



ENRICHING LIVES. INSPIRING CHANGE.

Statement of Financial Position

As at <i>Rs '000</i>	Group		Company	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	11,293,957	10,283,616	153,730	105,186
Investment Properties	578,453	474,685	566,289	331,500
Leasehold Right	90,592	94,455	-	-
Intangible Assets	436,701	461,499	398	1,275
Investment in Subsidiaries	-	-	6,344,133	6,194,296
Investment in Joint Ventures	-	-	38,519	38,519
Investment in Associates	221,325	179,399	-	-
Other Non Current Financial Assets	399,147	324,069	224,924	229,941
Deferred Tax Assets	39,762	35,621	-	-
	13,059,937	11,853,344	7,327,993	6,900,717
Current Assets				
Inventories	2,425,137	2,004,989	-	-
Trade and Other Receivables	7,047,695	5,854,420	1,026,351	366,158
Tax Recoverable	78,590	134,306	5,323	585
Other Current Financial Assets	172,919	361,515	647,913	350,717
Cash and Short Term Deposits	3,223,380	2,447,112	85,301	42,919
	12,947,721	10,802,342	1,764,888	760,379
Total Assets	26,007,658	22,655,686	9,092,881	7,661,096
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	1,600,603	1,600,603	1,600,603	1,600,603
Other Capital Reserves	409,751	440,601	257,032	257,032
Other Components of Equity	1,314,477	1,161,253	17,789	20,239
Retained Earnings	8,828,511	7,447,822	4,590,472	4,248,415
Equity attributable to owners of the parent	12,153,342	10,650,279	6,465,896	6,126,289
Non- Controlling Interest	2,259,037	1,990,665	-	-
Total Equity	14,412,379	12,640,944	6,465,896	6,126,289
Non-Current Liabilities				
Interest Bearing Loans and Borrowings	2,182,887	1,384,827	1,288,566	940,785
Other Non Current Financial Liabilities	140,343	144,518	4,383	10,599
Deferred Tax Liabilities	193,313	161,309	51,196	40,057
Employee Benefit Liability	287,427	248,342	26,431	30,551
	2,803,970	1,938,996	1,370,576	1,021,992
Current Liabilities				
Trade and Other Payables	5,906,044	5,189,966	159,802	222,225
Income Tax Liabilities	141,591	63,743	-	-
Interest Bearing Loans and Borrowings	715,230	936,458	1,055,324	290,590
Bank overdraft	2,028,444	1,885,579	41,283	-
	8,791,309	8,075,746	1,256,409	512,815
Total Equity and Liabilities	26,007,658	22,655,686	9,092,881	7,661,096
Net Asset per share - (Rs)	23.59	20.67	12.55	11.89

The above figures are provisional and subject to audit.

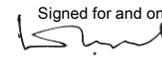
These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.


Malinga Arsakularatne

Chief Financial Officer

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

Signed for and on behalf of the Board by,


Lalith De Mel

Chairman

Colombo

May 22, 2013


A.N.Esufally

Director

Consolidated Income Statement

<i>Rs '000</i>	Three Months	Three Months	Change	Year Ended	Year Ended	Change
	Ended 31.03.2013	Ended 31.3.2012	%	31.03.2013	31.3.2012	%
Revenue	6,786,120	6,154,858	10.3	26,098,362	21,532,503	21.2
Cost of Sales	(4,679,328)	(4,356,277)	7.4	(18,075,091)	(14,957,725)	20.8
Gross Profit	2,106,792	1,798,581	17.1	8,023,271	6,574,778	22.0
Other Operating Income	113,350	61,198	85.2	296,674	174,875	69.6
Selling and Distribution Costs	(552,936)	(508,292)	8.8	(2,087,198)	(1,789,554)	16.6
Administrative Expenses	(886,296)	(856,403)	3.5	(3,800,693)	(3,188,074)	19.2
Share of profit of an Associate	1,554		100.0	1,554	11,925	(87.0)
Operating Profit	782,464	495,084	58.0	2,433,608	1,783,950	36.4
Finance Cost	(45,417)	(67,189)	(32.4)	(370,103)	(465,269)	(20.5)
Finance Income	106,104	45,865	131.3	342,650	202,399	69.3
Profit Before Tax	843,151	473,760	78.0	2,406,155	1,521,080	58.2
Income Tax Expenses	(118,394)	(75,820)	56.2	(472,422)	(259,772)	81.9
Profit for the Period	724,757	397,940	82.1	1,933,733	1,261,308	53.3
Attributable to:						
Equity Holders of the Parent	590,542	372,077	58.7	1,657,655	1,164,525	42.3
Non-Controlling Interests	134,215	25,863	418.9	276,078	96,783	185.3
	724,757	397,940	82.1	1,933,733	1,261,308	53.3
Earnings Per Share (Rs)	1.15	0.72		3.22	2.26	
Annualised Earnings Per Share (Rs)	4.58	2.89		3.22	2.26	
Dividends Per Share (Rs)				0.55	0.50	

