

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Companies Act No. 7 of 2007 require the Directors to prepare and present Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and the profit or loss of the Company and the Group for the financial year.

The responsibilities of the Directors in relation to the Financial Statements of the Company and the Group are set out in following statement. As per the provision of the Companies Act No. 7 of 2007, the Directors are required to prepare for each financial year and place before a general meeting of shareholders the Financial Statements, which comprise:

- I. A Statement of Income, which presents a true and fair view of the profit or loss of the Group for the financial year; and
- II. A Balance Sheet, which presents a true and fair view of the state of affairs of the Company and its subsidiary as at the end of the financial year and which complies with the requirements of the Companies Act No. 7 of 2007.

In addition the Directors have to ensure that in preparing the Financial Statements:

- a. Appropriate Accounting Policies have been used in a consistent manner;
- b. Where necessary, prudent judgment and estimates have been made;
- c. Requirements of the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 have been followed;
- d. Comply with the listing rules of the Colombo Stock Exchange.

The Directors are responsible for ensuring that the companies within the Group keep sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company and the Group, and to ensure that the Financial Statements presented comply with the requirements of the Companies Act No. 7 of 2007.

The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements presented.

The Directors are required to provide the Auditors with every opportunity to take whatever steps necessary and undertake any inspection deemed necessary to enable them to form their audit opinion.

The responsibility of the Auditors in relation to the Financial Statements appears in the Report of the Auditors on page 109.

Messrs KPMG Ford, Rhodes, Thornton & Company the Auditors of the Company have examined the Financial Statements and the related records and information. Their opinion on Financial Statements is given on page 109.

The Directors are also responsible for taking reasonable measures to safeguard the assets of the Group and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to prevention and detection of fraud and other irregularities. The Directors, having reviewed the financial budget and cash flows for the year to 31st March 2010

and the bank facilities, consider that the Group has adequate resources to continue in operation, and have continued to adopt the going concern basis in preparing Financial Statements.

By Order of the Board,



B.C.S.A.P. Gooneratne
Secretary

Colombo
22nd May 2009