

အိန္ဒိယ

Annual Report 2010



Change

At Asia Capital we know that change is key. Things must change in order to evolve and fear of change can only keep us small.

Now under a new management with a fresh vision, we are creating fundamental change, recalibrating our structure and manufacturing real value.

Contents

Chairman/Managing Director's Review	2	Financial Information	25
Board of Directors	8	Independent Auditor's Report	26
Operative Review	10	Income Statements	28
Management Team	12	Balance Sheets	29
Corporate Structure	14	Cash Flow Statements	30
Corporate Governance	17	Statements of Changes in Equity	32
Annual Report of The Board of Directors on		Notes to the Financial Statements	33
The Affairs of The Company	18	Segment Information	67
Statement of Directors' Responsibilities	22	Ten Year Summary	68
Audit Committee Report	23		
Remuneration Committee Report	24		

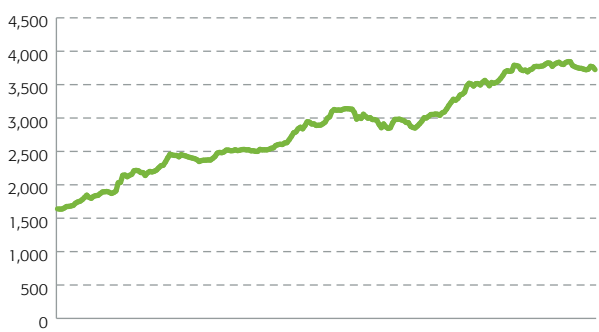


Chairman/Managing Director's Review

“Managing constructive change...”

Manohan Nanayakkara, Chairman/MD

Stockmarket Rally for the Financial Year 2010



Source: Asia Research

All Share Price Index

31/03/2009	1639.76
18/05/2009	2030.90 (^ 24%)
31/03/2010	3724.59 (^ 127%)

On behalf of the Board of Asia Capital PLC, it is my pleasure to warmly welcome you to the Annual General Meeting of Asia Capital PLC. I wish to present to you the Annual Report and audited Financial Statements for the year ended 31st March 2010; to review our performance for the year and to outline our future direction.

ONE

2009/2010 was a significant year for us, first in terms of the momentous political and noteworthy economic developments of our country, and second in terms of the changes within Asia Capital itself.

The Government of Sri Lanka achieved political stability by ending the violent and relentless civil conflict which blighted almost all of our adult lives. What followed was illuminative of the years of missed opportunities. In the calendar year 2009, the Colombo Stock Exchange became the third best performing market in the world. Reports at the time of writing indicate that it is the fastest growing market globally for the calendar year 2010.

While the Stock Market reflects a relatively narrow gauge of the economic health of a country, it is an important one. Particularly, as it is not a mere passive measure but is reflexive in spurring prospective activity, it may therefore be deterministic of future economic well being.

Meanwhile interventionist yet prudent macro-economic management by the Central Bank saw the successful containment

of double-digit inflation, bringing it down to a respectable 6%. Further, the authorities effectively managed a potential meltdown of the financial sector due to the failure of several non-bank financial institutions. Interest rates were consistently driven down, which in turn positively impacted the equity market, providing an incentive for future investments in the productive sectors of the economy.

Sri Lanka appeared to have been reasonably insulated from the catastrophic effects of the global economic crisis. Informed commentators are predicting potential GDP growth of 7% in the calendar year 2010. The policy makers have made strong growth-oriented, pro-business pronouncements. The prognosis for the economic and political health of the country has never been better.

All of these external influences are not merely of academic interest to your company. These factors directly and favourably impact the performance of Asia Capital PLC – be it in stock broking; in deposit mobilization and credit; in insurance; or in investments.

Over the last several decades, it is the norm for the management of listed companies in Sri Lanka to bemoan the external environment of considerable political and economic adversity. In contrast I wish to state unequivocally that it was my pleasure to take the helm of this company in the immediate aftermath of the cessation of the war. I consider myself amazingly lucky to have had this opportunity and my team and I have been working extraordinarily hard over the last one year to translate this incredible opportunity into outstanding results for all of the stakeholders of our company – the customers, the employees, the owners and all of the public bodies that we interact with in the ordinary day to day management of our business.

TWO

In May 2009, Asia Fort Asset Management (Pvt) Ltd sold out their 29% stake in your company to Dato' Vijeyeswaran Vijayaratnam, a prominent Malaysian investor. In February of 2010 Dato' Vijeyeswaran purchased a further 58% of the company, increasing his holding to 87%.

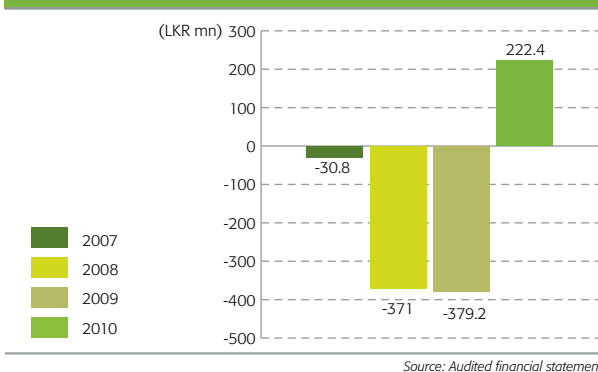
The changes in management were subsequent to Dato' Vijeyeswaran's initial entry to the company. I took up the reigns of the company as Chairman/Managing Director on the 22nd May 2009, along with several resignations and new entrants to the Board of Directors.

At the time of changeover we faced both a difficult and challenging task. FY2007, 2008 & 2009 saw increasing losses as shown in the chart set out opposite. The company was in deep crisis. We needed to manage both the crisis and its consequences, and to turn the company around. In this we were helped by the fortuitous external circumstances and a patient majority shareholder who was strongly committed to the country and its potential, and had faith in the management and staff of the company. We were also assisted by all of the employees, our Directors, and various governmental regulatory bodies we interacted with; whether it be the Securities and Exchange Commission, the Central Bank, or the Insurance Board of Sri Lanka.

Asia Capital – Share Price Movement from 1 April 2009 to date



Asia Capital - Net Profit/(Loss) for the Financial Years 2007-2010



Asia Capital - Net Profit/(Loss) for the Financial Years 2007-2010

FY	LKR mn
2007	(30.8)
2008	(371.0)
2009	(379.2)
2010	222.4

> Chairman/Managing Director's Review

The biggest crisis we faced was at our subsidiary Asia Asset Finance Limited. A combination of the issues faced by the industry in the wake of the public implosion of a large non-bank financial institution, high domestic interest rates and weak management at Asia Asset resulted in the company running at heavy losses and consequently fully eroding its capital base. Second to this crisis, the amount of debt carried by the Group was crippling, with the previous management resorting to informal sources of financing at a very high cost. Third, the staff morale was low. Many members had taken voluntary pay cuts to keep the company afloat. Most divisions were lethargic, dispirited, de-motivated and in despair.

THREE

To obtain an immediate cash infusion to the company a 10% chunk of our stake in our subsidiary Asian Alliance Insurance PLC was purchased by the white knight investor Dato' Vijeyeswaran with a buy-back provision for Asia Capital. The purpose of this manoeuvre was to make Asia Capital solvent and to achieve financial stability.

With this out of the way, the management then worked hard to plug the leaks, and focused on solving the core problems of the group using a hands-on approach. Stringent steps were taken to control discretionary overhead costs. However, the staff salaries were fully restored and all voluntary pay-cuts were repaid to the staff with thanks.

The company performed well, with an improvement in profitability (as detailed later in this report). A bonus was paid to all of the group staff in December 2009, and an additional bonus to our lowest paid employees from overhead cost savings. Our employees appear now to be both highly motivated and deeply committed.

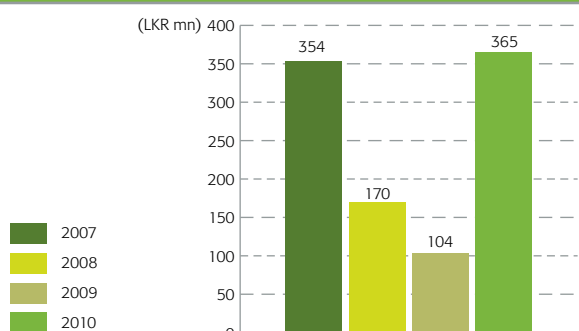
One of the immediate and pressing concerns was to sort out issues relating to Corporate Governance, in particular getting the shareholder results out. There was a backlog of unpublished annual reports. No AGMs had been held for three years. Asia Capital had been on the default board of the Colombo Stock Exchange for almost 5 years. One by one the backlog was cleared, with the company being reinstated to the main board in May 2010. The Board of Directors has been strengthened with the addition of independent directors. An Audit Committee and Remuneration Committee were appointed together with internal auditors. However, more work needs to be done.

FOUR

To help me implement my turnaround strategy two teams were appointed – the Change Management Committee and the Group Management Committee.

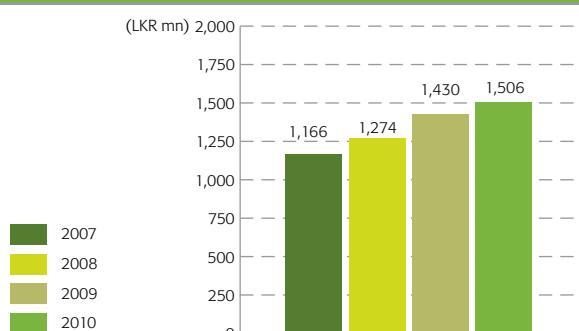
The Change Management Committee is headed by the Group Chief Operating Officer, Stefan Abeyesinhe, and has in addition to myself

Asia Securities - Revenue for the Financial Years 2007-2010



Source: Audited financial statements

Asian Alliance Insurance - GWP for the Financial Years 2006-2009



Source: Audited financial statements

as its members Rajiv Gunawardena, Dhanuka Mudalige and Tharindu Amunugama. These young men have proven to me that they are deeply committed to the cause of the Company and are willing to take on responsibility and work hard beyond reasonable expectations. They report to me directly to implement specific key activities having a direct bearing on shareholder value, and to continue to drive shareholder value upwards. They form the core employees of the holding company which is being structured along the lines of an investment holding company.

Their mission is a very simple one – “hit the next ball out of the ground”.

Just as much as the Change Management Committee is the equivalent of a 20/20 cricket team, the second committee is the equivalent of a One Day International team.

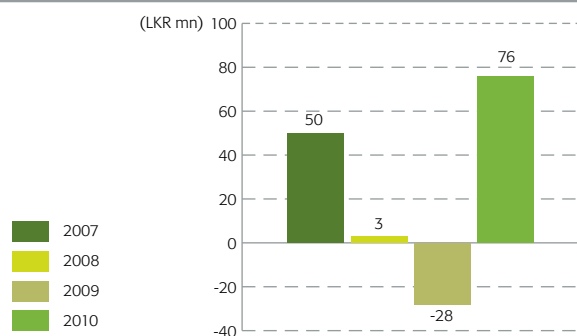
The Group Management Committee consists of the Senior Management members drawn from each of the core group companies. The committee consists of Stefan Abeyesinhe, Sabri Marikkar, Peter Jansen, Mayura Fernando, Ramal Jasinghe, Chula Hettiarachchi, Sudath Jayawardena and my self. Our job is to identify and exploit synergies among the three major elements of our core business; namely Stockbroking and Investment Banking, Insurance and Credit and Deposit Mobilisation. They have formed a cohesive team to maximise value to the group shareholders, whilst minimising the conflict of interest among the majority and minority shareholders and between divisions.

For the cricketing purists amongst you let me state clearly and unequivocally – we are not going to have a group that is the equivalent of a five day test team. We are in too much of a hurry for that!

The Goal of the company has been set to grow at least 5% above our cost of capital. My elementary calculations indicate that the Weighted Average Cost Of Capital of Asia Capital PLC is approximately 15%. We must then achieve a target of approximately 20% growth per annum over the next decade to justify your faith in us. That decade appears to be headed to being the brightest economic period in the short economic history of independent Sri Lanka. We believe our target is achievable in these favourable circumstances.

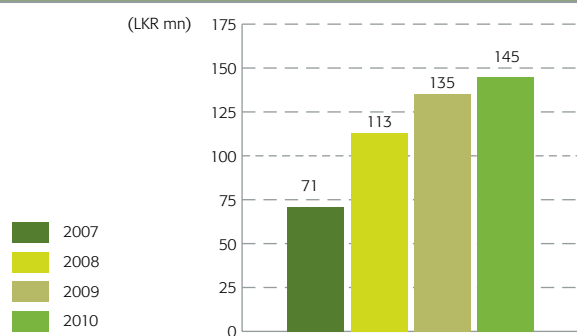
We are proud that as a Group we were able to turn around last year's net loss of LKR 379.2 million to report a more than healthy profit of LKR 222 million. The share price has increased from a low of Rs.5.5 in April 2009 to around Rs.47 at the time of writing. Success is 80% luck and indeed we were lucky due to the opportunities that were presented to us. The balance 20% is to know when we are lucky and to make the best use of it – and I am indeed very grateful to all the members of my team and the staff of all of the Group companies for their commitment and hard work

Asia Securities - Net Profit/(Loss) Financial Years 2007-2010



Source: Audited financial statements

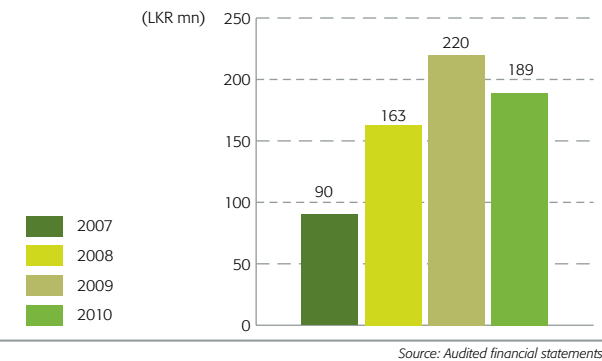
Asian Alliance Insurance - Net Profit/(Loss) for the Financial Years 2006-2009



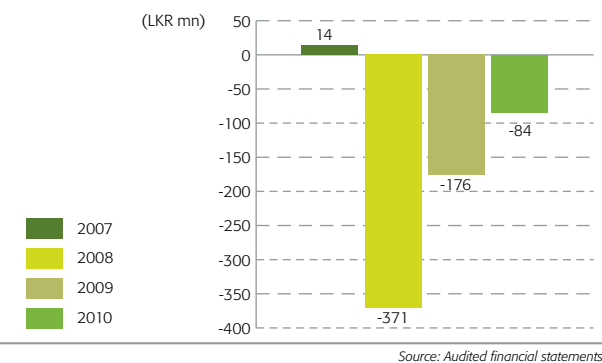
Source: Audited financial statements

> Chairman/Managing Director's Review

Asia Asset Finance - Revenue for the Financial Years 2007-2010



Asia Asset Finance - Net Profit/(Loss) for the Financial Years 2007-2010



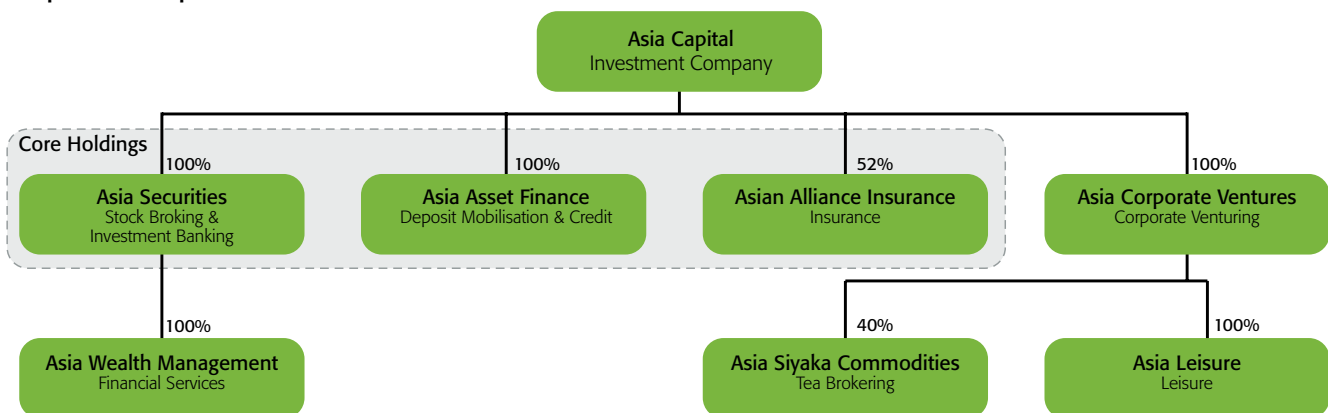
over the last year to stabilise Asia Capital PLC and record commendable results.

Future Outlook

In as much as the financial year 2010 was a year of turnaround, 2011 will be a year of consolidation. Our house was on fire. Our focus was to douse the flames. Having done that, our focus has shifted to recovery, and to growth. The prospects are indeed very good. Internally we are undertaking a restructuring exercise in order to reposition ourselves as an investment company. The restructuring involves grouping the Company into core holdings (Credit, Equity and Insurance) and a corporate venturing arm for non-core units (Asia Siyaka, Asia Leisure) with a view to down the road; make more investments for growth or to divest (as shown below).

We see ourselves continuing to generate cash and make investments in the medium term. We plan to strengthen our ownership control over our core holdings in the first instance. We have decided to brand and expand the 'Asia' franchise to exploit the synergistic business opportunities in financial services within the core holdings. We also wish to exploit our positioning in the financial services industry to the non-core areas where we will continue to invest in companies that have either fundamentally good management or those that require attention, both financial and management.

Proposed Group Structure




In conclusion, I wish to extend my sincere appreciation to my Deputy Chairman Mr. Paul Ratnayake and my colleagues on the Board for their support in taking Asia Capital forward, as well as all our staff members for their dedication and commitment to excellence. I would also like to thank the Board Members of our subsidiary and associate companies who played a vital role in guiding those companies, and who advised and guided me in a period of rapid transition.