Statement of Comprehensive Income

<i>Rs '000</i>	Three Months	Three Months	Change	Year Ended	Year Ended	Change
	Ended 31.03.2013	Ended 31.3.2012	%	31.03.2013	31.3.2012	%
Profit for the Period	724,757	397,940	82.1	1,933,733	1,261,308	53.3
Other Comprehensive Income						
Net (loss)/gain on available-for-sale financial assets	(16,955)	-	-	12,314	(8,576)	(243.6)
Exchange differences on translation of foreign operations	(364)	633	(157.5)	(279)	(272)	2.6
Net movement on cash flow hedges	12,731	(43,434)	(129.3)	37,458	(58,211)	(164.3)
Revaluation of land and buildings	129,042	1,083,496	(88.1)	129,042	1,083,496	(88.1)
Income Tax on other comprehensive income	-	(41,414)	(100.0)	-	(41,414)	(100.0)
Other Comprehensive Income for the period, net of tax	124,454	999,281	(87.5)	178,535	975,023	(81.7)
Total Comprehensive Income for the period, net of tax	849,211	1,397,221	(39.2)	2,112,268	2,236,331	(5.5)
Attributable to:						
Equity Holders of the Parent	697,270	1,268,826	(45.0)	1,810,879	2,025,706	(10.6)
Non-Controlling Interest	151,941	128,395	18.3	301,389	210,625	43.1
	849,211	1,397,221	(39.2)	2,112,268	2,236,331	(5.5)

The above figures are provisional and subject to audit.

Three months ended comparative figures are based on SLASs.

Company Income Statement

<i>Rs '000</i>	Three Months Ended 31.03.2013	Three Months Ended 31.3.2012	Change %	Year Ended 31.03.2013	Year Ended 31.3.2012	Change %
Revenue	185,758	115,637	60.6	561,558	373,654	50.3
Cost of Sales	-	-	-	-	-	-
Gross Profit	185,758	115,637	60.6	561,558	373,654	50.3
Other Operating Income	143,860	21,900	556.9	633,763	438,338	44.6
Administrative Expenses	(113,554)	(91,200)	24.5	(391,490)	(317,252)	23.4
Operating Profit	216,064	46,337	366.3	803,831	494,740	62.5
Finance Cost	(94,529)	(21,892)	331.8	(252,417)	(123,745)	104.0
Finance Income	35,452	10,353	242.4	100,136	58,877	70.1
Profit Before Tax	156,987	34,798	351.1	651,550	429,872	51.6
Income Tax Expenses	(15,977)	(3,875)	312.3	(26,083)	(22,271)	17.1
Profit for the Period	141,010	30,923	356.0	625,467	407,601	53.5
Dividends Per Share (Rs)				0.55	0.50	

Statement of Comprehensive Income

<i>Rs '000</i>	Three Months 31.03.2013	Year Ended 31.03.2013	Year Ended 31.3.2012	Change %
Profit for the Period	141,010	625,467	407,601	53.5
Other Comprehensive Income				
Net (loss)/gain on available-for-sale financial assets	(2,580)	(2,450)	(8,680)	(71.8)
Exchange differences on translation of foreign operations	-	-	-	-
Net movement on cash flow hedges	-	-	-	-
Revaluation of land and buildings	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-
Other Comprehensive Income for the period, net of tax	(2,580)	(2,450)	(8,680)	(71.8)
Total Comprehensive Income for the period, net of tax	138,430	623,017	398,921	56.2

The above figures are provisional and subject to audit

Three months ended comparative figures are based on SLASs.

