	Extent Sq.feet	Value Rs.
Raigam Wayamba Salterns PLC	Kalpitiya Road, Palavi Puttalam	√		22	115,156,000	5	23,800	49,893,500
	Lot A Periyatheevu Manaikany Puladivayal Palavi Puttalam	√		17	30,067,000	1	1,840	1,207,500
	Lot B Periyatheevu Vayalkany Puladivayal Palavi Puttalam	√		78	127,726,000	1	900	1,102,500
	Lot C Periyatheevu Kany Puladivayal Palavi Puttalam	√		23	21,082,500	-	-	-
					294,031,500			52,203,500
Southern Salt Company (Pvt) Ltd	Kunukallilevaya Kahandamodara Gurupokuna Tangalle		√	204	47,000,000	1	144	52,044
	Bata-atha Industrial Zone Kahandamodara Gurupokuna Tangalle		√	8	5,000,000	2	8748	10,422,857
					52,000,000			10,474,901

NOTICE OF MEETING

NOTICE IS HERE BY GIVEN that the Eighth Annual General Meeting of Raigam Wayamba Salterns PLC will be held at the Auditorium of The Institute of Chartered Accountants of Sri Lanka, No 30A, Malalasekara Mawatha, Colombo 7 on Wednesday the 18 September 2013 at 9.30 a.m. for the following purposes:

AGENDA

1. To receive and consider the Report of the Directors and Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2013, with the Auditors' Report thereon.

2. To re-elect as Director, Mr. W. A. U. Gunawardena, retiring by rotation in terms of Article 81 of the Articles of Association of the Company.

3. To re-elect as Director, Mr. S. A. Wickramapala, retiring by rotation in terms of Article 81 of the Articles of Association of the Company.

4 To re-elect as Director, Mr. K. R. Theodore, in terms of Article 88 of the Articles of Association of the Company.

5. To re-appoint Messrs Ernst & Young, Chartered Accountants as Auditors for the ensuing year and to authorize the Directors to determine their remuneration.

6. To authorize the Directors to determine donations for the financial year 2013/2014.

By order of the Board
Raigam Wayamba Salterns PLC

For Business Management Services Limited
Secretaries

27 August, 2013

Note:
A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote in his / her place.
A Proxy need not to be a member of the Company.
A Form of Proxy accompanies this Notice.

FORM OF PROXY

We……………………………………………………………………………………………………..........................…………………………………………

of……...........................……………

being a Member/s of Raigam Wayamba Salterns PLC do hereby appoint one of the following Directors of the Company,

Dr. Ravindranath Liyanage or failing him

Mr. G.V.P. Ganaka Amarasinghe or failing him

Prof. S.P.P. Amaratunga or failing him

Mr. T. Dharmarajah or failing him

Mr. W.A. Upali Gunawardena or failing him

Mr. K. R. Theodore or failing him

Mr. S.A. Wickramapala or failing him

Mr./Mrs……………………………………………………………………………………………………..........................……………………………………..

of……..........................…………………………………

as *my / our Proxy to speak and / to vote for*me / us on *my / our behalf at the Eighth Annual General Meeting of Raigam Wayamba Salterns PLC to be held at the Auditorium of The Institute of Chartered Accountants of Sri Lanka, No 30A, Malalasekara Mawatha, Colombo 7 on Wednesday the 18 September 2013 at 9.30 a.m and at any adjournment thereof.

		For	Against
01.	To receive and consider the Report of the Directors and Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2013, with the Auditors' Report thereon.		
02.	To re-elect as Director, Mr. W. A. U. Gunawardena, retiring by rotation in terms of Article 81 of the Articles of Association of the Company.		
03.	To re-elect as Director, Mr. S. A. Wickramapala, retiring by rotation in terms of Article 81 of the Articles of Association of the Company.		
04.	To re-elect as Director, Mr. K. R. Theodore, in terms of Article 88 of the Articles of Association of the Company.		
05.	To re-appoint Messrs Ernst & Young, Chartered Accountants as Auditors for the ensuing year and to authorize the Directors to determine their remuneration.		
06.	To authorize the Directors to determine donations for the financial year 2013/2014.		

* The Proxy may vote as he / she thinks fit on any other resolution brought before this meeting

……………….......................……… ……………….......................

Signature/s Date

Note:

1. Please delete the inappropriate words.

2. Instructions as to completion are noted on the next page.

Form of Proxy (Cond..)

Instructions as to completion of Form of Proxy

1. Kindly perfect the Form of Proxy after filling in legibly your full name and address and by signing in the space provided. Please fill in the date of signature

2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him/her.

3. In the case of Corporate Members, the Form of Proxy must be completed under the Common Seal, which should be affixed and attested in the manner prescribed by the Articles of Association / Statutes.

4. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy.

5. The completed Form of Proxy should be deposited at the company's secretaries, No. 94, York Street, Colombo 01 not less than Forty Eight (48) hours before the time fixed for the meeting.

Notes