Here I wish to single out two persons who contributed immensely during these challenging times. Mr. Daya Muthukumarana, the veteran banker and a member of the Capital Reach Holdings Board stepped into the post of Deputy Chairman of Asia Asset at a time when that company was in crisis. He was a guide, a sounding board, and a valuable mentor to both the young management team and me -- in the business of credit and in the business of life. Mrs. Priyanthi Pieris, a corporate lawyer and another member of the board of Capital Reach Holdings played an invaluable role in helping me to communicate our intentions to various stakeholders of that company during and after the acquisition, enabling us to work as a single team. She also brought to bear her decades of expertise in capital markets and assisted me to clear a wide variety of regulatory issues that were outstanding at the beginning of my tenure. I wish to acknowledge my deep debt of gratitude to both of them and my sincere thanks.

The coming years are going to be exciting for us. The markets are booming and our collective motivation is high. Your expectations as shareholders are rampant. We are inspired by those expectations and hope in turn to feed those expectations and make those expectations grow.

I wish to thank you for being here and for your continued faith in us.



Manohan Nanayakkara
Chairman/MD

November 22, 2010
Colombo

Board of Directors



J. H. P. Ratnayake (Deputy Chairman)



A. C. Seneviratne (Chief Executive Officer)



F. X. R. Pereira



A. D. Ross

H. L. M. Nanayakkara (Chairman/Managing Director)
(*appointed Chairman with effect from 22nd May 2009*)

Mr. Manohan Nanayakkara is the Chairman/Managing Director of Asia Capital PLC and the Managing Director of Asia Securities (Pvt) Ltd. He is a Director of Capital Reach Holdings and its subsidiaries, and also sits on the boards of all associate and subsidiary companies of Asia Capital PLC.

He was the former Chief Operating Officer/Director of Asian Hotels and Properties Limited, previously known as Crescat, and the former General Manager of the Bureau for Infrastructure Investment (BII). He also acted as the Chief Executive Officer/Managing Director of CF Venture Fund. He is a Director of Pradana Limited, an Investment Management Company.

He holds the following academic qualifications and experience: Fellow Member of the Institute of Chartered Management Accountants (FCMA); Master of Science in Accounting (MSA) from James Maddison University of Virginia, USA; Masters in Applied Finance (MAF) and Masters in Business Administration (MBA) from Queensland University of Technology, Queensland, Australia.

He was the Project Specialist who designed and managed the Capital Market Project of USAID which provides assistance for the privatisation and establishment of the Securities and Exchange Commission of Sri Lanka (SEC), and the development of the Colombo Stock Exchange (CSE).

J. H. P. Ratnayeke (Deputy Chairman)

(*appointed Deputy Chairman with effect from 22nd May 2009*)

Mr. Paul Ratnayeke is a Senior Corporate Lawyer who is also the precedent partner of Paul Ratnayeke Associates, a leading law firm in Sri Lanka which he founded in 1987 handling all areas of law and international legal consultancy work.

Mr. Ratnayeke is a Solicitor of England and Wales and an Attorney-at-Law of the Supreme Court of Sri Lanka. He has been awarded a Masters Degree in Law by the University of London.

Currently Mr. Ratnayeke holds directorships in several companies of which 8 are public quoted companies. He has also been elected/appointed as Chairman/Deputy Chairman to several of these companies.

At Paul Ratnayeke Associates, he specialises in corporate and commercial areas of law including mergers and acquisitions, aviation, insurance and maritime law.

A. C. Seneviratne (Chief Executive Officer)

(*resigned as Chief Executive Officer w.e.f. 11th June 2010*)

(*resigned as Director w.e.f. 1st September 2010*)

Mr. Asanga Seneviratne has served as the Director of Asia Capital PLC and Managing Director of Asia Fort Asset Management (Private) Limited. He was the promoter of the first real-time online trading system linked directly to the Colombo Stock Exchange, Asian Alliance

Insurance PLC, Asia Siyaka Commodities (Pvt) Ltd & Asia Fort Sri Lanka Direct Investment Fund Ltd. He is also a member of the interim committee of the Cricket World Cup Committee.

F. X. R. Pereira

(*appointed with effect from 11th September 2009*)

Mr. F. X. Ranjit Pereira was appointed to the board of Asia Capital PLC as a Non-Executive Independent Director. He is a post-graduate Diploma holder in 'International Trade Law & Practice' from the University of Colombo and is a fellow of the Chartered Institute of Management Accountants - UK (F.C.M.A) and the Institute of Chartered Management Accountants - Sri Lanka. He served continuously on the Divisional Committee of CIMA (Sri Lanka Division) from 1973 to 1993 and again from 2002 to 2004. Mr. Pereira served as President of the CIMA branch 1982-83. He was Regional Representative for the South Asia region in 1989 -1992 and 2002-2004 on the Council of Chartered Institute of Management Accountants, London; where he also served on the Executive Committee of CIMA - London 2003-2004.

Mr. Pereira has held directorates in several high ranking Sri Lankan organisations throughout his career, among them being Lankem Ceylon Ltd. where he served as Director Finance & Company Secretary from 1977 to December 1989, Finance Manager & Company Secretary of Lankem Developments Ltd. from 1981 to December 1989, Director Finance & Company Secretary of Sigiriya Village Ltd. Multistrech Ltd and Lankem Exports Ltd up to 1989, Finance Director of Richard Pieris & Co. Ltd from January - August 1990 and Director Finance & Administration of the Janasaviya Trust Fund from December 1990 to July 1995.

He currently serves on the board of Infrastructure and Institution Development Consultancy (Pvt) Ltd, as Director Finance & Company Secretary and also practices as an independent Consultant to private sector organizations and for the IDA –World Bank; ADB and numerous other multilateral institutions. He has been appointed as Chairman of the Audit Committee for Asia Capital.

A. D. Ross

(*appointed with effect from 18th February 2010*)

Mr. Ross holds a Bachelor of Arts in Accountancy and Law from the Strathclyde University of Scotland, and is a member of the Institute of Chartered Accountants of Scotland as well as a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Ross has 37 years of experience in the fields of Chartered Accountancy and Certified Public Accountancy. He is currently the Managing Director of Baker Tilly Hong Kong Limited (Certified Public Accountants), the Finance Director of Windy City International Limited (the operator of Dan Ryan's Restaurants Group) and an Independent Executive Director on the board of Global Tech (Holdings) Limited, which is listed on the Hong Kong Stock Exchange.

Operative Review

The company and group profit and loss for the year is up by 144% and 159% respectively. The segment information (page 67) attached hereto, gives an individual breakdown of business to the Group's performance.

	2008	2009	2010
Profit/(Loss) – Company	(522.7m)	(361m)	159.9m
Profit/(Loss) – Group	(371m)	(379.2m)	222.4m

The most significant contribution came from the incremental performance from deposit mobilization and credit. The results of Asia Asset Finance Limited, a deposit taking non - banking financial institution's results are fully consolidated into the group's results.

Year Ended	2009	2010	30/09/2010 (Unaudited)
Profit/(Loss)	(175.6m)	(84m)	45.9m
NPL Ratio	16.21%	19.36%	4.9%

A significant amount of my time as Chairman of the Group in my first year of office was spent in controlling the bleeding at Asia Asset Finance, since I took over as Chairman of that Company on or about August 2009, so that the senior management team could deploy their time focused on the problems of Asia Asset Finance, particularly as Asia Asset Finance was under the supervision of the Central Bank due to the fact that the capital base was completely eroded by about 2009. The Company approached the Central Bank with a clear plan to turn round Asia Asset Finance Limited, by and large focusing on collection and lending. Towards the end of the period NPL's of the Loan Portfolio was in line with the industry average. Significant changes were made in the Senior Management of the Company with the Chief Executive Officer being replaced in February 2009. Much of the credit for the improved performance should go to Mr. Rajiv Gunawardena the Chief Executive Officer incumbent who took over office in November 2009 and who was the architect of the turn round plan implemented it along with Mr. Daya Muthukumarana a senior banker who joined the Board. I would also like to place on record the assistance given by the management of Capital Reach Holdings Limited in advising me of the issues relating to Asia Asset Finance Limited which was the primary purpose of the take over of Capital Reach Holdings Limited. The deposit mobilization and credit sector of our portfolio continues

to make significant progress, indicating profits right up to the second quarter 2010.

Asian Alliance Insurance PLC continues to perform very well, principally in the Life Division during the period 2009/2010 with the assistance of the major shareholder acquiring the shares for the much needed liquidity of the group. During the current year ACAP has increased its share holding to 74% .

I would like to congratulate Mr. Ramal Jasinghe the Chief Executive Officer of that company for his excellent stewardship during the course of the year. Since November 2009 the investment portfolio of Asian Alliance Insurance PLC has been managed by Asia Capital PLC, as we felt that the appropriate skills were already present at Asia Capital PLC., To quote investment Guru Warren Buffet whose company the fabled Berkshire Hathway, uses the insurance company geico as the corner stone of his investment strategy, explained why we invest in insurance companies is due to the privilege of managing their investment portfolios. The oft quoted sage of Nebraska Omaha, has written that the reason we invest in insurance companies is because it provides us the privilege of managing their investment portfolio. Somewhere on the way, this message had been lost to Asia Capital and on taking over as Chairman of the Group, I was shocked to discover that Asia Capital paid little or no attention to the Life or General Funds at Asian Alliance Insurance PLC.

I am happy to take over the company from the former Chief Executive Officer of Asia Capital PLC., and it has been a great pleasure to work with the management team and redefine their strategies on their return to shareholders in cost management rather than the market share or merely seizing market leadership.

During the current year Asian Alliance Insurance PLC has paid two bonuses to its policy holders which is a first in the industry in Sri Lanka. Asian Alliance Insurance management team is also now focusing in improving not only their shareholders but also on their policy holders. Insurance industry in Sri Lanka has not been stellar in providing a return to their policy holders. Asian Alliance Insurance has now focused on a strategy to redefine financial intermediation costs and to provide outstanding value and delight their policy holders. As an operational goal the company has now

set itself a target of providing a return double that of an ordinary savings bank account in a commercial bank.

During the course of the current year the company has invested on a new IT system based on the Oracle finances which enabled the company to dissect its costs and track direct costs of servicing the customers, so that the company can proceed with greater economy, efficiency and effectiveness. This, the Board and the management of that company considers vital for the growth in this sector.

I took over as Chairman of the Company at a very difficult and turbulent time in May 2009. All the investments were marked to market at the end of the financial year 2009 and 2010 when the company recorded large losses. Due to the cash requirements of the company we disposed most of our non-strategic holdings. Much of the funds generated were used to re-capitalize Asia Asset Finance Limited and meet the capital requirements of the company as this was a mandatory requirement of the Central Bank to maintain the Company as a going concern.

I believe that stock broking and investment banking played an outstanding role in the financial sector through cross selling and operational synergies to become a significant player and hold a unique position in the financial sector of Sri Lanka with the planned branch expansion.

The Management is hoping to list Asia Securities (Private) Limited and Asia Asset Finance in the coming year subject to Board approval. We also hope to increase the Asia Asset Finance capital base to Rs.1.5 billion to qualify to apply for a savings bank licence.

I wish to extend my thanks to Dato Vijay Eswaran, our majority shareholder who believed in the company, to step back from what appeared to be at first sight a lost cause and continued to support me and the management team.

Stock broking and investment banking performed incredibly well during this period, primarily due to overseas interest consequent to the cessation of the civil war in May 2009.

	2008	2009	2010
Operating Profit/(Loss)	2.8m	(44.3m)	141.4m

With the operating profit going up by 419% compared to 2009, we have continued to be responsive to the changes in the market sentiments consequent to the cessation of hostilities in the civil war and the business appears to be in very good shape.

I wish to thank Mr. Asanga Seneviratne the former Chief Executive Officer of Asia Capital PLC, who resigned in June 2010 for the invaluable role he played in guiding me in the intricacies of the stock broking business where I was a novice. I also wish to thank Mr. Dihan Dedigama the Chief Executive Officer of Asia Securities for the valuable role he played in managing the business of Asia Securities (Private) Limited.

I would like to take this opportunity to thank the outgoing directors who left after the change of management in June 2009 viz: Mr. S H Amarasekera and Mr. J M Swaminathan and Mr. Asanga Seneviratne who resigned from the Board in September 2010.

I wish to say it is a privilege to have led the company during a turbulent period and the first period of hope in my entire adult working life which period coincides with the civil war which commenced in 1983.



Manohan Nanayakkara
Chairman/MD

November 22, 2010
Colombo

Management Team

1. **Stefan Abeyesinhe**
(Group COO – Asia Capital / Director – Asia Securities)
2. **Sabri Marikkar**
(CEO / Director, Asia Securities)
3. **Mayura Fernando**
(MD – Capital Reach Holdings)
4. **Ramal Jasinghe**
(CEO/Director – Asian Alliance Insurance)
5. **Chula Hettiarachchi**
(GM Life-Sales & Distribution – Asian Alliance Insurance)



6. **Sudath Jayawardhana**
(Director/GM – Capital Reach Credit)
7. **Peter Jansen**
(Group Head of Administration and HR)
8. **Rajiv Gunawardena**
(CEO/Director – Asia Asset Finance)
9. **Dhanuka Mudalige**
(Senior Investment Analyst – Asia Capital)
10. **Tharindu Amunugama**
(Senior Investment Analyst – Asia Capital)



Corporate Structure



SECURITIES TRADING

Asia Securities (Pvt) Ltd

Business Activity: Securities Trading

Directors:

J H P Ratnayeke (Chairman)
H L L M Nanayakkara (Managing Director)
D A S Abeyesinhe
M S I Marikar
P N B Wijekoon

Holding: 100%

Auditors: KPMG Ford Rhodes Thornton & Co

Investor Access Asia (Pvt) Ltd

Business Activity: Software Development

Directors:

H L L M Nanayakkara
D A S Abeyesinhe
T C Ranatunga
R A B Basnayake

Holding: 100%

Auditors: Amerasekera & Co



FINANCIAL SERVICES

Asia Wealth Management Company (Pvt) Ltd

Business Activity: Financial Services

Directors:

H L L M Nanayakkara
D A S Abeyesinhe

Holding: 100%

Auditors: Amerasekera & Co



INSURANCE

Asian Alliance Insurance PLC

Business Activity: General & Life Insurance

Directors:

J H P Ratnayeke (Chairman)
H L L M Nanayakkara (Deputy Chairman)
(Prof.) L R Watawala
R C D De Silva
R G Jasinghe
R J Wickremasinghe

Holding: 41.75%

Auditors: KPMG Ford Rhodes Thornton & Co



VENTURE CAPITAL

Asia Fort Sri Lanka Direct Investment Fund (Pvt) Ltd

Business Activity: Venture Capital

Directors:

J H P Ratnayeke (Chairman)

H L L M Nanayakkara

Holding: 100%

Auditors: KPMG Ford Rhodes Thornton & Co

Asia Growth Fund 1 (Pvt) Ltd

Business Activity: Venture Capital

Directors:

J H P Ratnayeke (Chairman)

H L L M Nanayakkara

D A S Abeyesinhe

Holding: 100%

Auditors: KPMG Ford Rhodes Thornton & Co



FUND BASED ACTIVITIES

Asia Asset Finance Ltd (formerly known as Finance and Land Sales Ltd)

Business Activity: Finance House

Directors:

H L L M Nanayakkara

D Muthukumarana

R J A Gunawardena

P N Jansen

Holding: 98.64%

Auditors: Aiyar & Co

Capital Reach Holdings Ltd

Business Activity: Finance House

Directors:

J H P Ratnayeke

H L L M Nanayakkara

P M B Fernando

D Muthukumarana

S Batra

D P Peiris

C Ramachandra

Holding: 56.25%

Auditors: Nihal Hettiarachchi & Co

> Corporate Structure



COMMODITIES BROKING

Asia Siyaka Commodities (Pvt) Ltd

Business Activity: Commodities Broking

Directors:

A R Cooke (President/CEO)

H L L M Nanayakkara

D J Wedande

J H P Ratnayeke

D Muthukumarana

L Alawattegama

N A De Mel

W M R Iddawela

U A Sirisekera

Holding: 40%

Auditors: H L B Edirisinghe & Co



LEISURE

Taru Villas Holdings (Pvt) Ltd

Business Activity: Leisure

Directors:

H L L M Nanayakkara

D A S Abeyesinhe

M S D Galagedara

Holding: 100%

Auditors: Manori Abeysundara & Co

Corporate Governance

The Company recognises the need to adopt the code of best practice and good Corporate Governance in order to safeguard shareholder rights and ensure its social responsibility. Given below is a brief description of the measures adopted by the Company.

The Board of Directors currently consists of five members including the Chairman/Managing Director and the Deputy Chairman. The Board is responsible for the formulation of overall business policy and strategy, providing leadership and guidance, agreeing on priorities, and setting standards for the management and conduct of the business. The Board meets at least four times a year but may meet more frequently if circumstances warrant it. The Board of Directors are committed to upholding the highest standards of integrity and transparency in their governance of the company. The Managing Director is delegated with the responsibility of monitoring the progress and implementing the policies of the company formulated by the Board.

The management of the company exercises its authority within the policy framework established by the Board and the ethical framework and business practice inherent to the group, which demands that best practices are followed in dealing with employees, customers and the community at large. The guidelines for the Internal Control Systems ensures that the assets of the company are protected against any unauthorised use or misappropriation and that proper records are maintained and reliable information is received by the Board on a timely basis. The Board reviews annual budgets and forecasts on a regular basis. A well established consolidation and reporting system exists for both statutory and monthly management information. The Board places great emphasis on the complete disclosure of both financial and non-financial information within the bounds of commercial reality. The Board recognises the importance of selecting and retaining competent employees.

The Board constantly strives to enhance shareholder value whilst maintaining good relations with them at all times.

Annual Report of The Board of Directors on The Affairs of The Company

The Directors of Asia Capital PLC have pleasure in submitting their Report together with the audited Financial Statements of the Company and the audited Consolidated Financial Statements of the Group for the year ended 31st March 2010.

Principal Activities

During the year the principal activities of the Group were stock brokering, corporate finance, asset management, margin trading, treasury management, dealing and investing in securities, financial services and insurance.

During the year the primary activities of the Company were to act as an investment holding company and to engage in investment banking activities.

Financial Statements

The complete Financial Statements of the Company duly signed by two Directors on behalf of the Board of Directors are given on pages 28 to 68.