Consolidated Statement of Changes in Equity

	Attributable to Equity Holders of the Parent						Retained Earnings	Total	Non Controlling Interest	Total Equity
	Stated Capital	Other Capital Reserves	Other Component Of Equity							
			Revaluation Reserve	Exchange Reserve	Available for sale Reserve	Cash flow hedge Reserve				
Rs '000										
As at 31 March 2011 (SLFRS)	1,468,426	345,206	273,077	(1,179)	28,979	-	6,613,376	8,727,885	1,589,630	10,317,515
Profit for the year	-	-	-	-	-	-	1,164,526	1,164,526	96,783	1,261,309
Other comprehensive income	-	-	913,687	(272)	(8,576)	(43,658)	-	861,181	113,843	975,024
Total comprehensive income	-	-	913,687	(272)	(8,576)	(43,658)	1,164,526	2,025,707	210,626	2,236,333
Issue of ordinary shares under ESOS	132,177	-	-	-	-	-	-	132,177	-	132,177
Dividends Paid - Ordinary Shares	-	-	-	-	-	-	(256,833)	(256,833)	-	(256,833)
Transfer to/from during the Year										
- Overhaul Reserve	-	95,395	-	-	-	-	(71,546)	23,849	(23,849)	-
- Revaluation Reserve	-	-	(805)	-	-	-	805	-	-	-
Shares Issued to Minority Shareholders	-	-	-	-	-	-	-	-	277,540	277,540
Transaction cost on Issue of shares	-	-	-	-	-	-	(2,506)	(2,506)	(1,852)	(4,358)
Dividends to Minority	-	-	-	-	-	-	-	-	(68,195)	(68,195)
Adjustment in respect of changes in Group Holding	-	-	-	-	-	-	-	-	6,765	6,765
As at 31 March 2012	1,600,603	440,601	1,185,959	(1,451)	20,403	(43,658)	7,447,822	10,650,279	1,990,665	12,640,944
Profit for the year	-	-	-	-	-	-	1,657,656	1,657,656	276,078	1,933,734
Other comprehensive income	-	-	116,771	(279)	8,639	28,093	-	153,224	25,311	178,535
Total comprehensive income	-	-	116,771	(279)	8,639	28,093	1,657,656	1,810,880	301,389	2,112,269
Dividends Paid - Ordinary Shares	-	-	-	-	-	-	(283,410)	(283,410)	-	(283,410)
Transfer to/from during the Year										
- Overhaul Reserve/ Heat and Lube oil Reserve	-	(30,850)	-	-	-	-	17,397	(13,453)	5,800	(7,653)
- Revaluation Reserve	-	-	-	-	-	-	-	-	-	-
Shares Issued to Minority Shareholders	-	-	-	-	-	-	-	-	-	-
Transaction cost on Issue of shares	-	-	-	-	-	-	(10,954)	(10,954)	(1,770)	(12,724)
Dividends to Minority	-	-	-	-	-	-	-	-	(77,232)	(77,232)
Adjustment in respect of changes in Group Holding	-	-	-	-	-	-	-	-	40,185	40,185
As at 31 March 2013	1,600,603	409,751	1,302,730	(1,730)	29,042	(15,565)	8,828,511	12,153,342	2,259,037	14,412,379

Statement of Changes in Equity- Company

	Stated Capital	Other Capital Reserves	Other Component Of Equity Available for Sale Reserve	Retained Earnings	Total
Rs '000					
Balance as at 01 April 2011	1,468,426	257,032	28,919	4,098,276	5,852,653
Profit for the Year	-	-	-	407,601	407,601
Other comprehensive income	-	-	(8,680)	-	(8,680)
Total comprehensive income	-	-	(8,680)	407,601	398,921
Issue of ordinary shares under ESOS	132,177	-	-	-	132,177
Transaction cost on issue of shares	-	-	-	(629)	(629)
Final dividend paid	-	-	-	(128,010)	(128,010)
Interim dividend paid	-	-	-	(128,823)	(128,823)
Balance as at 31 March 2012	1,600,603	257,032	20,239	4,248,415	6,126,289
Profit for the year	-	-	-	625,467	625,467
Other comprehensive income	-	-	(2,450)	-	(2,450)
Total comprehensive income	-	-	(2,450)	625,467	623,017
Final dividend paid	-	-	-	(128,823)	(128,823)
Interim dividend paid	-	-	-	(154,587)	(154,587)
Balance as at 31 March 2013	1,600,603	257,032	17,789	4,590,472	6,465,896

The above figures are provisional and subject to audit

Cash Flow Statement

Rs '000	Group		Company	
	Year Ended 31.03.2013	Year Ended 31.3.2012	Year Ended 31.03.2013	Year Ended 31.3.2012
Operating Activities				
Profit Before Taxation	2,406,155	1,521,080	651,550	429,872
Adjustments for				
Depreciation	707,593	629,422	29,980	22,682
(Profit)/Loss on Disposal of Property, Plant and Equipment	(40,876)	(37,651)	(1,548)	2,666
Unrealised profit	-	7,427	-	-
Reversal of heat and lube oil provision	(7,653)	-	-	-
Gain on fair value adjustment of Investment properties	(65,322)	(32,127)	(66,908)	(14,559)
Amortisation/Impairment of Intangibles	42,005	37,971	975	1,956
Impairment of Non Current Investments	-	-	-	10,676
Amortisation of Leasehold Rights	3,864	3,931	-	-
Exchange gain or loss on foreign currency borrowings	16,768	90,648	-	-
(Profit)/ loss on sale of non current investments	(576)	1,716	(78,908)	8,175
Finance Cost	370,103	465,269	252,417	123,745
Finance Income	(342,650)	(202,399)	(100,136)	(58,877)
Share of results of Associates	(1,554)	(11,925)	-	-
Investment Income	-	-	(478,819)	(424,031)
Employee Benefit Liability	64,938	32,837	5,804	12,007
Working Capital Adjustments				
(Increase)/Decrease in Inventories	(417,181)	(324,217)	-	-
(Increase)/Decrease in Trade and Other Receivables	(1,165,832)	(1,632,305)	(655,242)	(141,403)
(Increase)/Decrease in Other Current Financial Assets	279,821	411,722	(6,446)	(13,893)
Increase/(Decrease) in Trade and Other Payables	709,437	1,070,628	(62,424)	12,341
Increase/(Decrease) in Other Non Current Liabilities	-	-	(6,216)	10,599
Increase/(Decrease) in Other Non Current Financial Liabilities	2,639	2,050	-	-
Finance Cost Paid	(376,509)	(398,244)	(227,730)	(75,085)
Finance Income Received	301,184	162,352	82,029	52,325
Income Tax Paid	(316,717)	(275,916)	(19,682)	(38,206)
Employee Retirement Benefit Paid	(26,200)	(14,286)	(9,924)	(131)
Net Cash flows from/(Used in) Operating Activities	2,143,437	1,507,983	(691,228)	(79,141)
Investing Activities				
Purchase of Property, Plant and Equipment	(1,363,622)	(1,588,724)	(80,443)	(43,400)
Purchase of investment property	(167,881)	-	(167,881)	-
Increase in investment in associate	(41,338)	-	-	-
Investment in Intangible Assets	(1,743)	(2,275)	(98)	(266)
Investment in Non current Financial Assets	(124,769)	(122,428)	15,211	(52,209)
Investments/Acquisition/Disposal of Subsidiary	(23,308)	3,186	(198,541)	(520,083)
Redemption of preference shares	-	(7,056)	-	-
Proceeds from Disposal of subsidiaries and joint ventures	-	-	127,612	2,937
Proceeds from Disposal of Property, Plant and Equipment	81,357	108,474	3,465	8,234
Investment Income Received	-	-	478,819	424,031
Net Cash flows from/(Used in) Investing Activities	(1,641,304)	(1,608,823)	178,144	(180,756)
Financing Activities				
Interest Bearing Loans and Borrowings (Net)	464,528	(518,074)	797,593	437,717
Transaction cost on subsidiary share issue	(12,722)	(4,359)	-	(629)
Proceeds from Non-Controlling interest	40,185	277,541	-	-
Proceeds from Issue of Ordinary shares under ESOS	-	132,177	-	132,177
Dividends Paid - Equity Holders of the Parent	(283,410)	(256,833)	(283,410)	(256,833)
- Non-Controlling Interest	(77,232)	(68,196)	-	-
Net Cash flows from/(Used in) Financing Activities	131,349	(437,744)	514,183	312,432
Net Increase/(Decrease) in Cash and Cash Equivalents	633,482	(538,584)	1,099	52,535
Net Foreign Exchange Difference	(79)	(890)	-	-
Cash and Cash Equivalents at the beginning of the Year	561,533	1,101,007	42,919	(9,616)
Cash and Cash Equivalents at the end of the period	1,194,936	561,533	44,018	42,919

The above figures are provisional and subject to audit

Segmental Information

For Three months ended 31 March	FMCG		Health Care		Leisure		Transportation		Power		Others		Group	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Rs '000														
Revenue														
Segmental Revenue - Gross	1,984,851	1,712,151	2,324,918	2,032,731	561,272	457,978	353,878	180,747	1,114,917	1,352,429	699,550	623,120	7,039,386	6,359,156
Intra Segmental Revenue	-	-	(11,643)	(14,417)	-	-	-	-	-	-	(27,456)	(27,825)	(39,099)	(42,242)
Segmental Revenue	1,984,851	1,712,151	2,313,275	2,018,314	561,272	457,978	353,878	180,747	1,114,917	1,352,429	672,094	595,295	7,000,287	6,316,914
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(214,167)	(162,056)	(214,167)	(162,056)
Total Revenue	1,984,851	1,712,151	2,313,275	2,018,314	561,272	457,978	353,878	180,747	1,114,917	1,352,429	457,927	433,239	6,786,120	6,154,858
Segmental Results	151,067	142,338	212,779	144,001	262,879	88,625	111,212	74,244	36,179	34,141	(58,530)	(20,392)	715,586	462,957
Finance Cost	(1)	2	(32,774)	(29,881)	21,206	(10,797)	(7,491)	48	(703)	(19,276)	(25,654)	(7,285)	(45,417)	(67,189)
Finance Income	39,748	15,548	4,910	1,457	1,804	6,378	18,488	10,751	36,965	10,771	4,189	960	106,104	45,865
Change in Fair Value of Investment Property	-	-	-	-	-	-	-	-	-	-	65,324	32,127	65,324	32,127
Share of results of associate	-	-	-	-	1,554	-	-	-	-	-	-	-	1,554	-
Profit/(Loss) before Tax	190,814	157,888	184,915	115,577	287,443	84,206	122,209	85,043	72,441	25,636	(14,671)	5,410	843,151	473,760
Income Tax	(12,855)	(14,111)	(46,789)	(29,616)	(29,511)	(15,675)	(10,309)	(2,422)	1,804	(1,400)	(20,734)	(12,596)	(118,394)	(75,820)
Profit / (Loss) for the Period	177,959	143,777	138,126	85,961	257,932	68,531	111,900	82,621	74,245	24,236	(35,405)	(7,186)	724,757	397,940
Attributable to:														
Equity Holders of the Parent	177,959	143,777	149,684	89,566	131,103	45,277	105,916	82,621	61,309	18,194	(35,429)	(7,358)	590,542	372,077
Minority Interests	-	-	(11,558)	(3,605)	126,829	23,254	5,984	-	12,936	6,042	24	172	134,215	25,863
	177,959	143,777	138,126	85,961	257,932	68,531	111,900	82,621	74,245	24,236	(35,405)	(7,186)	724,757	397,940