Auditors' Report

The Auditors' Report on the Financial Statements is given on pages 26 to 27.

Accounting Policies

The accounting policies adopted in the preparation of Financial Statements are given on pages 33 to 41. There were no material changes in the Accounting Policies adopted.

Financial Results

For the year ended 31st March	Group		Company	
	2010	2009	2010	2009
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Profit/(loss) before tax expense	288,795	(395,559)	172,546	(360,105)
Income tax expense	(66,435)	16,373	(12,672)	(916)
Retained profit/(loss) after taxation	222,360	(379,186)	159,874	(361,021)
Minority interest	12,600	65,681	-	-
Profit/(Loss) attributable to shareholders	209,760	(444,867)	159,874	(361,021)
Accumulated Loss at the beginning of the year	(1,080,850)	(635,983)	(1,015,178)	(654,157)
Dividend payment	-	-	-	-
Adjustments/transfers	(446)	-	-	-
Accumulated Loss at the end of the year	(871,536)	(1,080,850)	(855,304)	(1,015,178)

Dividends

The Directors do not recommend a dividend for the year under review.

Property, Plant and Equipment

An analysis of the Property, Plant and Equipment of the Company is disclosed in Note 11 of the Financial Statements on pages 45 to 46.

Stated Capital

The Stated Capital of the Company as at 31st March 2010 was Rs. 1,114,558,000/- (110,000,000 Shares).

Donations

There were no donations made by the Company during the Year.

Capital Commitments

There were no material capital expenditure commitments other than those disclosed in Note 38 on page 65 of the Financial Statements.

Provisions

The basis adopted for provisioning is disclosed in Accounting Policy No. 3.3.1 on page 37 of the Financial Statements.

As at the date of the Report, the Directors are not aware of any circumstances which would render inadequate the amounts provided for in the Financial Statements.

Provision for Taxation

The provision for taxation is computed at the rates as disclosed in Note 9 on pages 43 to 44.

Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory dues have been paid up to date, or have been provided for in the Financial Statements.

Contingent Liabilities

Details of contingent liabilities and capital commitments as at 31st March 2010 are set out in Notes 38 and on page 65 of the Financial Statements.

Post Balance Sheet Events

In the opinion of the Directors, no item, transaction or event of an unusual nature has taken place between the financial year end and the date of the report that would materially affect the results of the Company or Group for the financial year in respect of which this report is made.

Risk Management and Internal Control

The Board confirms that there is an ongoing process for identifying, evaluating and managing any significant risk faced by the Company. The Directors review this process through the Audit Committee.

Going Concern

The financial statements are prepared on the assumption that the Company is a going concern as the Directors are confident that the financial position of the Company and Group will significantly improve in the near future and the Company will be able to negotiate banking facilities.

Directors during the Year

The Directors of the Company during the year were as follows.

Mr. H L L M Nanayakkara
Mr. S H Amarasekera
Mr. J H P Ratnayake
Mr. A C Seneviratne
Dato' S T K Sing
Mr. J M Swaminathan
Mr. F X R Pereira
Mr. A D Ross

Appointments

Mr. H L L M Nanayakkara was appointed with effect from 18th March 2009.

Mr. F X R Pereira was appointed with effect from 11th September 2009.

Mr. A D Ross was appointed with effect from the 18th of February 2010.

Resignations

Mr. A C Seneviratne resigned with effect from 1st September 2009.

Mr. S H Amarasekera resigned with effect from 15th May 2009.

Mr. J M Swaminathan resigned with effect from 14th May 2009.

Dato' S T K Sing resigned with effect from the 18th of February 2010.

(1) Mr. J H P Ratnayake retires by rotation in accordance with Article 98 of the Articles of Association of the Company and being eligible, offers himself for re-election.

(2) (a) Mr. H L L M Nanayakkara retires in accordance with Article 103 of the Articles of Association of the Company and being eligible, offers himself for re-election.

(b) Mr. F X R Pereira retires in accordance with Article 103 of the Articles of Association of the Company and being eligible, offers himself for re-election.

(c) Mr. A D Ross retires in accordance with Article 103 of the Articles of Association of the Company and being eligible, offers himself for re-election.

Corporate Governance

The Board of Directors confirm that the Company is compliant with section 7.10 of the Listing Rules of the Colombo Stock Exchange.

An Audit Committee and a Remuneration Committee function as Board sub committees with Directors who possess the requisite qualifications and experience. The composition of the said committees is as follows:

Audit Committee

Mr. F X R Pereira (Independent Non-Executive Director)
Mr. A D Ross (Independent Non-Executive Director)
Mr. J S Mather (Co-opted)

Remuneration Committee

Mr. F X R Pereira (Independent Non-Executive Director)
Mr. A D Ross (Independent Non-Executive Director)
Mr. J S Mather (Co-opted)

Arrangement for Acquisition of Shares by Directors

The Company has provided an interest free loan of Rs.17.5 Million to the Employee Share Ownership Plan (ESOP) Trust. Directors may be eligible in future to purchase ordinary shares of the Company

> Annual Report of The Board of Directors on The Affairs of The Company

pursuant to the Trust Deed of the Employee Share Ownership Plan Trust. No shares were allotted from the ESOP during the year.

Directors' Remuneration and Other Benefits of Directors

Directors' remuneration and other benefits of directors are stated in the Note 36 (e) on page 64 of the Financial Statements.

Directors' Interest Register

In terms of the Companies Act No.07 of 2007 an Interest Register was maintained during the accounting period under review.

Directors' Interest In Shares

Name	No. of Shares as at 31st March 2010	No. of Shares as at 31st March 2009
H L L M Nanayakkara	-	-
J H P Ratnayake	85,030	85,030
S H Amarasekera	-	15,600
A C Seneviratne	81	81
S T K Sing	-	32,984,200
J M Swaminathan	-	-
F X R Pereira	-	-
A D Ross	-	-

Directors' Interest In Contracts

None of the Directors had a direct or indirect interest in any contracts or proposed contracts with the Company other than as disclosed in Note 36 on pages 60 to 64 of the Financial Statements.

Shareholders

The distribution and analysis of shareholdings were as follows:

	As at 31st March 2010			As at 31st March 2009		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 1,000	5,989	1,019,336	0.93%	6,110	1,060,514	0.96%
1,001 - 10,000	919	2,746,961	2.50%	993	2,866,883	2.61%
10,001 - 100,000	135	4,031,330	3.66%	112	3,105,660	2.82%
100,001 - 1,000,000	11	3,187,910	2.90%	10	2,331,580	2.12%
1,000,000 & over	3	99,014,463	90.01%	9	100,635,363	91.49%
Total	7,057	110,000,000	100.00%	7,234	110,000,000	100.00%

	As at 31st March 2010			As at 31st March 2009		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Resident	6,980	13,798,002	12.54%	7,158	43,385,690	39.44%
Non-Resident	77	96,201,998	87.46%	76	66,614,310	60.56%
Total	7,057	110,000,000	100.00%	7,234	110,000,000	100.00%

	As at 31st March 2010			As at 31st March 2009		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individual	6,918	106,456,309	96.78%	7,088	75,116,750	68.29%
Institutional	139	3,543,691	3.22%	146	34,883,430	31.71%
Total	7,057	110,000,000	100.00%	7,234	110,000,000	100.00%

20 Largest Holders of Equity

	Name	As at 31st March 2010		As at 31st March 2009	
		No. of Shares	%	No. of Shares	%
1	Mr. Vijayeswaran S Vijayaratnam	95,698,023	86.99%	1,300,000	1.18%
2	Mrs. Laurette Ann Carmen Amerasekera	2,025,440	1.84%	2,025,440	1.84%
3	Waldock Mackenzie Ltd / Mr. Lalith Prabash	1,291,000	1.17%	1,291,000	1.17%
4	Mr. Ajith Lasantha Devasurendra	813,500	0.73%	-	-
5	H Don Carolis & Sons Ltd	593,700	0.53%	698,600	0.63%
6	Mr. Bharati Thilakananda Samaraweera	350,000	0.31%	-	-
7	Mr. Rohith Udalagama	323,700	0.29%	323,700	0.29%
8	AIO Investments (Pvt) Ltd	275,900	0.25%	275,800	0.25%
9	Mr. Hewa Komanage Jayantha Dharmadasa	192,600	0.17%	192,600	0.17%
10	Mr. Welvidanalage Don Joseph Ruwan Silva	150,000	0.13%	-	-
11	Mr. Calistus Nimalanathan Pakianathan	135,200	0.12%	-	-
12	Anglo Amalgamated Pty Ltd	130,000	0.11%	130,000	0.11%
13	Seylan Bank Ltd / Ruvini Chantal Ratnayeke	120,100	0.10%	120,100	0.10%
14	Asia Fort Asset Management (Pvt) Ltd	103,210	0.09%	3,974,210	3.61%
15	Mc Larens Holdings Ltd	100,000	0.09%	100,000	0.09%
16	Mrs. Vasantha Ranjini Jayasinghe	100,000	0.09%	-	-
17	Mr. Dilan Andrew Stefan De Abrew Abeyesinhe	100,000	0.09%	-	-
18	Mr. Alexander Jay	92,100	0.08%	-	-
19	Seylan Bank Ltd / James Henry Paul Ratnayeke	85,030	0.07%	85,030	0.07%
20	First Capital Markets Ltd / Mr. M A U Gnana	80,900	0.07%	-	-

Public Shareholding

The percentage of public shareholding as at the 31st of March 2010 was 11.08%

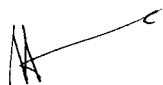
Annual General Meeting

The notice of the Annual General Meeting will be sent in due course.

Auditors

The Financial Statements for the year ended 31st March 2010 have been audited by Messrs. KPMG Ford, Rhodes, Thornton & Company (Chartered Accountants) who offer themselves for reappointment.

By Order of the Board



J. H. P. Ratnayeke
Deputy Chairman

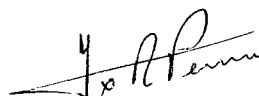


P. R. Secretarial Services (Private) Limited
November 22, 2010
Colombo

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company. The Auditors also do not have any interest in the Company.

The Auditors Messrs. KPMG Ford Rhodes Thornton & Co., Chartered Accountants were paid Rs. 1,050,000/- (2008/2009 - Rs. 925,000/-) as Audit fees by the Company. Details of audit fees are set out in Note 8 of the Financial Statements.

A resolution relating to their reappointment and authorising the Directors to determine their remuneration will be proposed at the Annual General Meeting.



F. X. R. Pereira
Director

Statement of Directors' Responsibilities

The Directors of the Company state below their responsibilities in relation to the Financial Statements of the Company and its Subsidiaries for the year ended 31st March, 2010. These differ from the Auditors responsibilities, which are set out in their report given on page 26 to 27.

The Companies Act No. 7 of 2007 requires that the Directors prepare Financial Statements for each 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 and loss of the Company and the Group for that financial year.

The Directors have adopted the "going concern basis" in preparing the Financial Statements. Having reviewed the Group's business plans, the Directors are satisfied that the Company has adequate resources to continue in operation.

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. Furthermore, reasonable and prudent judgments and estimates have been made in the preparation of these Financial Statements.

The Directors confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards and that they provide the information as required by the Companies Act No. 7 of 2007.

The Directors have taken reasonable steps to safeguard the assets of the Company and of the Group and to establish appropriate systems of internal controls in order to prevent and detect fraud and other irregularities. Even though it is not possible to provide absolute assurance against fraud and other material misstatements, the Directors confirm that there is reasonable assurance regarding the activities of the Company.

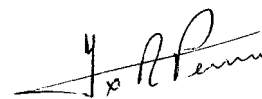
The Directors are responsible for providing the auditors with every opportunity to carry out the necessary audit work in enabling them to present their audit report.

The Directors confirm to the best of their knowledge all taxes and dues payable by the Group, and all contributions, levies and taxes payable on behalf of the employees of the Group and all other known statutory obligations that were due as at the Balance Sheet date have been paid or provided for in the Financial Statements.

On behalf of the Board



J. H. P. Ratnayake
Deputy Chairman



F. X. R. Pereira
Director

November 22, 2010
Colombo

Audit Committee Report

The terms of reference of the Audit Committee comply with the listing rules of the Colombo Stock Exchange. The Committee comprises of three members:

1. Mr. F. X. Ranjit Pereira (Chairman) - Independent Non-Executive Director
2. Mr. Andrew D. Ross - Independent Non-Executive Director
3. Mr. James S. Mather - Co-opted

Mr. F. X. Ranjit Pereira is a fellow member of the Chartered Institute of Management Accountants, United Kingdom and a fellow of CMA Sri Lanka. Mr. Andrew D. Ross is a Chartered Accountant of the Institute of Chartered Accountants, England and Wales. Mr. Mather is a fellow of the Institute of Chartered Accountants, England and Wales, and has been a partner at Ernst & Young, Sri Lanka from 1964-2001. He currently sits on the board of several companies, both listed and unlisted.

The company's management is responsible for the financial statements and for maintaining effective internal control over financial reporting. The Audit Committee fulfills an oversight function over the financial reporting: The main purpose is to provide assistance to the Board of Directors of Asia Capital PLC in fulfilling their responsibility to the Shareholders and other stakeholders.

The Chief Financial Officer and Accountant attend the meetings at the invitation of the committee. Discussions were held with the External Auditors.

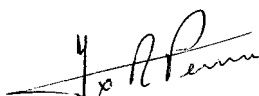
The Committee met three times during the period September 2009 to March 2010.

The Committee reviewed the quarterly and annual financial statements issued during this period and subsequently, including the Annual Accounts submitted as part of this Annual Report. The Committee also reviewed the Letter of Engagement of the External Auditors.

The Chairman of this Audit Committee is also the Chairman of the Audit Committee of Asia Securities (Pvt) Ltd, a subsidiary of Asia Capital PLC.

After balance sheet date the Board of Asia Capital PLC has, on the recommendation of the Audit committee, appointed PricewaterhouseCoopers to act as the internal auditors of Asia Capital PLC and Asia Securities (Pvt) Ltd. It is planned that the internal audit reports will be discussed by the Audit Committee with the management and accountants on a regular basis and a summary report will be provided to the Board of Directors on a quarterly basis.

An 'Audit Committee Charter' is in draft and will be discussed and accepted before the end of the year; this process has taken longer than originally envisaged as the charter will have to take into consideration the Companies Act of 2007, the listing rules of the Colombo Stock Exchange and guidance issued by the Securities and Exchange Commission.



F. X. R. Pereira
Chairman - Audit Committee

November 22, 2010
Colombo

Remuneration Committee Report

The Remuneration Committee was formed in December 2009. The first task it handled was the restoration of the Annual Bonus, which had been suspended prior to this. The bonus was reinstated taking into consideration the signal performance of the company in the period May to November 2009.

The Remuneration committee met three times in the period December 2009 to March 2010.

The purview of the Remuneration Committee is to assist the Board of Directors in setting Policies with regard to aligning compensation of staff with the skills, expertise and quality demanded of them. This is to ensure that the company is able to attract, motivate and retain high quality management in a competitive environment and is thus well placed to meet the challenges the company faces. The Committee is responsible to ensure that the total compensation package is competitive and can attract the best talent in the marketplace.

The Remuneration Committee reviewed the terms of the Chairman and Director/ CEO and other senior Managers. This exercise was carried out in a manner so as to enhance the value to all stakeholders of the company. All Non-Executive Directors receive fees for service as Directors and for serving on sub-committees.

Going forward, the Remuneration Committee plans to focus on the remuneration framework of the company and will strive to guide the company in determining salary structures and benefit packages

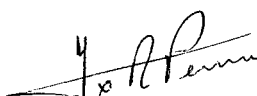
applicable to staff at senior and semi-senior management grades. The Remuneration Committee will depend upon the executive Chairman and key Senior Managers in order to be kept advised of the current market trends, and for recommendations.

The Remuneration Committee advocates the adoption of a 'pay for performance' remuneration scheme; however this may take some time to implement.

The Remuneration Committee has sought external advice on matters within its purview.

The Remuneration Committee consisted of:

1. Mr. F. X. Ranjit Pereira (Chairman) - Independent Non-Executive Director
2. Mr. Andrew D. Ross - Independent Non-Executive Director
3. Mr. James S. Mather - Co-opted – Resource person/Consultant



F. X. R. Pereira
Chairman – Remuneration Committee

November 22, 2010
Colombo

Financial Information

Independent Auditors' Report
Statements of Income
Balance Sheets
Statements of Changes in Equity
Cash Flow Statements
Notes to the Financial Statements
Segment Information
Ten Year Summary

Independent Auditors' Report



KPMG Ford, Rhodes, Thornton & Co.
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300,
Sri Lanka.

Tel : +94 - 11 242 6426
+94 - 11 542 6426
Fax : +94 - 11 244 5872
+94 - 11 244 6058
+94 - 11 254 1249
+94 - 11 230 7345
Internet : www.lk.kpmg.com

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ASIA CAPITAL PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Asia Capital PLC, the consolidated financial statements of the Company and its subsidiaries as at 31st March 2010 which comprise the balance sheet as at 31st March 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes set out in pages 28 to 66.

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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 misstatement.

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-Company

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31st March 2010 and the financial statements give a true and fair view of the Company's state of affairs as at 31st March 2010 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Without qualifying our opinion, we draw attention to Note 40 to these financial statements. The accumulated loss of the Company as at 31st March 2010 is Rs. 855,304,278/- and the current liabilities exceed current assets by Rs. 329,322,834/- as at that date. The going concern assumption on which the financial statements are prepared is greatly dependent on the success of the Company's future endeavours.

Opinion-Group

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs as at 31st March 2010 and the profit and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards, of the Company and its subsidiaries dealt with thereby, so far as concerns the shareholders of the Company.

Without qualifying our opinion, we draw attention to:

1. The group has acquired two subsidiaries namely Capital Reach Holdings Limited and Taru Villas Holdings (Private) Limited during the year. Unaudited financial

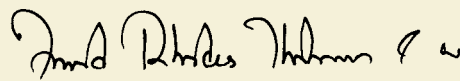
statements of these two subsidiaries as at the date of acquisition have been used for purpose of consolidation. Consequently, we are unable to establish whether adjustments may be required to the consolidated financial statements for the year.