The above figures are provisional and subject to audit

Three months ended comparative figures are based on SLASs.

Segmental Information

For Year ended 31 March	FMCG		Health Care		Leisure		Transportation		Power		Others		Group	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<i>Rs '000</i>														
Revenue														
Segmental Revenue - Gross	7,691,263	6,716,124	9,046,584	7,548,710	1,643,375	1,185,462	1,100,731	721,987	5,509,449	4,471,370	1,925,582	1,489,177	26,916,984	22,132,830
Intra Segmental Revenue	-	-	(71,040)	(68,317)	-	-	-	-	-	-	(71,382)	(40,084)	(142,422)	(108,401)
Segmental Revenue	7,691,263	6,716,124	8,975,544	7,480,393	1,643,375	1,185,462	1,100,731	721,987	5,509,449	4,471,370	1,854,200	1,449,093	26,774,562	22,024,429
Inter Segmental Revenue	-	-	-	-	-	-	-	-	-	-	(676,200)	(491,926)	(676,200)	(491,926)
Total Revenue	7,691,263	6,716,124	8,975,544	7,480,393	1,643,375	1,185,462	1,100,731	721,987	5,509,449	4,471,370	1,178,000	957,167	26,098,362	21,532,503
Segmental Results	684,198	551,053	805,045	575,460	514,159	230,191	378,890	250,460	313,783	327,403	(329,345)	(194,669)	2,366,730	1,739,898
Finance Cost	(8)	(12,896)	(143,652)	(139,807)	(161)	(117,791)	(15,116)	(5,595)	(153,803)	(140,350)	(57,363)	(48,830)	(370,103)	(465,269)
Finance Income	108,903	64,246	13,469	8,884	13,009	17,769	64,614	28,399	124,776	67,217	17,879	15,884	342,650	202,399
Share of results of associate					1,554	11,925							1,554	11,925
Change in Fair Value of Investment Property											65,324	32,127	65,324	32,127
Profit/(Loss) before Tax	793,093	602,403	674,862	444,537	528,561	142,094	428,388	273,264	284,756	254,270	(303,505)	(195,488)	2,406,155	1,521,080
Income Tax	(47,826)	(23,735)	(181,784)	(123,878)	(64,069)	(18,352)	(100,690)	(27,899)	1,101	(856)	(79,154)	(65,052)	(472,422)	(259,772)
Profit / (Loss) for the Period	745,267	578,668	493,078	320,659	464,492	123,742	327,698	245,365	285,857	253,414	(382,659)	(260,540)	1,933,733	1,261,308
Attributable to:														
Equity Holders of the Parent	745,267	578,668	520,151	346,041	232,889	59,249	321,714	245,365	220,070	195,738	(382,436)	(260,536)	1,657,655	1,164,525
Minority Interests	-	-	(27,073)	(25,382)	231,603	64,493	5,984	-	65,787	57,676	(223)	(4)	276,078	96,783
	745,267	578,668	493,078	320,659	464,492	123,742	327,698	245,365	285,857	253,414	(382,659)	(260,540)	1,933,733	1,261,308

The above figures are provisional and subject to audit

Notes to the Financial Statements

1 Basis of preparation

These are the Group's fourth SLFRS condensed interim financial statements prepared in accordance with Sri Lanka Financial Reporting Standard - SLFRS 1, First-time Adoption of Sri Lanka Accounting Standards ("SLFRSs").

The condensed interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS- 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2012, including the changes to accounting policies as a result of convergence to revised Sri Lanka Accounting Standards (SLFRSs/LKASs). Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

Under the Ruling for the Comparative figures in the Interim Financial Statements issued by the Institute of Chartered Accountants of Sri Lanka, the Group/Company opted to prepare the interim financial statements presenting the current period figures and the comparative figures based on Sri Lanka Accounting Standards (SLFRSs/LKASs) effective from 1 January 2012, while only presenting the comparative figures for income statement and segmental information for three months ended under the Sri Lanka Accounting Standards (SLASs) existed immediately prior to 1 January 2012 (Option 3 in the given Ruling).

2 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company, its subsidiaries and jointly controlled entities as at 31st March 2013.

With the implementation of SLFRSs the basis of consolidation will include the following changes;

- Losses within a subsidiary are attributed to the non-controlling interest even if that 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:
 - Derecognises the assets (including goodwill) and liabilities of the subsidiary
 - Derecognises the carrying amount of any non-controlling interest
 - Derecognises the cumulative translation differences, recorded in equity
 - Recognises the fair value of the consideration received
 - Recognises the fair value of any investment retained
 - Recognises any surplus or deficit in profit or loss
 - Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.
- Upon loss of joint control the Group measures and recognises its remaining investment at its fair value. Any difference between the carrying amount of the former joint controlled entity upon loss of joint control and the fair value of the remaining investment and proceeds from disposal is recognised in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in an associate.

3 Changes in accounting policies

The accounting policies adopted for quarter ended 31 March 2013 are consistent with those of the previous financial year except as described below.

3.1 Business combinations and goodwill

Definition of a business is an integrated set of assets (inputs) and activities (processes) which are capable of being conducted and managed to provide a return, as opposed to a mere asset acquisition. Business combinations are accounted for using the acquisition method. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Notes to the Financial Statements

3.2 Property, plant and equipment

All items of Property, Plant and Equipment are initially recorded at cost. If payment is deferred beyond normal credit terms, the difference between the cash price equivalent and the total payment is recognized as interest over the period, unless such interest is capitalized in accordance with LKAS 23-Borrowing Costs. Significant components of an asset are identified and depreciated separately. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group de-recognises the replaced part, and recognises the new part with its own associated useful life and depreciation. All other repair and maintenance costs are recognised in the income statement as incurred.

Group has decided to continue the present classification of Thermal and Hydro power plants under property, plant and equipment until the accounting treatment for power purchase agreements is finalised under SLFRS/LKAS

3.3 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, 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, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to 1 April 2011, the date of inception is deemed to be 1 April 2011 in accordance with SLFRS 1.

3.4 Employee Benefit Plan

Defined Benefit Plan

Actuarial gains and losses for defined benefit plans are recognised in full in the period in which they occur in the income statement.

3.5 Share-based payment transactions

Equity-settled transactions

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense.

3.6 Financial Instruments

LKAS 32 – Financial Instruments: Presentation, LKAS 39 – Financial Instruments: Recognition and Measurement and SLFRS 7 – Financial Instruments: Disclosures result in changes to the current method of recognizing financial assets, financial liabilities and equity instruments. These standards require measurement of financial assets and financial liabilities at fair value at initial measurement. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or a liability (other than financial assets and financial liabilities at fair value through profit or loss) are added or deducted from the fair value of the financial asset or liability as appropriate on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognized immediately in the income statement.

The subsequent measurement of financial assets classified as fair value through profit and loss and available for sale are at fair value, with the gains and losses routed through the income statement and other comprehensive income respectively.

Financial assets classified as held to maturity and loans and receivables are measured subsequently at amortized cost. These assets have been assessed for any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') coupled with a reliable estimate of the loss event (or events) impact on the estimated future cash flows of the financial asset or group of financial assets.

Financial assets are derecognized when the contractual rights to the cash flows from the asset has expired, or when the group has transferred the financial asset and substantially all the risk and rewards of ownership to another entity.

Financial liabilities are either classified as financial liabilities at fair value through profit or loss or other financial liabilities measured at amortized cost.

Financial liabilities are derecognised when and only when they are extinguished, that is when the obligation is discharged, cancelled or expired.

Notes to the Financial Statements

3.7 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue recognition policy for following elements has been changed.

Interest income

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

Dividends

Revenue is recognised when the Group's right to receive the payment is established.

3.8 Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 First-time adoption of SLFRS

SLFRS 1, First-Time Adoption of Sri Lanka Financial Reporting Standards allows first-time adopters certain exemptions from the retrospective application of SLFRS. Set out below are the applicable exemptions and exceptions under SLFRS 1 applied by the Group in preparing the first condensed consolidated interim financial statements for the quarter ended 31 March 2013.

4.1 Optional exemptions which the group has opted to apply:

Business combinations

SLFRS 3 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses for SLFRS, or of interests in associates and joint ventures that occurred before 1 April 2011.

Share-based payment transactions

SLFRS 2 Share based Payment has not been applied to equity instruments in share based payment transactions that were granted on or before 1 January 2012.

Fair value as deemed cost

Certain items of property, plant and equipment have been measured at fair value and used that fair value as its deemed cost at the date of transition to SLFRS.

Leases

The Group has applied the transitional provision in IFRIC 4 Determining Whether an Arrangement Contains a Lease and has assessed all arrangements based upon the conditions in place as at the date of transition. Accordingly, the Group has determined whether an arrangement existing at the date of transition to SLFRS contains a lease on the basis of facts and circumstances existing at that date.

Investments in subsidiaries, jointly controlled entities and associates

The group has measured an investment in a subsidiary, jointly controlled entity or associate at deemed cost (previous SLAS carrying amount) in its separate SLFRS financial statements.