2. As disclosed in Note 40 to the financial statements, the accumulated loss of the Group as at 31st March 2010 is Rs. 871,535,832/- and current liabilities exceed current assets by Rs. 951,039,083/- as at that date. The Subsidiaries of the Group namely Asia Asset Finance Limited, Asia Growth Fund 1 (Private) Limited, Asia Fort Sri Lanka Direct Investment Fund Limited and Investor Access Asia Limited have reported accumulated losses and net liability positions as at the balance sheet date. The going concern assumption on which financial statements are prepared is greatly dependent on the success of future endeavours of the Group.
3. Taru Villas Holdings (Private) Limited, a subsidiary of the Group, has written back loans of Rs.365,057,107/- during the year prior to acquisition by the Group, for which an independent confirmation was not provided by the lenders. However, there are documents signed by Asia Fort Asset Management (Private) Limited and Investor Access Equities (Private) Limited (Lender Companies) stating that they do not have any claims whatsoever against Taru Villas Holdings (Private) Limited and its subsidiary in respect of said amounts.

Report on Other Legal & Regulatory Requirements

These financial statements also comply with the requirements of Section 153(2) to 153 (7) of the Companies Act No.07 of 2007.

The Core Capital of Asia Asset Finance Limited, a subsidiary of the Group as at 31st March 2010 is below the required level as stipulated in the Direction No.01 of 2006 issued by the Central Bank of Sri Lanka and further the said subsidiary has not complied with Direction No. 04 of 2006 issued by Central Bank of Sri Lanka on Single Borrower Limit.



Chartered Accountants
Colombo

22nd November 2010

KPMG Ford, Rhodes, Thornton & Co, a Sri Lankan Partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International") a Swiss entity.

A. N. Fernando FCA
Ms. M. P. Perera FCA
T. J. S. Rajakarier FCA
Ms. S. M. B. Jayasekara ACA
G. A. U. Karunaratne ACA

S. Sirikananathan FCA
P. Y. S. Perera FCA
W. W. J. C. Perera FCA
W. K. D. C. Abeyrathne ACA

M. R. Mihular FCA
C. P. Jayatilake FCA
Ms. S. Joseph ACA
S. T. D. L. Perera ACA

Income Statements

For the year ended 31st March	Note	Group		Company	
		2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Revenue	5	1,328,423	1,803,062	371,120	73,451
Cost of Sales		(677,700)	(1,337,329)	(179,351)	(80,437)
Gross Profit		650,723	465,733	191,769	(6,986)
Other Operating Income	6	78,662	310,336	34,066	40,572
Selling and Distribution Expenses		(49,601)	(138,365)	(2,095)	(1,458)
Administrative Expenses		(440,489)	(415,114)	(62,477)	(44,085)
Other Operating Expenses		(78,558)	(208,835)	(12,016)	(12,414)
(Provision)/Reversal for Impairment loss of Investments		49,062	(172,385)	27,391	(177,225)
Provision for Bad & Doubtful Debts		(19,454)	(101,686)	(19,036)	(6,542)
Finance Costs	7	(78,529)	(150,263)	(83,537)	(151,967)
Share of Profit of Associate Companies	14.2.1	98,485	15,020	-	-
Profit / (Loss) Before Profit on Disposal of Subsidiary		210,301	(395,559)	74,065	(360,105)
Profit on Disposal of Subsidiary	35.2	78,494	-	98,481	-
Profit / (Loss) Before Tax	8	288,795	(395,559)	172,546	(360,105)
Income Tax Expense	9	(66,435)	16,373	(12,672)	(916)
Profit / (Loss) for the Year		222,360	(379,186)	159,874	(361,021)
Attributable to					
Equity Holders of the Parent Company		209,760	(444,867)	-	-
Minority Interest		12,600	65,681	-	-
Profit / (Loss) for the Year		222,360	(379,186)	159,874	(361,021)
Basic Earnings / (Loss) per Share (Rs.)	10	1.91	(4.04)	1.45	(3.28)
Dividend per Share (Rs.)		-	-	-	-

Figures in brackets indicate deductions.

The Accounting Policies and Notes form an integral part of these Financial Statements.

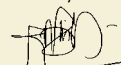
Balance Sheets

As at 31 March	Note	Group		Company	
		2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	11	328,038	94,001	12,285	12,964
Intangible Assets	12	78,143	55,455	2,421	-
Investment Properties	13	67,039	12,023	-	-
Investments in Subsidiaries	14.1	-	-	355,401	187,501
Investments in Associates	14.2	362,827	90,058	62,204	88,208
Other Long Term Investments	14.3	9,383	246,995	-	190,058
Advance for Share Capital	15	-	-	200,000	-
Loans given to ESOP	16	17,491	17,491	17,491	17,491
Loans due from Related Parties	17	-	-	84,734	84,734
Long term Deposits and Advances	18	7,137	6,101	3,637	2,601
Trade and Other Receivables	22	1,332,474	554,665	-	-
Deferred Taxation	28	1,913	17,809	-	-
		2,204,445	1,094,598	738,173	583,557
Current Assets					
Inventories	19	30,834	-	-	-
Short Term Investments	20	984,238	2,374,280	750,320	535,103
Short Term Lendings	21	-	-	-	-
Income Tax Receivable		32,426	9,803	1,106	6,409
Trade and Other Receivables	22	2,087,430	742,131	8,858	13,209
Interest Bearing Advances to Related Parties	23	-	-	149,468	-
Amounts due from Related Parties	24	98,264	52,408	269,702	121,499
Cash and cash Equivalents	25	300,638	76,505	10,035	17,859
		3,533,830	3,255,127	1,189,489	694,079
Total Assets		5,738,275	4,349,725	1,927,662	1,277,636
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	26	1,114,558	1,114,558	1,114,558	1,114,558
Revaluation Reserve		8,709	10,437	-	-
Capital Reserves		1,790	1,344	-	-
General Reserve		3,000	3,000	-	-
Accumulated Losses		(871,536)	(1,080,850)	(855,304)	(1,015,178)
Shareholders' Fund		256,521	48,489	259,254	99,380
Minority Interest		248,106	194,959	-	-
Total Equity		504,627	243,448	259,254	99,380
Non-Current Liabilities					
Debentures	27	10	13,443	-	-
Retirement Benefit Obligations	29	24,081	24,555	4,926	4,548
Non - Interest Bearing Borrowings	30	144,670	55,505	144,670	55,505
Interest Bearing Borrowings	31	443,094	-	-	-
Trade and Other Payables	33	136,923	92,564	-	-
		748,778	186,067	149,596	60,053
Current Liabilities					
Interest Bearing Borrowings - Current Portion	31	1,441,897	670,549	863,594	670,549
Insurance Provision	32	-	1,467,409	-	-
Trade and Other Payables	33	2,582,591	1,455,902	99,629	40,007
Amounts due to Related Parties	34	-	-	232,952	98,826
Income Tax Payable		28,872	3,949	-	-
Bank Overdrafts	25	431,510	322,401	322,637	308,821
		4,484,870	3,920,210	1,518,812	1,118,203
Total Liabilities		5,233,648	4,106,277	1,668,408	1,178,256
Total Equity and Liabilities		5,738,275	4,349,725	1,927,662	1,277,636
Net Assets per Share (Rs.)		2.33	0.44	2.36	0.90

Figures in brackets indicate deductions.

The Accounting Policies and Notes form an integral part of these Financial Statements.

I certify that the above Financial Statements comply with requirements of the Companies Act No 7 of 2007.



R. A. T. P. Perera
Chief Accountant

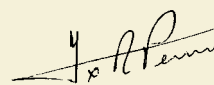
The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board of Directors by,



J. H. P. Ratnayake
Deputy Chairman

22nd November 2010
Colombo.



F. X. R. Pereira
Director

Cash Flow Statements

For the year ended 31st March	Note	Group		Company	
		2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(Loss) Before Tax		288,795	(395,559)	172,546	(360,105)
Adjustments for;					
Provision for retiring Gratuity	29	8,274	4,772	2,816	1,009
Depreciation on Property, Plant & Equipment	11	30,253	31,190	3,775	11,638
Amortisation on Intangible Assets	12.1.2	4,406	488	594	-
Depreciation on Investment Property		262	708	-	-
Loss on Sale of Investment Property		(2,821)	-	-	-
(Profit) / Loss on Sale of Property, Plant & Equipment		4,301	(38)	(1,395)	-
Profit on Disposal of Subsidiary		(78,494)	-	(98,481)	-
Provision for Insurance Claims		-	148,014	-	-
Provision for Bad & Doubtful Debts		19,454	101,686	19,036	6,542
Provision for fall in value of investments		(49,062)	172,385	(27,391)	177,225
Share of Profit of Associate Companies' before Taxation		(98,485)	(15,020)	-	-
Interest Income		(32,407)	(263,808)	(27,904)	(15,548)
Finance Costs		78,529	150,263	83,537	151,967
Operating Profit/(Loss) Before Working Capital Changes					
(Increase)/decrease in Inventories		(698)	-	-	-
(Increase)/decrease in Short Term Investments		(230,938)	(243,511)	(187,826)	(25,088)
(Increase)/decrease in Short Term Lendings		-	-	-	-
(Increase)/decrease in Trade and Other Receivables		(884,557)	181,000	(15,719)	(6,661)
(Increase)/decrease in Amount due from Related Parties		(45,856)	(52,154)	(297,671)	(84,924)
Increase /(decrease) in Trade and Other Payables		938,220	(29,687)	59,622	10,522
Increase/(decrease) in amount due to Related Parties		-	-	134,126	98,824
Cash Used in Operations					
Gratuity paid		(4,405)	(2,999)	(2,438)	(1,776)
Income tax paid		(44,682)	(19,835)	(7,370)	(919)
Net Cash used in Operating Activities					
		(99,911)	(232,105)	(232,105)	(37,294)
CASH FLOW FROM INVESTING ACTIVITIES					
Acquisition of Property, Plant & Equipment		(36,522)	(41,295)	(3,151)	(755)
Acquisition of Intangible Assets		(4,775)	-	(3,015)	-
Acquisition of Investment Properties		(67,039)	-	-	-
Proceeds from sale of Investment Properties		14,583	-	-	-
Advance for Share Capital		-	-	(200,000)	-
Acquisition of Subsidiary net of cash received	35	(220,494)	-	(167,900)	-
Increase in Interest in Subsidiaries		-	(7,093)	-	(2,277)
Net Proceeds from Disposal of Subsidiary		100,539	-	124,484	-
Proceeds from sale of Property, Plant & Equipment		105,393	8,681	1,451	7,248
Dividend Received from Associates		16,000	-	-	-
Subsidiary Dividend to Minority Share Holders		(20,033)	-	-	-
Purchase of other Long Term Investments		-	(1,971)	-	(1,350)
Proceeds from Sale of Long Term Investments		238,089	9,240	190,058	-
Interest received		32,407	263,808	27,904	15,548
Net Cash Flows from/(used in) Investing Activities					
		158,148	231,370	(30,169)	18,414

Figures in brackets indicate deductions.

The Accounting Policies and Notes form an integral part of these Financial Statements.

(carried forward to next page)

For the year ended 31st March	Note	Group		Company	
		2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
<i>(brought forward from previous page)</i>					
CASH FLOW FROM FINANCING ACTIVITIES					
Redemption of Debentures		(13,433)	(1,175)	-	-
Net Proceeds from/Repayment of Non-Interest Bearing Borrowings		89,165	-	89,165	-
Net Proceeds from/Repayment of Other Loans		(32,146)	(82,546)	(44,961)	(82,546)
Net Proceeds from Amounts Payable under Re-purchase Agreements		83,648	56,106	166,649	56,106
Net Proceeds from Commercial Papers		8,082	56,942	71,356	56,942
Interest paid		(78,529)	(150,263)	(83,537)	(151,967)
Net Cash Flows from/(used in) Financing Activities		56,787	(120,936)	198,672	(121,465)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		115,024	(121,671)	(21,639)	(140,345)
Cash and Cash Equivalents at the beginning of the year		(245,896)	(124,225)	(290,962)	(150,617)
Cash and Cash Equivalents at the end of the year	25	(130,872)	(245,896)	(312,602)	(290,962)

Figures in brackets indicate deductions.

The Accounting Policies and Notes form an integral part of these Financial Statements.

Statements of Changes in Equity

For the year ended 31st March

COMPANY	Stated Capital	Accumulated Losses	Total
	Rs'000	Rs'000	Rs'000
Balance as at 1st April 2008	1,114,558	(654,157)	460,401
Loss for the year	-	(361,021)	(361,021)
Balance as at 31st March 2009	1,114,558	(1,015,178)	99,380
Profit for the year	-	159,874	159,874
Balance as at 31st March 2010	1,114,558	(855,304)	259,254

GROUP	Attributable to Equity holders of the Company						Minority Interest	Total
	Stated Capital	Revaluation Reserve	Capital Reserve	General Reserve	Accumulated Losses	Total		
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance as at 1st April 2008	1,114,558	5,970	1,344	3,000	(635,983)	488,889	131,945	620,834
Transferred from								
Investment in Associate	-	4,467	-	-	-	4,467	-	4,467
Adjustment on Minority Interest	-	-	-	-	-	-	(2,667)	(2,667)
Profit / (Loss) for the year	-	-	-	-	(444,867)	(444,867)	65,681	(379,186)
Balance as at 31st March 2009	1,114,558	10,437	1,344	3,000	(1,080,850)	48,489	194,959	243,448
Adjustment on Acquisition of Subsidiary	-	-	-	-	-	-	232,577	232,577
Adjustment on Disposal of Subsidiary	-	-	-	-	-	-	(171,997)	(171,997)
Subsidiary Dividends to Minority Share Holders	-	-	-	-	-	-	(20,033)	(20,033)
Transferred from Investment in Associate	-	(1,728)	-	-	-	(1,728)	-	(1,728)
Transferred to Reserves	-	-	446	-	(446)	-	-	-
Profit for the year	-	-	-	-	209,760	209,760	12,600	222,360
Balance as at 31st March 2010	1,114,558	8,709	1,790	3,000	(871,536)	256,521	248,106	504,627

Figures in brackets indicate deductions.

The Accounting Policies & Notes form an integral part of these Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 Reporting Entity

Asia Capital PLC is a limited liability company incorporated and domiciled in Sri Lanka, and listed on the Colombo Stock Exchange. The Registered Office of the Company and the principal place of business is situated at 21st Floor, West Tower, World Trade Center, Colombo 01.

The Consolidated Financial Statements of Asia Capital PLC for the year ended 31st March 2010 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in Associates.

All the Group entities are limited liability companies, incorporated and domiciled in Sri Lanka.

1.2 Principle Activities and Nature of Operations

During the year the principle activities of the Group was stock brokering, corporate finance, asset management, margin trading, treasury management, dealing and investing in securities, financial services and insurance.

During the year primary activity of the Company was to act as an investment holding company.

1.3 Parent and Ultimate Parent Enterprise

In the opinion of the Board of Directors, Asia Capital PLC does not have an identifiable parent company of its own.

1.4 Financial period

All companies in the Group other than Asian Alliance Insurance PLC, which ends on 31st December, have a common financial year, which ends on 31st March.

1.5 Date of Authorisation for Issue

The Financial Statements were authorised for issue by the Board of Directors on 22nd November 2010.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards (SLAS), adopted by the Institute of Chartered Accountants of Sri Lanka, requirements of the Companies Act No 7 of 2007 and Sri Lanka Accounting and Auditing Standards Act, No.15 of 1995.

2.2 Basis of Measurement

The Financial Statements of the Group are presented in Sri Lankan Rupees and rounded to the nearest thousand and prepared under the historical cost convention in accordance with the Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka. No adjustments

have been made for inflationary factors affecting these accounts. The Accounting Policies have been applied consistently by the Group.

2.3 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements.

2.4 Going Concern

The Board of Directors has made an assessment of the Group's ability to continue as a going concern and they do not intend either to liquidate or cease operations.

2.5 Functional Currency and Presentation Currency

The individual Financial Statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Sri Lankan Rupees, which is also the Company's functional currency.

2.6 Use of Estimates & Judgements

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards (SLAS) require the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying value of assets and liabilities those are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Consolidation Policy

3.1.1 Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Financial Statements of Subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date the control ceases.

> Notes to the Financial Statements

The Financial Statements of the group represents the consolidation of the Financial Statements of the Company and its Subsidiaries as mentioned below, in accordance the Companies Act No.7 of 2007, and the Sri Lanka Accounting Standards No. 26 "Consolidated and Separate Financial Statements". (Revised 2005)

Asia Securities (Pvt) Ltd
Asian Alliance Insurance PLC (A subsidiary up to May 2009)
Asia Growth Fund 1 (Pvt) Ltd
Asia Fort Sri Lanka Direct Investment Fund Ltd
Investor Access Asia (Pvt) Ltd
Asia Asset Finance Ltd
Asia Apparel Trading (Pvt) Ltd
Capital Reach Holdings Ltd
Capital Reach Leasing PLC
Capital Reach Credit Ltd
Capital Reach Business Development (Pvt) Ltd
Taru Villas Holdings (Pvt) Ltd
Taru Villas (Pvt) Ltd
Asia Wealth Management Company (Pvt) Ltd

3.1.2 Profit and Losses

The total profit and losses of all the Subsidiaries are included in the Consolidated Income Statement with the proportion of profit or loss after taxation pertaining to the minority shareholders of Subsidiaries being deducted as "Minority Interest".

3.1.3 Assets and Liabilities

All assets and liabilities of the Company and its Subsidiaries are included in the Group Balance Sheet. The proportionate interest of minority shareholders of Subsidiaries in the net assets of the Group, are indicated separately in the consolidated Balance Sheet under the heading "Minority Interest".

3.1.4 Intra Group Transactions

Intra group balances, intra group transactions and resulting unrealized profits are eliminated in full in the consolidated financial statements. Unrealized losses resulting from intra group transactions are eliminated unless the cost can be recovered.

3.1.5 Associates

Investment in companies where the Company's share of the holding is more than 20% and where the Company has a significant influence in financial and operating decisions of policies have been treated as investment in Associate Companies. The results of these Companies have been accounted for on the equity method of accounting, where the investor's share of profits or losses are incorporated in the Group's Income Statement, and the related investments are

presented in the Balance Sheet at values adjusted to reflect the investor's share of retained assets. The carrying amount of the Company's investment is reduced to the extent of the dividends received from these Associate companies.

3.1.6 Other Investments

Investment in companies where the Group's holding is less than 20% and where the group does not exercise significant influence and / or control over the financial and operating policies / decisions are accounted for on the basis stated in 3.2.4 below. The income from these investments is recognized only when the right to receive the payment is established.

3.1.7 Foreign Currency Translation

All foreign exchange transactions are converted to Sri Lankan Rupees, which is the reporting currency, at the rates of exchange prevailing at the time the transactions were effected. Insurance contracts which were underwritten in foreign currency are converted to Sri Lankan Rupees at the rates of exchange prevailing at the time of underwriting and revenue is recognised accordingly.

Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupee equivalents using year-end spot foreign exchange rates. Non - monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The resulting gains and losses are accounted for in the Statement of Income.

3.2 ASSETS AND BASES OF THEIR VALUATION

3.2.1 Property, Plant and Equipment

3.2.1.1 Recognition and Measurement

The Property, Plant & Equipment are recorded at cost less accumulated depreciation and impairment losses as set out below.

The cost of Property, Plant and Equipment is the cost of acquisition or construction together with any expenses incurred in bringing the assets to its working conditions for its intended use.

Expenditure incurred for the purpose of acquiring, extending or making permanent improvements by means of which to carry on the business or to increase the earnings capacity of the business has been treated as capital expenditure.

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.

3.2.1.2 Subsequent Costs/Replacement

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within

the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of Property, Plant & Equipment are recognized in the Income Statement as incurred.

When replacement costs are recognized in the carrying of an item of Property, Plant & equipment, the remaining carrying amount of the replaced part is derecognized.

3.2.1.3 Leased Assets

a) Finance Leases

Assets used by the Group, which have been funded through finance leases, are reflected in the Balance Sheet at an amount equal to the lower of its fair value and present value of minimum lease payments and the resulting lease obligations are included as creditors, net of finance charges. Subsequent to the initial recognition the asset is accounted for in accordance with the accounting policy applicable to that asset.

b) Operating Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership over the leased term are classified as operating leases. Lease payments (excluding costs for services such as insurance and maintenance) paid under operating leases are recognised as an expense in the Statement of Income on a straight-line basis over the lease term.

3.2.1.4 Depreciation

Provision for depreciation is calculated on the cost of Property, Plant and Equipment in order to write off such amounts over the estimated useful lives of such assets. The rates of depreciation used on a straight line method are as follows:

Buildings and Improvements	5%-10%
Computer equipment	10%-20%
Office equipment	10%-20%
Furniture and Fittings	10%-20%
Fixtures and Fittings	10%
Motor Vehicles	20%-25%
Plant and Machinery	15%
Hotel Equipment	15% -25%

Property, Plant and Equipment are depreciated from the month the assets are available for use over their estimated useful lives.

3.2.1.5 De-recognition

An item of Property, Plant and Equipment is de-recognised upon 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 Statement of Income in the year the asset is de-recognised. When replacement costs are recognised in the carrying amount of an item of Property, Plant & Equipment, the remaining carrying amount of the replaced part is derecognised.

3.2.2 Intangible Assets

3.2.2.1 Goodwill

The goodwill represents the excess of the cost of an acquisition over the fair value of the Group's shares of the net identifiable assets of the acquired subsidiary at the date of acquisition. The goodwill on acquisitions of subsidiaries is included in intangible assets. The separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. The impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination.

3.2.2.2 Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (Maximum five years). Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met,

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. The computer software costs recognised as intangible assets are amortised over their estimated useful lives (not exceeding five years).

3.2.3 Investment Properties

Investment property, comprising freehold land and buildings, is property held to earn rental income or for capital appreciation or both, is not occupied substantially for the production or

> Notes to the Financial Statements

supply of goods or services or for administrative purposes, and is not intended for sale in the ordinary course of business. Investment property is initially measured at its cost including related transaction costs and is therefore carried at its cost less any accumulated depreciation and any accumulated impairment losses. The Group Entities accounts for Investment Property using Cost Model as referred to in SLAS 40-“Investment Property”.

3.2.4 Investments

3.2.4.1 Current investments

Current investments in quoted shares are stated at lower of cost and market value on an individual investment basis with any result on gain or loss recognized in the Income Statement.

Current investments in unquoted shares are stated at cost unless otherwise stated.

3.2.4.2 Long term investments

Where the Group’s interest in equity capital is less than 20% or where the Group does not exercise significant influence or control over the financial and operating policies, investments are stated at cost.

Quoted and Unquoted investments in shares held on long term basis are stated at cost in the parent Company’s Financial Statements, investment in Subsidiaries and Associates are carried at cost under parent Company’s Financial Statements.

Provision for diminution in value is made when in the opinion of the directors there has been a decline, other than temporary, in the value of the investment.

3.2.5 Inventories

Real Estate Stock

Real estate stock comprises all costs of purchase, cost of conversion and other costs incurred in bringing the real estate to its saleable condition less repayments.

Purchase Cost - Land cost with legal charges.

Cost of conversion - Actual Development costs including the borrowing cost up to the completion of development.

Vehicle Stock

Unsold vehicles at Balance Sheet date are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Net Realisable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost necessary to make the sale.

Consumer Durables

Other inventory materials at Balance Sheet date are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Food & Beverages

Stock of Food and Beverages are carried at lower of cost and net realisable value, whichever is lower.

3.2.6. Trade and Other Receivables

Loans, advances and other receivables are stated in the Balance Sheet at their estimated realizable amounts, net of provisions for bad and doubtful receivables. Other receivables and dues from related parties are recognized at cost less provision for bad and doubtful receivables.

3.2.7 Loans and Advances to Customers

Loans and Advances to customers are stated in the Balance Sheet net of provision for possible loan losses.

Provision for Loan Losses

Specific provisions for possible loan losses are based on a continuous review of the loan and advances portfolio in accordance with Sri Lanka Accounting Standard No.33 - “Revenue Recognition and Disclosures in the Financial Statements of the Finance Companies” and the parameters set by the Central Bank of Sri Lanka. Accordingly specific provisions have made as follows;

Period Outstanding	Provision made net of Realisable Value of Securities
6 to 12 months	50%
Over 12 Months	100%

3.2.8 Lease Debtors

Assets leased to customers, which transfer substantially all the risk and rewards associated with ownership other than legal title are accounted for as finance leases.

Amounts receivable under finance leases net of initial rental received, unearned lease income and provision for doubtful recovery are classified as lease receivable in the Balance Sheet.

Specific provision has been made in relation to identified bad and doubtful leases as follows;

Period Outstanding	Provision made net of Realisable Value of Securities
6 to 12 months	50%
Over 12 Months	100%

3.2.9 Premium Receivable

Collectability of premium and other debtors are reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful debts is raised for any long outstanding receivables in terms of a policy agreed by the Board of Directors.

3.2.10 Reinsurance Receivable

Reinsurance assets include the balances due from both insurance and reinsurance companies for paid and unpaid losses and loss adjustment expenses. Amounts recoverable from reinsurers are estimated in a manner consistent with the

claim liability associated with the reinsured policy. Reinsurance is recorded gross in the Balance Sheet unless a right to offset exists.

3.2.11 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of Cash Flow Statement, cash and cash equivalents consist of cash in hand and deposits at banks net of outstanding bank overdrafts.

3.2.12 Impairment of Assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date or more frequently, if events or changes in circumstances indicate that it might be impaired.

An impairment loss is recognized if the carrying amount of an asset or its cash generating units exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognised in the Income Statement. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of other assets in the unit (group of units) on pro-rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. 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.

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

3.3 LIABILITIES AND PROVISIONS

3.3.1 Provisions

Provisions are recognized when the company 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.

3.3.2 Liabilities

All known liabilities have been accounted for in preparing the Financial Statements. Provision and liabilities are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.3.2.1 Current Liabilities

Liabilities classified as current liabilities in the Balance Sheet are those obligations expected to be settled in the entity's normal operating cycle, it is held primarily for the purpose of being traded, it is due to be settled within twelve months after the balance sheet date, or the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date.

3.3.2.1 Trade and Other Payables

Trade and other payable are stated at their cost.

3.3.2.1 Reinsurance Payables

Reinsurance liability consists of reinsurance premium due to reinsurers in respect of the reinsurance contracts that are entered into by the Company.

3.3.2.2 Non Current Liabilities

All liabilities other than current are classified as non-current.

3.3.2.2.1 Retirement Benefit Obligations

a) Defined benefit plan – Gratuity

Provision has been made for retirement gratuities from the first year of service for all employees using in conformity with SLAS 16 - "Employee Benefits" (Revised 2006).

The liability recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the Balance Sheet date less fair value of the plan assets, together with adjustments for unrecognized past service cost. The defined benefit obligation is calculated by the company using "Projected Unit Credit Method" based on the formula prescribed in Sri Lanka Accounting Standard No.16 - "Employee Benefits" (Revised 2006).

The present value of defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates of high quality corporate bonds that are denominated in currency in which the benefits will be

> Notes to the Financial Statements

paid, and that have terms to maturity approximating to the terms of the related retirement obligations.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity payment to an employee arises only after the completion of five years continued service with the company.

This liability is not externally funded nor actuarially valued except for which gratuity liability is actuarially valued by Asian Alliance Insurance PLC as required by the Sri Lanka Accounting Standard 16-“Employee Benefits” (Revised 2006). The item is grouped under non current liabilities in the Balance Sheet.

b) Defined Contribution Plans - Employees Provident Fund and Employees Trust Fund

All employees who are eligible for Employees Provident Fund contribution and Employees Trust Fund contribution are covered by relevant contribution funds in line with respective statutes and regulations.

The Company contributes 12 % and 3% of gross emoluments of employees to Employees’ Provident Fund and Employees’ Trust Fund respectively.

3.4 INCOME STATEMENT

3.4.1 Revenue

Group revenue represents proceeds from the sale of investments, dividends, underwriting commissions, brokerage income, professional charges, interest income and lease and hire purchase income.

The Company revenue represents proceeds from sale of investments, dividends, professional charges and interest income.

3.4.1.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following recognition criteria must also be met before revenue is recognized.

3.4.1.1.1 Investments

a) Corporate and Government Securities

Interest income and capital gains on sale of securities are recognized on an accrual basis.

b) Income from Fee Based Activities

Income from consultancy fees is recognized in the period in which such transactions were effected.

3.4.1.2 Stock Broking and Investments Banking

Brokerage income is recognized in the period in which such transactions were effected.

3.4.1.3 Deposit Mobilisation and Credit

a) Interest Income from Leases and Hire Purchase Contracts

Income from leases is recognized on the basis of the method of financing. The excess of aggregate rental receivable over the cost of the leased assets consists of the total unearned income at the commencement of the contract. The unearned income is taken into revenue over the term of the lease, commencing from the month in which the lease is executed, in proportion to the declining receivable balance of the lease.

Interest ceases to be taken to revenue where any portion of interest or principal is in arrears for more than six months and thereafter such interest is recognized on cash basis.

b) Interest Income from Loans and Advances

Interest Income from loans and advances is recognized on an accrual basis. Interest ceases to be taken into revenue when the interest or principal is in arrears for six months or more and thereafter interest is recognized on a cash basis.

c) Overdue Interest

Overdue interest income from leasing, hire purchase and other form of loans and advances have been accounted for on cash basis.

3.4.1.4 Insurance

Non-Life (General) Insurance Business

a) Gross Written Premium

Gross Written Premium is generally recognised as written upon inception of the policy. Upon inception of the contract, premiums are recorded as written and are earned primarily on a pro-rata basis over the term of the related policy coverage. However, for those contracts for which the period of risk differs significantly from the contract period, premiums are earned over the period of risk in proportion to the amount of insurance protection provided. Earned premiums are calculated on the 365 basis except for marine business, which is computed on a 60-40 basis.

b) Reinsurance premium

Reinsurance premium expense is recognised in the same accounting period as the gross written premium to which it relates or in accordance with the pattern of reinsurance services received.

c) Unearned Premium

The unearned premium reserve represents the portion of the gross written premium and reinsurance premium written in the current year but relating to the unexpired period of coverage. Unearned premiums are calculated on the 365 basis except for marine business, which is computed on a 60-40 basis in accordance with the rules made by the Insurance Board of Sri Lanka.

d) Unexpired Risks

Provision is made where appropriate for the estimated amount required over and above unearned premium to meet future claims and related expenses on the business in force as at the Balance Sheet date.

e) Claims

Claims expense and a liability for outstanding claims are recognised in respect of direct and inwards reinsurance business. The liability covers claims reported but not yet paid, IBNR (Incurred But Not Reported) claims, IBNER (Incurred But Not Enough Reported) and the anticipated direct and indirect costs of settling those claims. Claims outstanding are assessed by review of individual claim files and estimating changes in the ultimate cost of settling claims. The provision in respect of IBNR & IBNER (Incurred But Not Enough Reported) is actuarially valued to ensure a more realistic estimation of the future liability based on past experience and trends. Actuarial valuations are performed on an annual basis. While the directors consider that the provision for claims is fairly stated on the basis of information currently available, the ultimate liability will vary as a result of subsequent information and events. This may result in adjustments to the amounts provided. Such amounts are reflected in the Financial Statements for that period. The methods used and the estimates made are reviewed regularly.

f) Deferred Acquisition Costs

Deferred Acquisition Costs represents commissions and reinsurance commission, which are deferred and amortised over the period in which the related written premiums are earned. This is computed on the 365 basis.

Insurance – Life (Long term) Insurance Business

Premiums from traditional long term insurance contracts, including participating contracts & annuity policies with life contingencies, are recognised as revenue when cash is received from the policyholder. Benefits and expenses are provided against such revenue to recognise profits over the estimated life of the policies.

The single premium contracts premiums are recognised as income when cash is received.

g) Reinsurance contracts

Outward reinsurance premiums are recognised when payable. Reinsurance recoveries are credited to match the relevant gross claims.

h) Claims

Death claims are recorded on the basis of notifications received. Surrenders, maturities and annuity payments are recorded when due. Claims payable includes direct costs of settlement. The interim payments and surrenders are accounted only at the time of settlement. The actuarial valuation takes into account all liabilities and is based on assumptions recommended by the Consultant Actuary.

i) Insurance Provision Life

Long duration contract liabilities included in the Long Term Insurance Fund, result primarily from traditional participating and non-participating long term insurance products. Short duration contract liabilities are primarily group term, accident and health insurance products. The actuarial reserve/insurance provision has been established based upon the following; Interest rates which vary by product, as required by regulations issued by the Insurance Board of Sri Lanka, mortality rates based on published mortality tables adjusted for actual experience, as required by Regulations issued by the Insurance Board of Sri Lanka, surrender rates based upon actual experience. The amount of policy holder bonus to be paid is determined annually by the Company, on the advice of the Actuary. The bonus includes life policy holders' share of distributable surplus as certified by the Actuary that are required to be allocated by the insurance contract or by insurance regulations.

3.4.1.1.5 Other Services

a) Room Revenue

Room Revenue is recognised on the rooms occupied on daily basis.

b) Food & Beverage

Food & Beverage Revenue is recognised at the time of sale.

3.4.1.1.6 Dividend income

Dividend income is recognized when the Company's right to receive such dividend is established.

3.6.1.1.7 Other Income and Gains

Other income and gains are recognised on an accrual basis. Net Gains and losses of a revenue nature on the disposal of property, plant & equipment and other non current assets including investments have been accounted for in the Statement of Income, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

3.4.2 Expenditure Recognition

- a) All expenditure incurred in running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year.
- b) Borrowing costs are recognized as an expense in the period in which they are incurred.
- c) For the purpose of presentation of Income Statement, the Directors are of the opinion that the nature of expenses method present fairly the elements of the enterprise's performance, hence such presentation method is adopted.

> Notes to the Financial Statements

3.5 TAXATION

3.5.1 Taxes on Income

The group liability to taxation is computed in accordance with the provisions of the Inland Revenue Act. No. 10 of 2006 (as amended) taking into consideration the maximum relief available.

3.5.2 Deferred Taxation

Deferred tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences; the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits, and differences relating to investments in Subsidiaries to the extent that they probably will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right exists to such set off.

3.5.3 VAT on Financial Services

Value base for Value Added Tax is the adjusted accounting profit before income tax, in respect of economic depreciation and emoluments for employees.

3.6 RELATED PARTY TRANSACTIONS

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged.

3.7 EARNINGS/(LOSS) PER SHARE

The Group presents basic Earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period.

3.8 CORRESPONDING INFORMATION

The Accounting Policies have been consistently applied by the Group and are consistent with those of the previous year's figures and phrases and have been re-arranged wherever necessary to conform to the current presentation.

3.9 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

All material post balance sheet events have been considered and where appropriate adjustments or Disclosures have been made in the Financial Statements.

3.10 COMMITMENTS & CONTINGENCIES

Commitments and contingencies as at the Balance Sheet date are disclosed in the Financial Statements.

3.11 SEGMENT REPORTING

A segment is a distinguishable component of an enterprise that is engaged in either providing products or services (Business Segments) or in providing products or services within a particular economic environment (Geographical Segments) which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of Group's business. There are no distinguishable components to be identified as geographical segment of the group. The business segments are reported based on the Group's management and internal reporting structure.

Segment assets are those operating assets that are employed by a segment in its operating activities and directly attributable to the segment or allocated to the segment on a reasonable basis.

Segment liabilities are those operating liabilities that result from the operating activities of a segment and directly attributable to the segment or allocated to the segment on a reasonable basis.

3.12 CASH FLOW STATEMENT

The Cash Flow Statement has been prepared using the "indirect method". Interest paid is classified as operating cash flows, interest and dividends received are classified as investing cash flows while dividends paid and government grants received are classified as financing cash flows for the purpose of presenting of Cash Flow Statement.

4. EFFECT OF SRI LANKA ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following standards have been issued by the Institute of Chartered Accountants of Sri Lanka and are effective for the accounting periods on the dates specified below.

- a) Sri Lanka Accounting Standard 44 Financial Instruments; Presentation (SLAS 44) and Sri Lanka Accounting Standard 45 Financial Instruments; Recognition & Measurement (SLAS 45).