Notes to the Financial Statements

Assets and liabilities of subsidiaries, jointly controlled entities and associates

When the parent becomes a first-time adopter later than its subsidiary, associate or joint venture, in the parent's consolidated financial statements the assets and liabilities of the subsidiary, associate or joint venture are measured at the same amounts as in the subsidiary's, associate's or joint venture's financial statements (after adjusting for consolidation and equity accounting adjustments and for the effects of the business combination in which the entity acquired the subsidiary).

Designation of previously recognised financial instruments

The Group has designated equity instruments held as at 1 April 2011 as available-for-sale investments.

4.2 Exceptions the group has not applied retrospectively:

Estimates

The estimates are consistent with those made for the same dates in accordance with SLASs (after adjustments to reflect any differences in accounting policies).

De-recognition of financial assets and financial liabilities

The Group has not recognized financial assets and financial liabilities which were previously de-recognised under SLAS as a result of a transaction that occurred before 1 April 2011.

Hedge Accounting

Transactions entered into before the date of transition to SLFRS have not been retrospectively designated as hedges. Further, the application of hedge accounting has been discontinued if an instrument is designated as a hedge before the date of transition, but does not meet the conditions for hedge accounting in LKAS 39.

Non-controlling interests

The following requirements of LKAS 27 are applied prospectively from the date of transition to SLFRS.

- To attribute total comprehensive income to non-controlling interests irrespective of whether this results in a deficit balance.
- To treat changes in a parents ownership interest that do not result in a loss of control as equity transactions.
- To apply LKAS 27 to loss of control of a subsidiary

5 Standards issued but not yet effective

The Institute of Chartered Accountants of Sri Lanka has issued the following standards which become effective for annual periods beginning after the current financial year. Accordingly these standards have not been applied in preparing these financial statements. The Group reasonably expects that these standards when applied will have substantial impact to the financial performance, financial position and disclosures. The Group intends to adopt these standards when they become effective.

SLFRS 9 – Financial Instruments

SLFRS 10 – Consolidated Financial Statements

SLFRS 11 – Joint Arrangements

SLFRS 12 – Disclosure of Interest in other entities

SLFRS 13 – Fair value measurement

- 6 The previous years'/periods' figures and phrases have been amended where relevant, for better presentation and to be comparable with those of the current period.
- 7 The group invested in Hemas Logistics (Pvt) Ltd (formally known as Forwardair Logistics (Pvt) Ltd), Rs.55mn and in H & M Shipping Services (Pvt) Ltd, Rs.30mn on 31st July 2012
- 8 The company paid a final dividend of Rs. 0.25 per share on 12 July 2012, for the financial year ended 31 March 2012.
- 9 The company paid an interim dividend of Rs. 0.30 per share on 3 December 2012, for the financial year ended 31 March 2013.
- 10 The Group invested a further Rs. 300mn in Panasian Power PLC on 24th April 2013 thereby increasing the group stake in Panasian Power PLC to 29.3%.
- 11 The Board of Directors of the Company has declared a final dividend of Rs.0.45 per share for the financial year ended 31 March 2013 as required by section 56(2) of the companies Act No.07 of 2007, The Board of Directors has confirmed that the company satisfies the solvency test in accordance with section 57 of the Companies Act No.07 of 2007, and has obtained a certificate from the Auditors, prior to declaring the final dividend which is to be paid on 9th July 2013
- 12 There have been no other events subsequent to the balance sheet date, which require disclosure in the interim financial statements.
- 13 There has been no significant changes in the nature of the contingent liabilities which were disclosed in the Audited Accounts for the year ended 31 March 2012.

Investor Information

	Three months Ended 31.03.2013	Three months Ended 31.03.2012
Market Value of Shares		
Closing Price on 31st March (Rs)	27.00	26.30
Highest Price during the Period (Rs)	30.50	33.40
Lowest Price during the Period (Rs)	26.10	23.00
Market Capitalization on 31st March (Rs Mn)	13,913	13,552
Ratios (As per SLFRSs)		
Net Asset Per Share on 31st March (Rs)	23.59	20.67
Price Earnings Ratio on 31st March (times)	5.89	9.11
Share Trading		
No of transactions during the Period	1,084	1,035
No of shares traded during the Period	3,621,042	3,260,745
Value of shares traded during the Period (Rs Mn)	101	89
Number of Shares	515,290,620	515,290,620