SLAS 44 and 45 become effective for financial years beginning on or after 1 January 2011. Accordingly, the Financial

Statements for the year ending 31 March 2012 will adopt SLAS 44 and 45, for the first time.

These two standards together provide comprehensive guidance on identification, classification, measurement and presentation of financial instruments (including Derivatives) into financial assets, financial liabilities and equity instruments.

However, the scope of the SLAS 45 excludes its application to rights and obligation arising under an insurance contract, except for derivatives embedded in an insurance contract. The ICASL has not adopted a Standard for insurance contracts and hence The Statement of Recommended Practice on Insurance Contracts is significantly used.

In order to comply with the requirements of these standards, the Group is in the process of setting up an implementation plan and assessing the effect of adoption of the aforesaid two standards. Due to the complex nature of the effect of these standards the impact of adoption is not estimable as at the date of publication of these financial statements.

b) Sri Lanka Accounting Standard 39- Share Based Payments (SLAS 39)

SLAS 39- Share based payments, effective for periods beginning on or after 1st January 2010 will be first adopted in the year ending 31 March 2011. This standard require an expense to be recognized where the company buys goods or services in exchange for shares or rights over shares (equity-settled transactions), or in exchange for other assets equivalent in value to a given number of shares or rights over shares (cash- settled transactions). For equity-settled share-based payment transactions, the Company is required to apply SLAS 39 to grants of shares, share options or other equity instruments that were granted after 1 January 2010.

The Group is in the process of evaluating the impact of this standard, and the impact of the same is not currently estimable as at the date of the publication of these financial statements.

> Notes to the Financial Statements

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
5. REVENUE				
5.1 Summary				
Gross Revenue	1,390,488	1,825,564	371,120	73,451
Less: Intra Group Transactions	(62,065)	(22,502)	-	-
	1,328,423	1,803,062	371,120	73,451
5.2 Segments				
Investments	366,505	58,025	371,120	73,451
Stock Broking and Investment Banking	375,849	108,875	-	-
Deposit Mobilisation and Credit	542,108	206,313	-	-
Insurance	43,961	1,429,849	-	-
	1,328,423	1,803,062	371,120	73,451
5.3 Goods and Services Analysis				
Rendering of Services	1,305,323	1,803,062	371,120	73,451
Sale of Goods	23,100	-	-	-
	1,328,423	1,803,062	371,120	73,451
6. OTHER OPERATING INCOME				
Dividend Income	116	4,271	-	-
Gains on disposal of Property, Plant and Equipment	1,395	38	1,395	-
Gains on disposal of Investment Property	2,821	-	-	-
Gains on Dealing Securities	-	5,533	-	-
Interest Income	32,407	263,808	27,904	15,548
Sundry Income	38,647	34,806	1,191	21,344
Guarantee Fees	1,776	1,880	1,776	1,880
Management Fees	1,500	-	1,800	1,800
	78,662	310,336	34,066	40,572
7. FINANCE COSTS				
Interest on Overdraft	43,066	70,715	41,743	66,910
Interest on Other Borrowings	35,463	79,548	41,794	85,057
Total Finance cost	78,529	150,263	83,537	151,967
8. PROFIT / (LOSS) BEFORE TAX				
Is stated after charging/(crediting)				
all expenses including the following:				
Audit Fees	2,981	1,983	1,050	925
Director's Emoluments	46,925	19,751	3,350	-
Director's Fees	1,870	1,870	1,167	-
Secretarial Fees	2,748	1,421	1,032	782
Depreciation	30,253	31,190	3,775	11,638
Legal Fees	3,187	3,275	953	879
Personnel Costs				
Defined Benefit Plan Costs - Gratuity	8,274	4,772	2,816	1,009
Defined Contribution Plan Costs - EPF and ETF	28,862	21,703	3,878	778
Staff Incentives	41,964	57,100	2,373	1,770
Other Staff costs	211,603	152,266	35,651	6,763
	290,703	235,841	44,718	10,320

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
9. INCOME TAX EXPENSES				
Current tax on ordinary activities for the Year - Company (Note 9.1)	10,126	-	10,126	-
Current tax on ordinary activities for the Year - Subsidiaries (Note 9.2)	33,277	3,890	-	-
Social Responsibility Levy & Economic Service Charge	585	(4,200)	152	-
Withholding Tax on Dividends Received from Group Companies	2,792	1,617	2,394	916
Deferred Taxation Charge/ (Reversal) (Note 28)	19,655	(17,680)	-	-
	66,435	(16,373)	12,672	916
9.1 Reconciliation of Accounting Profit/(Loss) & Taxable Income				
Accounting Profit/(Loss) before tax	288,795	(395,559)	172,546	(360,105)
Aggregate disallowed items	51,751	340,093	(2,348)	198,354
Aggregate allowable items	(127,606)	(517,845)	(9,148)	(5,383)
Income/(Expenses) not subject to tax	(137,066)	79,389	(116,537)	79,389
Business Profit/(Loss)	75,874	(493,922)	44,513	(87,745)
Other taxable Taxble Income	4,074	17,100	-	-
Tax Losses Set off under section 32 and Qualifying Payments	(59,310)	(5,985)	(15,589)	-
Taxable Income/(Loss)	20,638	(482,807)	28,924	(87,745)
Income Tax @ 35 %	43,403	3,890	10,126	-
Current Tax Expense	43,403	3,890	10,126	-
Reconciliation of Accumulated Tax Losses				
Opening Balance	2,851,509	2,328,004	578,150	490,405
Consolidated Adjustments	(1,710,076)	-	-	-
Tax Loss for the Year	188,713	529,490	-	87,745
Loss Utilised during the year	(59,310)	(5,985)	(15,589)	-
	1,270,836	2,851,509	562,561	578,150
9.2 Subsidiary Companies				
Asia Securities (Pvt) Ltd	27,923	3,890		
Capital Reach Holdings Ltd	4,441	-		
Asia Wealth Management Company (Pvt) Ltd	418	-		
Asia Fort Sri Lanka Direct Investment Fund Ltd	495	-		
	33,277	3,890		

> Notes to the Financial Statements

9.3 Summary

Asia Securities (Private) Limited

The company is liable to taxation at the rate of 35% (2009 - 35%) on its taxable profits. The income tax liability for the current year was Rs. 27,923,497/- (2009 - Rs. 3,890,235/-).

Asia Fort Sri Lanka Direct Investment Fund Limited

The company is liable to taxation at the rate of 35% (2009 - 35%) on its taxable profits. The income tax liability for the current year was Rs. 495,047/-(2009 - Nil).

Asia Growth Fund 1 (Private) Limited

The Company is liable to taxation at the rate of 35% (2009 - 35%) on its taxable profits. However no provision has been made due to available carried forward tax losses of Rs. 1,224,775/- (2009 - Rs. 695,406/-).

Asia Asset Finance Limited

The Company is liable to income tax at 35% (2009 - 35%). However no provision has been made due to available carried forward tax losses of Rs. 511,414,127/- (2009 - Rs. 358,336,463/-).

Investor Access Asia (Private) Limited

The Company is liable to taxation at the rate of 35% (2009 - 35%) on its taxable profits. However no provision has been made due to available carried forward tax losses of Rs. 27,306,645/- (2009 - Rs. 33,727,423/-).

Asia Wealth Management Company (Private) Limited

The company is liable to taxation at the rate of 35% (2009 - 35%) on its taxable profits. The income tax liability for the current year was Rs. 424,366/- (2009 - Nil).

Capital Reach Holdings Limited - Group

All the companies except for Capital Reach Leasing PLC (33.1/3%) of the Capital Reach Holdings Group are liable to taxation at the rate of 35% (2009 - 35%) on its taxable profits.

Taru Villas Holdings (Private) Limited - Group

The Company and it's subsidiary, Taru Villas (Private) Limited are liable to taxation on Hotel Profits & Income at the rate of 15% (2009 - 15%).

10. BASIC EARNINGS / (LOSS) PER SHARE

10.1 Basic Earnings/(Loss) per Share is calculated by dividing the profit/(loss) attributable to ordinary shareholders for the year by the weighted average number of ordinary shares outstanding during the year.

10.2 The following data has been used in the computation of the basic earnings/(loss) per share:

For the year ended 31st March	Group		Company	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
Profit/(Loss) after tax attributable to Ordinary Shareholders	209,760,380	(444,867,160)	159,873,952	(361,020,749)
Weighted Average number of Ordinary Shares	110,000,000	110,000,000	110,000,000	110,000,000
Earnings/ (Loss) per share - Basic	1.91	(4.04)	1.45	(3.28)

11. PROPERTY, PLANT & EQUIPMENT

11.1 Group

11.1.1 Cost / Valuation

	Balance As At 01.04.2009 Rs.'000	Acquisition of Subsidiary Rs.'000	Additions Rs.'000	Disposals / Transfers Rs.'000	Balance As At 31.03.2010 Rs.'000
Freehold Assets					
Land	-	270,817	7,512	(103,329)	175,000
Buildings and Improvements	-	60,657	-	-	60,657
Motor Vehicles	28,185	5,142	6,785	(6,969)	33,143
Motor Vehicles Hired-Out to Customers	-	6,888	3,898	(2,713)	8,073
Office Equipment	52,486	18,720	6,287	(25,598)	51,895
Fixtures and Fittings	46,625	8,706	1,151	(28,383)	28,099
Furniture and Fittings	51,468	35,561	3,432	(25,223)	65,238
Computer Equipment	131,424	17,095	7,409	(62,699)	93,229
Plant and Machinery	-	1,337	-	-	1,337
Hotel Equipment	-	13,228	48	(75)	13,201
Leasehold Assets					
Motor Vehicles	-	31,270	-	(21,782)	9,488
Office Equipment	-	707	-	-	707
Furniture and Fittings	-	3,590	-	-	3,590
Total Cost/Valuation	310,188	473,718	36,522	(276,771)	543,657

11.1.2 Accumulated Depreciation

	Balance As At 01.04.2009 Rs.'000	Acquisition of Subsidiary Rs.'000	Charge for the year Rs.'000	Disposals / Transfers Rs.'000	Balance As At 31.03.2010 Rs.'000
Freehold Assets					
Buildings and Improvements	-	14,040	4,685	-	18,725
Motor Vehicles	20,524	3,121	3,989	(2,163)	25,471
Motor Vehicles Hired-Out to Customers	-	5,223	619	(1,643)	4,199
Office Equipment	29,476	9,518	3,281	(13,547)	28,728
Fixtures and Fittings	28,737	2,258	1,989	(16,629)	16,355
Furniture and Fittings	27,610	9,164	5,419	(10,190)	32,003
Computer Equipment	109,840	13,662	5,133	(51,116)	77,519
Plant and Machinery	-	1,122	43	-	1,165
Hotel Equipment	-	3,813	1,714	-	5,527
Leasehold Assets					
Motor Vehicles	-	18,772	3,040	(18,370)	3,442
Office Equipment	-	259	71	-	330
Furniture and Fittings	-	1,885	270	-	2,155
Total Depreciation	216,187	82,837	30,253	(113,658)	215,619

11.1.3 Net Carrying Value

	94,001	328,038
--	--------	---------

11.2 Company

11.2.1 Cost

	Balance As At 01.04.2009 Rs.'000	Additions Rs.'000	Disposals / Transfers Rs.'000	Balance As At 31.03.2010 Rs.'000
Freehold Assets				
Motor Vehicles	9,897	1,400	(1,400)	9,897
Office Equipment	5,524	-	-	5,524
Fixtures and Fittings	14,683	-	-	14,683
Furniture and Fittings	16,272	239	-	16,511
Computer Equipment	26,835	1,512	(76)	28,271
Total Cost	73,211	3,151	(1,476)	74,886

> Notes to the Financial Statements

11. PROPERTY, PLANT & EQUIPMENT (Contd...)

11.2.2 Depreciation

	Balance As At 01.04.2009 Rs.'000	Charge for the year Rs.'000	Disposals / Transfers Rs.'000	Balance As At 31.03.2010 Rs.'000
Freehold Assets				
Motor Vehicles	9,761	1,449	(1,400)	9,810
Office Equipment	4,813	132	-	4,945
Fixtures and Fittings	10,359	615	-	10,974
Furniture and Fittings	9,832	915	-	10,747
Computer Equipment	25,482	664	(21)	26,125
Total Depreciation	60,247	3,775	(1,421)	62,601
11.2.3 Net Carrying Value	12,964			12,285

12. INTANGIBLE ASSETS

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
12.1 Computer software				
12.1.1 Cost				
Balance at the beginning of the year	22,806	20,886	-	-
Additions during the year	4,775	1,920	3,015	-
Acquisition of subsidiary	16,661	-	-	-
Balance at the end of the year	44,242	22,806	3,015	-
12.1.2 Amortisation				
Balance at the beginning of the year	20,854	20,366	-	-
Amortisation for the year	4,406	488	594	-
Acquisition of subsidiary	12,812	-	-	-
Balance at the end of the year	38,072	20,854	594	-
Net Carrying Value	6,170	1,952	2,421	-
12.2 Goodwill				
Balance at the beginning of the year	53,503	49,076	-	-
On acquisition of subsidiaries (Note 35)	71,973	4,427	-	-
On disposal of subsidiaries	(53,503)	-	-	-
Balance at the end of the year	71,973	53,503	-	-
Total Net Carrying Value	78,143	55,455	2,421	-
13. INVESTMENT PROPERTIES				
Cost				
Balance at the beginning of the year	12,023	12,731	-	-
Acquisitions during the year	67,039	-	-	-
Disposals during the year	(11,761)	-	-	-
Depreciation for the year	(262)	(708)	-	-
Balance at the end of the year	67,039	12,023	-	-
Market Value	67,039	27,000	-	-

14. LONG TERM INVESTMENTS

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Summary:				
Investments in Subsidiaries (14.1)	-	-	355,401	187,501
Investments in Associates (14.2)	362,827	90,058	62,204	88,208
Other Long Term Investments (14.3)	9,383	246,995	-	190,058
Total Investments	372,210	337,053	417,605	465,767

14.1 Investments in Subsidiaries

	Company			
	2010 Effective Holding %	Rs.'000	2009 Effective Holding %	Rs.'000
Non-Quoted				
Asia Securities (Pvt) Ltd	100%	182,500	100%	182,500
Asia Growth Fund 1 (Pvt) Ltd	100%	10,050	100%	10,050
Asia Fort Sri Lanka Direct Investment Fund Ltd	100%	5,001	100%	5,001
Asia Apparel Trading (Pvt) Ltd (Note15.1.1)	100%	4,000	100%	4,000
Capital Reach Holdings Ltd	56.25%	160,400	0%	-
Asia Wealth Mangement Co (Pvt) Ltd	100.00%	7,500	0%	-
Investor Access Asia (Pvt) Ltd.	100%	32,000	100%	32,000
Asia Asset Finance Ltd.	98.64%	204,073	98.64%	204,073
		605,524		437,624
Less				
Provision for fall in value of investments				
Asia Growth Fund 1 (Pvt) Ltd		(10,050)		(10,050)
Asia Apparel Trading (Pvt) Ltd		(4,000)		(4,000)
Investor Access Asia (Pvt) Ltd.		(32,000)		(32,000)
Asia Asset Finance Ltd.		(204,073)		(204,073)
		(250,123)		(250,123)
Total Investments in Subsidiaries		355,401		187,501

14.1.1 According to the Section 153 6 (a) of Companies Act No. 7 of 2007 Asia Apparel Trading (Pvt) Ltd. has been excluded from the consolidation. Asia Apparel Trading (Pvt) Ltd. had no operations during the year under review and the directors are of the opinion that this company need not be consolidated as the results of such a consolidation to the group accounts would have no real value to the members of Asia Capital PLC.

> Notes to the Financial Statements

14.2 Investments in Associates

	Holding %	Group			Company			
		2010 Rs. '000	Holding %	2009 Rs.'000	Holding %	2010 Rs.'000	2009 Rs.'000	
Quoted Cost								
Asian Alliance Insurance PLC	41.75%	139,813	-	-	19%	50,204	29%	76,208
		139,813		-		50,204		76,208
Market Value of Shares		576,746		-		266,672		359,006
Non-Quoted								
Asia Siyaka Commodities (Pvt) Ltd	40%	12,000	40%	12,000	40%	12,000	40%	12,000
		12,000		12,000		12,000		12,000
						62,204		88,208

Equity Value of Investments

	Investment at cost		Share of Post Acquisition Profit		Net Assets	
	2010 Rs. '000	2009 Rs.'000	2010 Rs. '000	2009 Rs.'000	2010 Rs. '000	2009 Rs.'000
Asian Alliance Insurance PLC	139,813	-	119,424	-	259,237	-
Asia Siyaka Commodities (Pvt) Ltd	12,000	12,000	91,590	78,058	103,590	90,058
	151,813	12,000	211,014	78,058	362,827	90,058

The Company has disposed 10% of its holding in Subsidiary, Asian Alliance Insurance PLC on June 2009 and treats as an Associate from that date.

14.2.1 Summarised financial information for investments in Associates, adjusted for the percentage ownership held by the Group:

	Holding %	Total Assets Rs.'000	Total Liabilities Rs.'000	Revenues Rs.'000	Profit/(Loss) Rs.'000
2009					
Asia Siyaka Commodities (Pvt) Ltd	40%	414,762	297,384	172,778	15,020
		414,762	297,384	172,778	15,020
2010					
Asian Alliance Insurance Co PLC	41.75%	1,140,678	924,605	677,077	67,225
Asia Siyaka Commodities (Pvt) Ltd	40%	414,762	297,384	172,778	31,260
		1,555,440	1,221,989	849,855	98,485

14.3 Other Long Term Investments

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Investments in Equity Securities - Quoted (Note 14.3.3)	154	190,794	-	190,058
Investments in Debentures (Note 14.3.4)	-	56,201	-	-
Investment in Preference Shares	323	-	-	-
Investment in Joint Venture - Film Production (Note 14.3.1)	2,906	-	-	-
Margin Account (Note 14.3.2)	6,000	-	-	-
	9,383	246,995	-	190,058

14.3.1 Investment in Film Production Project includes sums invested in film production under contractual arrangement subject to joint control. The joint venture has not yet commenced operations.

14.3.2 Above Margin Account of Asia Securities (Pvt) Ltd is restricted for Company's use due to bank guarantee issued to Colombo Stock Exchange.

14.3 Other Long Term Investments (Contd.)

	No. of Shares	Group 2010 Cost Rs. '000	Market Value Rs. '000	No. of Shares	Group 2009 Cost Rs. '000	Market Value Rs. '000
14.3.3 Investments in Equity Securities						
Quoted						
Richard Pieris & Co PLC	-	-	-	7,631,786	564,950	190,794
Less: Provision for fall in value of investments		-	-		(374,156)	
		-	-		190,794	190,794
		Cost	Director's Value		Cost	Director's Value
		Rs. '000	Rs. '000		Rs. '000	Rs. '000
Non-Quoted						
Credit Information Bureau	406	154	154	-	-	-
		154	154		-	-
		154	154		190,794	190,794

	No. of Shares	Company 2010 Cost Rs. '000	Market Value Rs. '000	No. of Shares	Company 2009 Cost Rs. '000	Market Value Rs. '000
14.3.3 Investments in Equity Securities						
Quoted						
Richard Pieris & Co PLC	-	-	-	7,602,328	563,863	190,058
Less: Provision for fall in value of investments		-	-		(373,805)	
		-	-		190,058	190,058

	No. of Debentures	Group 2010 Cost Rs. '000	Market Value Rs. '000	No. of Debentures	Group 2009 Cost Rs. '000	Market Value Rs. '000
14.3.4 Investments in Debentures						
Quoted						
Sampath Bank PLC - Floating Rate	-	-	-	25,000,000	25,000	25,000
Senkadagala Finance PLC - 14%	-	-	-	16,160,000	16,201	16,153
		-	-		41,201	41,153

	No. of Debentures	Group 2010 Cost Rs. '000	Director's Value Rs. '000	No. of Debentures	Group 2009 Cost Rs. '000	Director's Value Rs. '000
Non-Quoted						
LB Finance PLC -24%	-	-	-	15,000,000	15,000	15,000
		-	-		15,000	15,000
		-	-		56,201	

> Notes to the Financial Statements

15. ADVANCE FOR SHARE CAPITAL

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Advance for Share Capital - Asia Asset Finance Ltd	-	-	200,000	-
	-	-	200,000	-

During the year Asia Capital PLC has invested Rs. 200Mn in shares of Asia Asset Finance Limited through rights issue. However the shares were not allotted as at the balance sheet date.

16. ESOP TRUST LOAN

Balance at the beginning of the year	17,491	17,491	17,491	17,491
Change during the year	-	-	-	-
Balance at the end of the year	17,491	17,491	17,491	17,491

No shares were allotted from the Employee Share Ownership Plan (ESOP) Trust during the year. The Company has provided an interest free loan of Rs.17.5 mn to the ESOP Trust.

17. LOANS DUE FROM RELATED PARTIES

Loans to Asia Fort Sri Lanka Direct Investment Fund Ltd.	-	-	84,734	84,734
	-	-	84,734	84,734

The Company has provided loans to Asia Fort Sri Lanka Direct Investment Fund Ltd at Prevailing commercial bank interest rates. The repayment period/terms has not been agreed between the two parties.

18. LONG TERM DEPOSITS AND ADVANCES

Deposit with the Colombo Stock Exchange	3,500	3,500	-	-
Rent Deposit	3,637	2,601	3,637	2,601
	7,137	6,101	3,637	2,601

19. INVENTORIES

Real Estate stock	15,848	-	-	-
Vehicle Stock	10,289	-	-	-
Consumer Durables	3,072	-	-	-
Food and Beverages	1,625	-	-	-
	30,834	-	-	-

20. SHORT TERM INVESTMENTS

Investments in Equity Securities (Note 20.1)	128,213	180,462	57,854	69,766
Investments in Commercial Papers	413,856	359,582	413,856	191,098
Investments in Fixed Deposits	108,943	32,242	10	-
Investments in Securitized Papers	-	-	6,970	-
Investments in Reverse Repurchase Agreements	333,226	1,801,994	271,630	274,239
	984,238	2,374,280	750,320	535,103

20.1 Investments in Equity Securities

Quoted (Note 20.1.1)	108,546	172,962	49,771	14,031
Non-Quoted (Note 20.1.2)	60,303	110,703	20,000	70,400
	168,849	283,665	69,771	84,431
Less				
Provision for fall in value of investments (Note 20.1.3)	(40,636)	(103,203)	(11,917)	(14,665)
	128,213	180,462	57,854	69,766

20.1 Investments in Equity Securities (Contd.)

	No. of Shares	Group 2010 Cost Rs. '000	Market Value Rs. '000	No. of Shares	Group 2009 Cost Rs. '000	Market Value Rs. '000
20.1.1 Investments in Equity Securities - Quoted						
Banks, Finance & Insurance						
Hatton National Bank PLC - Non Voting	4,120	564	577	45,620	2,522	1,461
Vanik Incorporation Ltd - Debentures	1,200	120	-	1,200	120	-
Development Finance Corporation of Ceylon PLC	2,058	368	371	18,958	2,683	1,289
Commercial Bank of Ceylon PLC- Non Voting	74,400	10,339	15,011	115,700	15,857	8,616
Hatton National Bank PLC	5,000	940	940	-	-	-
Nation Trust Bank PLC	-	-	-	100,700	3,604	2,165
Asia Capital PLC	103,400	1,705	1,344	103,400	1,705	569
Sampath Bank PLC	-	-	-	62,400	6,001	4,243
Seylan Bank PLC-Non Voting	-	-	-	606,800	4,834	3,641
Housing Development Finance Corporation PLC	11,400	2,509	1,630	11,400	2,509	579
Asian Alliance Insurance PLC	31,400	1,522	1,735	15,000	639	694
Capital Reach Leasing PLC	275,000	4,950	4,194	-	-	-
LB Finance PLC	10	-	-	10	-	-
National Development Bank PLC	11,000	2,310	2,310	12,600	1,895	1,121
		25,327	28,112		42,369	24,378
Diversified Holdings						
John Keells Holdings PLC	7,035	1,293	1,294	50,035	7,989	3,140
Ceylon Theatres PLC	5,000	270	270	-	-	-
Hayleys PLC	-	-	-	200	26	17
Richard Pieris & Co PLC	635,486	46,690	34,952	-	-	-
Hemas Holdings PLC	25	2	3	25	2	2
		48,255	36,519		8,017	3,159
Hotels and Travels						
John Keells Hotels PLC	336	12	-	336	12	-
Ceylon Hotels Corporation PLC	12,855	426	1,546	12,855	426	167
Kandy Hotels Company (1938) PLC	-	-	-	5,400	482	270
Asian Hotels and Properties PLC	-	-	-	169,300	9,164	4,190
Taj Lanka Hotels PLC	4	-	-	55,004	1,071	523
		438	1,546		11,155	5,150
Manufacturing						
Lanka Ceramics PLC	63,400	7,115	4,232	63,400	7,115	1,839
Samson International PLC	10,040	1,732	871	10,040	1,733	487
Ceylon Grain Elevators PLC	820,304	17,659	13,975	820,304	17,659	6,562
ACL Cables PLC	38,100	76	76	-	-	-
Lanka Cement PLC	5,000	138	138	-	-	-
Sierra Cables PLC	38,100	80	80	-	-	-
Royal Ceramics Lanka PLC	-	-	-	158,200	7,793	4,390
Piramal Glass Ceylon PLC	-	-	-	600	2	1
		26,800	19,372		34,302	13,279
Telecommunications						
Sri Lanka Telecom PLC	-	-	-	641,500	31,218	19,887
Dialog Axiata PLC	40,000	280	280	-	-	-
		280	280		31,218	19,887
Construction and Engineering						
Colombo Dock Yard PLC	1,000	283	283	-	-	-
		283	283		-	-

> Notes to the Financial Statements

20.1.1 Investments in Equity Securities (Contd.)

	No. of Shares	Group 2010 Cost Rs. '000	Market Value Rs. '000	No. of Shares	Group 2009 Cost Rs. '000	Market Value Rs. '000
Chemicals & Pharmaceuticals						
Chemanax PLC	-	-	-	38,400	2,103	1,536
Chemical Industries (Colombo) PLC	1,000	68	68	119,500	4,836	3,406
Chemical Industries (Colombo) PLC (Non voting)	50,400	2,192	2,192	30,300	827	598
		2,260	2,260		7,766	5,540
Plantations						
Malwatte Valley Plantations PLC	-	-	-	100,000	5,848	1,900
Maskeliya Plantations PLC	-	-	-	2,900	76	40
Bogawanthalawa Tea Estates PLC	2,000	73	73	-	-	-
		73	73		5,924	1,940
Power and Energy						
Vallibel Power Erantha PLC	-	-	-	6,501,900	28,571	21,456
Lanka IOC PLC	-	-	-	20,000	540	310
		-	-		29,111	21,766
Beverage, Food and Tobacco						
The Lion Brewery Ceylon PLC	20,000	1,730	1,730	-	-	-
		1,730	1,730		-	-
Units						
Ceybank Century Growth Fund	200,000	2,000	8,612	200,000	2,000	3,216
Eagle Growth Fund	100,000	1,000	4,175	100,000	1,000	1,871
National Unit Trust	10,000	100	100	10,000	100	100
		3,100	12,887		3,100	5,187
Grand Total		108,546	103,062		172,962	100,286

20.1.2 Investments in Equity Securities - Non Quoted

	No. of Shares	Group Cost 2010 Rs. '000	Director's Value 2010 Rs. '000	No. of Shares	Group Cost 2009 Rs. '000	Director's Value 2009 Rs. '000
Paradise Coconut Products (Pvt) Ltd	1,050,000	2,625	-	1,050,000	2,625	-
Capital Reach Holdings Ltd	-	-	-	4,200,000	50,400	41,916
Asia Pacific Golf Course Ltd	4	1,000	-	4	1,000	1,000
Global Software Labs (Pvt) Ltd	1,632,750	16,328	-	1,632,750	16,328	16,328
Compak (Pvt) Ltd	3,000	70	70	3,000	70	70
Pugoda Textile (Pvt) Ltd	24	1	1	24	1	1
Siedles T V Industries Ltd	2,000	28	28	2,000	28	28
Gem Exports Ltd	700	7	7	700	7	7
Finance House Consortium (Pvt) Ltd	20,000	200	200	20,000	200	200
Platinum Reality Investments (Pvt) Ltd	400,000	40,000	40,000	400,000	40,000	40,000
Pure Beverages Co Ltd	709	44	44	709	44	44
		60,303	40,350		110,703	99,594

20.1.1 Investments in Equity Securities - Quoted

	No. of Shares	Company 2010		No. of Shares	Company 2009	
		Cost Rs. '000	Market Value Rs. '000		Cost Rs. '000	Market Value Rs. '000
Banks, Finance & Insurance						
Development Finance Corporation of Ceylon PLC	58	8	10	58	8	4
Hatton National Bank PLC- Non Voting	120	4	17	120	4	5
National Development Bank PLC	-	-	-	12,600	1,895	1,121
		12	27		1,907	1,130
Diversified Holdings						
John Keells Holdings PLC	35	5	6	50,035	7,989	3,140
Hemas Holdings PLC	25	2	3	25	2	2
Richard Pieris & Co PLC	625,628	46,326	34,410	-	-	-
		46,333	34,419		7,991	3,142
Hotels and Travels						
Ceylon Hotels Corporation PLC	12,855	426	1,546	12,855	426	167
Kandy Hotels Company (1938) PLC	-	-	-	5,400	482	270
Taj Lanka Hotels PLC	4	-	-	15,004	225	143
		426	1,546		1,133	580
Units						
Ceybank Century Growth Fund	200,000	2,000	8,612	200,000	2,000	3,216
Eagle Growth Fund	100,000	1,000	4,175	100,000	1,000	1,871
		3,000	12,787		3,000	5,087
Grand Total		49,771	48,779		14,031	9,939

20.1.2 Investments in Equity Securities - Non Quoted

	No. of Shares	Company 2010		No. of Shares	Company 2009	
		Cost Rs. '000	Director's Value Rs. '000		Cost Rs. '000	Director's Value Rs. '000
Platinum Reality Investments (Pvt) Ltd	200,000	20,000	20,000	200,000	20,000	20,000
Capital Reach Holdings Ltd	-	-	-	4,200,000	50,400	41,916
		20,000	20,000		70,400	61,916

20.1.3 Provision for Fall in Value of Investments

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Quoted	15,683	74,766	11,917	6,181
Non Quoted	24,953	28,437	-	8,484
	40,636	103,203	11,917	14,665

> Notes to the Financial Statements

21. SHORT TERM LENDINGS

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Asia Couture Ltd.	336,837	336,837	336,837	336,837
Less: Provision for Bad and Doubtful Debts	(336,837)	(336,837)	(336,837)	(336,837)
	-	-	-	-

22. TRADE AND OTHER RECEIVABLES

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Non Current				
Loans and Advances (Note 22.1)	1,332,474	554,665	-	-
	1,332,474	554,665	-	-
Current				
Trade Debtors	631,737	300,431	12,348	12,348
Less: Provision for Bad & Doubtful Debts	(35,821)	(34,832)	(12,348)	(12,348)
	595,916	265,599	-	-
Loans and Advances (Note 22.1)	1,315,441	171,747	-	-
Staff Loan (Note 22.2)	3,343	4,548	315	304
Loans to Policy Holders (Note 22.3)	-	12,275	-	-
Advances and Prepayments	75,702	35,875	731	1,483
Deposits	8,500	-	-	-
Other Debtors	167,058	329,323	43,008	46,618
	2,165,960	819,367	44,054	48,405
Less: Provision for Bad & Doubtful Debts	(78,530)	(77,236)	(35,196)	(35,196)
	2,087,430	742,131	8,858	13,209
	3,419,904	1,296,796	8,858	13,209

22.1 LOANS & ADVANCES

	Group 2010			Group 2009		
	Asia Asset Finance Ltd Rs.'000	Capital Reach Holdings Ltd Rs.'000	Total Rs.'000	Asia Asset Finance Ltd Rs.'000	Capital Reach Holdings Ltd Rs.'000	Total Rs.'000
Non Current						
Loans and Advances	175,137	-	175,137	272,730	-	272,730
Hire Purchase Receivables	121,061	753,112	874,173	195,746	-	195,746
Hire Purchase Consumer Durables	-	-	-	11,178	-	11,178
Lease Receivables	141,891	269,366	411,257	218,225	-	218,225
Less: Provision for Bad & Doubtful Debts	(128,093)	-	(128,093)	(143,214)	-	(143,214)
	309,996	1,022,478	1,332,474	554,665	-	554,665
Current						
Loans and Advances	265,818	457,888	723,706	155,717	-	155,717
Hire Purchase Receivables	23,058	360,722	383,780	8,835	-	8,835
Hire Purchase Consumer Durables	10,555	-	10,555	1,238	-	1,238
Lease Receivables	15,404	135,116	150,520	5,957	-	5,957
Factoring Debtors	-	10,238	10,238	-	-	-
Pawning Debtors	-	63,591	63,591	-	-	-
Less: Provision for Bad & Doubtful Debts	(19,447)	(7,502)	(26,949)	-	-	-
	295,388	1,020,053	1,315,441	171,747	-	171,747
	605,384	2,042,531	2,647,915	726,412	-	726,412

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
22.2 Staff Loans				
Balance at the beginning of the year	4,548	1,168	304	107
Disposal of Subsidiary	(1,640)	-	-	-
Loans granted during the year	3,099	5,605	315	254
Repayments during the year	(2,664)	(2,225)	(304)	(57)
Balance at the end of the year	3,343	4,548	315	304
22.3 Loans to Policy Holders				
Balance at the beginning of the year	12,275	6,314	-	-
Disposal of Subsidiary	(12,275)	-	-	-
Loans granted during the year	-	8,960	-	-
Repayments during the year	-	(2,999)	-	-
Balance at the end of the year	-	12,275	-	-

23. INTEREST BEARING ADVANCES - RELATED PARTIES

For the year ended 31st March	Relationship	Group		Company	
		2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Asia Securities (Pvt) Ltd	Subsidiary	-	-	149,468	-
		-	-	149,468	-

The Company has given interest bearing advances to Asia Securities (Pvt) Ltd during the year at an annual rate of 25% (compounded) calculated on a basis of a year 365 days and payable monthly on the first calendar day of each month.

> Notes to the Financial Statements

24. AMOUNTS DUE FROM RELATED PARTIES

For the year ended 31st March	Relationship	Group		Company	
		2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Asia Apparel Trading (Pvt) Ltd	Subsidiary	4,711	4,702	4,711	4,702
Asia Growth Fund 1 (Pvt) Ltd	Subsidiary	-	-	162,585	19,961
Asia Fort Sri Lanka Direct Investment Fund Ltd	Subsidiary	-	-	42,527	99,190
Investor Access Asia (Pvt) Ltd	Subsidiary	-	-	10,250	13,031
Asia Asset Finance Ltd	Subsidiary	-	-	2,270	750
Asia Wealth Management Co. (Pvt) Ltd	Subsidiary	-	332	2,336	332
Taru Villas Holdings (Pvt) Ltd	Subsidiary	-	-	58,808	-
Taru Villas (Pvt) Ltd	Subsidiary	-	-	16,450	-
Asia Siyaka Commodities (Pvt) Ltd	Associate	-	530	-	530
Asian Alliance Insurance PLC	Associate	3,133	-	3,133	2,985
Asia Tea Packaging (Pvt) Ltd	Affiliate	43,423	-	-	-
Anilana Resorts (Pvt) Ltd	Affiliate	162	-	-	-
Asia Fort Asset Management (Pvt) Ltd	Affiliate	70,406	67,925	70,406	67,925
		121,835	73,489	373,476	209,406
Less: Provision for Bad & Doubtful Debts					
Asia Apparel Trading (Pvt) Ltd		(4,711)	(4,702)	(4,711)	(4,702)
Asia Asset Finance Ltd		-	-	(870)	(750)
Asia Growth Fund 1 (Pvt) Ltd		-	-	(26,556)	(19,961)
Asia Fort Sri Lanka Direct Investment Fund Ltd		-	-	(42,527)	(33,084)
Investor Access Asia (Pvt) Ltd		-	-	(10,250)	(13,031)
Asia Fort Asset Management (Pvt) Ltd		(18,860)	(16,379)	(18,860)	(16,379)
		(23,571)	(21,081)	(103,774)	(87,907)
		98,264	52,408	269,702	121,499

25. CASH AND CASH EQUIVALENTS

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Favourable balances				
Time Deposits	-	10	-	10
Cash in Hand and at Bank	300,638	76,495	10,035	17,849
	300,638	76,505	10,035	17,859
Unfavourable balances				
Bank Overdrafts	(431,510)	(322,401)	(322,637)	(308,821)
Cash and Cash Equivalents for the cash flow purpose	(130,872)	(245,896)	(312,602)	(290,962)

26. STATED CAPITAL

	Company			
	2010		2009	
	No of Shares	Stated Capital Rs.'000	No of Shares	Stated Capital Rs.'000
Ordinary Shares	110,000,000	1,114,558	110,000,000	1,114,558
	110,000,000	1,114,558	110,000,000	1,114,558

27. DEBENTURES

Asia Asset Finance Ltd.