Share Information

LIST OF 20 MAJOR SHAREHOLDERS	31.03.2013		31.03.2012	
	No. of Shares	%	No. of Shares	%
1 A Z Holdings (Pvt) Ltd.	90,762,875	17.61	90,762,875	17.61
2 Saraz Investments (Pvt) Ltd.	86,396,035	16.77	86,396,035	16.77
3 Blueberry Investments (Pvt) Ltd.	85,781,250	16.65	85,781,250	16.65
4 Amagroup (Pvt) Limited	85,780,665	16.65	85,780,665	16.65
5 Employees Provident Fund	27,259,122	5.29	26,650,875	5.17
6 HSBC Intl. Nominees Ltd-SSBT-The RBS as Dep of FS India Subcontinent Fund As S/F Of First State Investment	9,732,370	1.89	9,732,370	1.89
7 Sri Lanka Insurance Corporation Ltd. - Life Fund	6,635,700	1.29	6,635,700	1.29
8 Mr. I.A.H. Esufally	6,424,000	1.25	6,132,500	1.19
9 HSBC Intl. Nominees Ltd-SSBT-The RBS PLC as Dep for first state Asia Pacific Sustainability Fund S/F of FS	6,272,899	1.22	6,272,899	1.22
10 Mr. M.A.H. Esufally	5,946,500	1.15	5,655,000	1.10
11 Mr. H.N. Esufally	5,836,705	1.13	5,795,205	1.12
12 Jacey Trust Services (Pvt) Ltd -Account No 2	5,750,000	1.12	8,750,000	1.70
13 HSBC Intl. Nominees Ltd. - HSBC Bank PLC - CMG First State Global Umbrella Fund PLC CMG First State India	5,149,500	1.00	5,825,500	1.13
14 Lexinton Holdings (Pvt) Ltd.	4,740,600	0.92	4,740,600	0.92
15 Jacey Trust Services (Pvt) Ltd	4,613,750	0.90	4,613,750	0.90
16 Anverally and sons (pvt) Ltd A/C no 01	3,828,661	0.74	3,011,700	0.58
17 Employees Trust Fund Board	3,639,711	0.71	2,795,100	0.54
18 HSBC Intl Nom Ltd-JPMCB- Pacific Assests Trust PLC	3,051,800	0.59	3,051,800	0.59
19 Cocoshell Activated Carbon Company Ltd.	2,660,175	0.52	2,889,775	0.56
20 Mr. A. N. Esufally	2,283,585	0.44	1,992,085	0.39

DIRECTORS' SHAREHOLDING	31.03.2013		31.03.2012	
	No. of Shares		No. of Shares	
DIRECTORS' INDIRECT SHAREHOLDING				
A Z Holdings (Pvt) Ltd.	90,762,875		90,762,875	
Saraz Investments (Pvt) Ltd.	86,396,035		86,396,035	
Blueberry Investments (Pvt) Ltd.	85,781,250		85,781,250	
Amagroup (Pvt) Ltd.	85,780,665		85,780,665	
DIRECTORS' DIRECT SHAREHOLDING				
Mr. J. C. L. De Mel (Chairman)	87,500		87,500	
Mr. H.N. Esufally (Chief Executive Officer)	5,836,705		5,795,205	
Mr. A.N. Esufally	2,283,585		1,992,085	
Mr. I.A.H. Esufally	6,424,000		6,132,500	
Mr. M.E. Wickremesinghe	11,250		11,250	
Mr. M. A. H. Esufally	5,946,500		5,655,000	
Mr. D. Bhatnagar	-		150	
Mr. Pradipta Kumar Mohapatra	-		-	
	369,310,365		368,394,515	

PUBLIC HOLDING	31.03.2013		31.03.2012	
	No. of Shares		No. of Shares	
Issued Share Capital	515,290,620		515,290,620	
Less:Directors' Direct and Indirect Shareholding	369,310,365		368,394,515	
Public Holding	145,980,255		146,896,105	
Public Holding as a % of Issued Share Capital	28.33%		28.51%	

Corporate Information

Legal Form

Quoted Public Company with limited liability listed on the Colombo Stock Exchange on 15 October 2003

Date of Incorporation

10 December 1948

Date of Re-Registration

30 May 2007

New Registration Number

PQ 6

Accounting year end

31 March

Registered Office

Hemas House
No. 75, Braybrooke Place, Colombo 2.

Website

www.hemas.com

Auditors

Ernst & Young
Chartered Accountants
No. 201, De Saram Place, Colombo 10.

Directors

Lalith De Mel (Chairman)
Husein Esufally (CEO)
Imtiaz Esufally
Murtaza Esufally
Abbas Esufally
Maithri Wickremesinghe
Pradipta Mohapatra
Ramabadrn Gopalakrishnan

Secretaries & Registrars

Hemas Corporate Services (Pvt) Ltd.
No.75, Braybrooke Place, Colombo 02.
Telephone: 4 731731 (hunting)
Facsimile: 4 731777

Lawyers to the Company

D.L. & F De Saram
No. 47, Alexandra Place, Colombo 7

Bankers

Bank of Ceylon
Commercial Bank of Ceylon PLC
Citi Bank N.A
Deutsche Bank AG
Hong Kong & Shanghai Banking Corp. Ltd.
Hatton National Bank PLC
Standard Chartered Bank
Nations Trust Bank PLC
People's Bank
DFCC Bank PLC
National Development Bank PLC
Sampath Bank PLC