As at 31st March 2009, consisted of 13,443 unsecured subordinated redeemable 5 years Debentures of Rs. 1,000 / -each issued by the subsidiary Asia Asset Finance Ltd in the years 2005 and 2006.

During the year ended 31st March 2010, 13,433 debentures of Rs.1,000/- were redeemed at par.

	Allotment In	Mature In	No of Debentures	Group 2010 Rs.'000	No of Debentures	2009 Rs.'000
Debenture	2005	2009	-	-	10,063	10,063
Debenture	2006	2009	10	10	3,380	3,380
				10		13,443

28. DEFERRED TAXATION

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Balance at the beginning of the Year	17,809	129	-	-
Aquisition of Subsidiaries	3,759	-	-	-
Provision / (Reversed) during the Year	(19,655)	17,680	-	-
Balance at the end of the Year	1,913	17,809	-	-

	Group			
	2010		2009	
	Temporary Differences	Temporary Tax Effect	Temporary Differences	Temporary Tax Effect
On Temporary differences of Property Plant and Equipment	(116,736)	(40,857)	(6,206)	(2,172)
On Retirement Gratuity	15,329	5,366	6,396	2,238
On Tax Losses carried forward	106,868	37,404	50,693	17,743
	5,461	1,913	50,883	17,809

	Company			
	2010		2009	
	Temporary Differences	Temporary Tax Effect	Temporary Differences	Temporary Tax Effect
On Temporary differences of Property Plant and Equipment	9,740	3,409	8,416	2,946
On Retirement Gratuity	(4,926)	(1,724)	(4,548)	(1,592)
On Tax Losses carried forward	(562,571)	(196,900)	(581,011)	(203,354)
	(557,757)	(195,215)	(577,143)	(202,000)

Note:

Group

Deferred tax arising from the temporary differences in subsidiaries other than those from Asia Securities (Pvt) Limited and Capital Reach Holdings Limited have not been recognised due to the uncertainty of available future taxable profit for utilisation of such tax losses.

Company

Due to uncertainty of availability of future taxable profit for utilisation of tax losses, the recognition of deferred tax asset has been limited only upto deferred liability as at the balance sheet date. Therefore, the unrecognised deferred tax asset of the Company is Rs.195 Mn (2009 – Rs.202Mn).

> Notes to the Financial Statements

29. RETIREMENT BENEFIT OBLIGATIONS - GRATUITY

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Balance as at the beginning of the Year	24,555	22,782	4,548	5,315
Acquisition of Subsidiary	6,528	-	-	-
Disposal of Subsidiary	(10,871)	-	-	-
Interest for the Year	1,724	1,271	265	524
Provision made during the Year	6,273	4,815	1,134	724
(Gain)/Loss arising from changes in assumptions or (over)/under provision in the previous year	277	(1,314)	1,417	(239)
Payments made during the Year	(4,405)	(2,999)	(2,438)	(1,776)
Balance as at the end of the Year	24,081	24,555	4,926	4,548

The employee benefit liability of Asian Alliance Insurance PLC is based on the actuarial valuation carried out by a qualified actuary, Mr. Poopalanathan of Actuarial & Management Consultants (Pvt) Ltd. The employee benefit liability of all other companies in the group are based on the gratuity formula in Appendix E of SLAS 16 - "Employee Benefits" (Revised 2006)

The principal assumptions used in determining the cost of employee benefits were:

Rate of Interest	10% - 13%
Rate of Salary Increase	5% - 12%
Labour Turnover	5%
Retirement Age	55 Years

The company will continue in business as a going concern.

30. NON - INTEREST BEARING BORROWINGS

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Balance at the beginning of the Year	55,505	55,505	55,505	55,505
Loan obtained during the Year	89,165	-	89,165	-
Instalments paid during the Year	-	-	-	-
Balance at the end of the Year	144,670	55,505	144,670	55,505
Amount repayable within one Year	-	-	-	-
Amount repayable After one Year	144,670	55,505	144,670	55,505

31. INTEREST BEARING BORROWINGS

Amount repayable after one Year

Direct Borrowings	443,094	-	-	-
	443,094	-	-	-

Amount repayable within one Year

Borrowing Under Commercial Papers	115,024	106,942	178,298	106,942
Borrowing Under Repurchase Agreement	558,801	475,153	641,803	475,153
Direct Borrowings	768,072	88,454	43,493	88,454
	1,441,897	670,549	863,594	670,549

32. INSURANCE PROVISION

Life Insurance	-	1,203,968	-	-
Non-Life Insurance (Note 32.1)	-	263,441	-	-
	-	1,467,409	-	-

32.1 Non-Life Insurance

Reserve for net unearned premiums	-	171,224	-	-
Reserve for net deferred acquisition cost	-	5,819	-	-
Reserve for gross outstanding claims	-	86,398	-	-
	-	263,441	-	-

33. TRADE AND OTHER PAYABLES

For the year ended 31st March	Group		Company	
	2010 Rs. '000	2009 Rs. '000	2010 Rs. '000	2009 Rs. '000
Non Current				
Deposits from Customers	136,923	92,564	-	-
	136,923	92,564	-	-
Current				
Trade Creditors	514,063	206,108	-	-
Claims Payable	-	59,342	-	-
Deposits from Customers	1,717,187	907,297	-	-
Sundry Creditors including Accrued Expenses	351,341	283,155	99,629	40,007
	2,582,591	1,455,902	99,629	40,007
	2,719,514	1,548,466	99,629	40,007

34. AMOUNTS DUE TO RELATED PARTIES

	Relationship	2010 Rs.'000	2009 Rs.'000	2010 Rs.'000	2009 Rs.'000
Asia Securities (Pvt) Ltd	Subsidiary	-	-	232,952	16,337
Investor Access Asia (Pvt) Ltd	Subsidiary	-	-	-	5,233
Asia Fort Sri Lanka Direct Investment Fund Ltd	Subsidiary	-	-	-	74,920
Asia Asset Finance Ltd	Subsidiary	-	-	-	2,336
		-	-	232,952	98,826

35. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

35.1 Acquisition of Subsidiaries

	Group		
	2010 Rs.'000	2010 Rs.'000	2010 Rs.'000
	Capital Reach Holdings Ltd	Taru Villas Holdings (Pvt) Ltd	Asia Wealth Management Co. (Pvt) Ltd
Property, Plant and Equipment and Intangible Assets	32,581	359,786	-
Other Long Term Investments	477	-	-
Goodwill	38,758	-	-
Other Non Current Assets	3,083	-	-
Short Term Investments	237,681	-	7,520
Inventories	28,547	1,589	-
Deferred Tax Assets	28,849	-	-
Loans, Advances	1,411,788	-	-
Trade and Other Receivables	66,330	13,982	14
Cash and cash equivalents	43,205	1,411	1
	1,891,299	376,768	7,535
Deferred Tax Liabilities	25,292	-	-
Provision for Retirement Gratuity	5,513	1,015	-
Borrowings	896,536	258,322	-
Trade and Other Payables	599,099	25,241	110
Minority Interest	129,692	-	-
Bank Overdraft	-	2,669	-
	1,656,132	287,247	110
Net Assets Acquired	132,281	89,521	7,425
Goodwill arising on acquisition	28,119	5,021	75
Total Consideration	160,400	94,542	7,500
Cash at the date of Acquisition	(43,205)	1,258	(1)
Net cash flow	117,195	95,800	7,499

> Notes to the Financial Statements

35. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (Contd.)

For the year ended 31st March		Group 2010 Rs. '000	Company 2010 Rs. '000
35.2 Disposal of Asian Alliance Insurance PLC			
Profit on Disposal of Subsidiary			
Consideration Received		124,484	124,484
Less: Share of Net Assets of the Subsidiary as at Disposal Date/Cost of Investment		(35,652)	(26,003)
Less: Unimpaired Goodwill		(10,338)	-
Profit on Disposal of Subsidiary		78,494	98,481

During the year ended 31st March 2010, the Group has disposed 10% of its holding in Asian Alliance Insurance PLC.

36. RELATED PARTY DISCLOSURES

Name of Related Party	Nature of the Transaction	2010 Amount Received/(Paid) Rs.	2009 Amount Received/(Paid) Rs.
(a) Transactions with Subsidiaries			
Asia Securities (Pvt) Ltd	Interest free Fund Transfer	250,815,000	27,903,232
	Reimbursement of Expenses	(34,199,735)	(24,402,070)
	Transfer of Office/Computer Equipment	-	123,923
	Brokerage on Share Trading	(2,460,979)	(213,529)
	Repo Interest Expense	1,896,427	-
	Other Interest Expense	653,323	-
	Interest Bearing Advance Given	(138,969,385)	-
	Interest Income on Interest Bearing Advance	10,499,032	-
	Transfer of Receivable	89,165,985	-
	Transfer of Liability	(89,165,985)	-
	<i>Mr. H.L.L.M. Nanayakkara, Mr. J. H. Paul Ratnayake and Mr. Harsha Amarasekera (resigned w.e.f 15 May 2009), Directors of the Company, are also Directors of Asia Securities (Pvt) Ltd.</i>		
Asia Growth Fund 1 (Pvt) Ltd	Interest free Fund Transfer	(41,170,900)	(4,372,052)
	Reimbursement of Expenses	(12,284,541)	(11,835,769)
	Transfer of Receivable	(89,165,985)	-
	<i>Mr. H.L.L.M. Nanayakkara, Mr. J. H. Paul Ratnayake and Mr. Harsha Amarasekera (resigned w.e.f 15 May 2009), Directors of the Company, are also Directors of Asia Growth Fund 1 (Pvt) Ltd.</i>		
Asia Fort Sri Lanka Direct Investment Fund Ltd	Interest free Fund Transfer	(50,000)	-
	Interest Income on Long Term Loans	7,735,554	10,507,964
	Commercial Paper Borrowings/(Settlements)	(2,942,136)	65,189,587
	Interest Expense on Commercial Papers	(11,192,496)	(5,587,768)
	Short Term Lendings/(Recoveries)	(12,329,422)	64,536,370
	Interest income on Short Term lendings	8,730,044	4,944,565
	Short Term Borrowing	-	8,048,812
	Interest Expense on Short Term Borrowings	(27,735)	-
	Current Account Settlement	-	4,300,000
	Reimbursement of Expenses	1,657,375	-
	<i>Mr. H.L.L.M. Nanayakkara, Mr. J. H. Paul Ratnayake, Mr. Asanga C. Seneviratne (resigned w.e.f 1 September 2010) and Mr. Harsha Amarasekera (resigned w.e.f 15 May 2009), Directors of the Company, are also Directors of Asia Fort Sri Lanka Direct Investment Fund Ltd.</i>		
Investor Access Asia (Pvt) Ltd.	Reimbursement of Expenses	(951,448)	(68,174)
	Interest free fund transfers	-	(6,682,365)
	Amount Borrowed through Commercial Papers	-	5,233,376
	Interest payable on Commercial Papers	-	17,003
	Short Term Borrowing	-	21,670
	Interest payable on short term borrowing	-	71
	<i>Mr. H.L.L.M. Nanayakkara, a Director of the Company, is also a Director of Investor Access Asia (Pvt) Ltd.</i>		

Name of Related Party	Nature of the Transaction	2010 Amount Received/(Paid) Rs.	2009 Amount Received/(Paid) Rs.
Asia Asset Finance Ltd.	Reimbursement of Expenses	(797,885)	(163,813)
	Repo Borrowings/(Settlements)	80,665,955	92,935,809
	Interest Expense on Repo	(6,836,848)	(1,253,245)
	Fixed Asset Sold	-	98,923
	Settlement of Current Account	-	4,827,250
	Interest Free Fund transfers	625,000	(625,000)
	Expenses borne on behalf of Asia Capital Plc	53,000	16,600
	Advance In Lieu of Share Investment	200,000,000	-
<i>Mr. H.L.L.M. Nanayakkara, a Director of the Company, is also a Director of Asia Asset Finance Ltd.</i>			
Asia Wealth Management Co. (Pvt) Ltd	Reimbursement of Expenses	(2,555,481)	(77,651)
	Interest free Fund Transfers	(160,000)	-
	Repo Interest Expense	(281,967)	-
<i>Mr. H.L.L.M. Nanayakkara, a Director of the Company, is also a Director of Asia Wealth Management Co. (Pvt) Ltd.</i>			
Taru Villas Holdings (Pvt) Ltd	Reimbursement of Expenses	58,808,394	-
<i>Mr. H.L.L.M. Nanayakkara, a Director of the Company, is also a Director of Taru Villas Holdings (Pvt) Ltd</i>			
Taru Villas (Pvt) Ltd	Reimbursement of Expenses	2,840,569	-
	Expenses borne on behalf of Asia Capital Plc	(416,715)	-
	Interest Free Fund Transfers	14,026,607	-
<i>Mr. H.L.L.M. Nanayakkara, a Director of the Company, is also a Director of Taru Villas (Pvt) Ltd</i>			
(b) Transactions with Associates			
Asia Siyaka Commodities (Pvt) Ltd	Guarantee Fees	1,770,837	1,875,004
	Dividends Income	17,666,667	-
<i>Mr. J. H. Paul Ratnayeke , Mr. Harsha Amarasekera (resigned w.e.f 15 May 2009), Mr. H.L.L.M. Nanayakkara and Mr. Asanga C. Seneviratne, Directors of the Company are also Directors of Asia Siyaka Commodities (Pvt) Ltd.</i>			
Asian Alliance Insurance PLC	Management fees	1,800,000	1,800,000
	Reimbursement of Expenses	-	224,255
	Settlement of Current Account	1,932,104	1,360,886
	Insurance Premium	(910,664)	(2,180,050)
	Guarantee Fees	5,004	5,722
	Expenses borne on behalf of Asia Capital Plc	-	(349,460)
	Dividends Income	6,274,635	9,158,304
<i>Mr. H.L.L.M. Nanayakkara, Mr. J. H. Paul Ratnayeke , Mr. Harsha Amarasekera (resigned w.e.f 15 May 2009) and Mr. Asanga C. Seneviratne (resigned w.e.f 1 September 2010), Directors of the Company are also Directors of Asian Alliance Insurance PLC.</i>			
(c) Transactions with Other Related Parties			
Capital Reach Leasing PLC	Amount Invested in Securitised Papers	26,981,989	-
	Interest Income on Securitised Papers	1,684,502	-
<i>Mr. H.L.L.M. Nanayakkara, Director of the Company, is also a Director of Capital Reach Leasing PLC</i>			
Paul Ratnayeke Associates	Legal Fees	-	(275,368)
<i>Mr. J. H. Paul Ratnayeke, Director of the Company is also a partner of Paul Ratnayeke Associates.</i>			
P.R. Secretarial Services (Pvt) Ltd	Secretarial Fees	(195,876)	(140,012)
<i>Mr. J. H. Paul Ratnayeke, Director of the Company, is also a Director of P.R. Secretarial Services (Pvt) Ltd.</i>			
Asia Fort Asset Management (Pvt) Ltd	Lending	-	51,545,745
	Reverse Repo Interest Income	2,480,149	16,379,000
<i>Mr. Asanga C. Seneviratne (resigned w.e.f 1 September 2010) a Director of the Company, is also a Director of Asia Fort Asset Management (Pvt) Ltd.</i>			

> Notes to the Financial Statements

(d) Transactions with other related parties by the Group

Name of Related Party	Name of Director	Nature of the Transaction	2010 Amount Received/(Paid) Rs.	2009 Amount Received/(Paid) Rs.
Asia Securities (Pvt) Ltd				
Asian Alliance Insurance PLC	Mr. H.L.L.M. Nanayakkara Mr. J.H. Paul Ratnayake Mr. Harsha Amerasekera (resigned w.e.f 15 May 2009) Mr. A. C. Seneviratne (resigned w.e.f 1 September 2010)	Brokerage on Share Trading Insurance Premium Interest on Delayed Settlement	8,859,675 (200,400) 21,049	1,748,255 (1,016,015) -
Asia Asset Finance Ltd	Mr. H.L.L.M. Nanayakkara Mr. J.H. Paul Ratnayake (resigned w.e.f 31st July 2009) Mr. D.M Wijayasingha (resigned w.e.f 12th January 2010) Mr. U. Nishan Sumanadeera (resigned w.e.f 31st August 2009)	Brokerage on Share Trading Interest charged on delayed payments	126,984 172,996	14,121 75,132
Asia Fort Sri Lanka Direct Investment Fund Ltd	Mr. H.L.L.M. Nanayakkara Mr. J.H. Paul Ratnayake Mr. Harsha Amerasekera (resigned w.e.f 15 May 2009) Mr. Asanga C. Seneviratne (resigned w.e.f 1 September 2010)	Brokerage on Share Trading Interest charged on delayed payments	577 56,180	47,488 78,758
Paul Ratnayake Associates	Mr. J.H. Paul Ratnayake	Legal Fees	(952,994)	(1,020,574)
P.R. Secreterial Services (Pvt) Ltd	Mr. J.H. Paul Ratnayake	Secretarial Fees	(240,869)	(253,029)
Investor Access Asia (Pvt) Ltd.	Mr. H.L.L.M. Nanayakkara Mr. Harsha Amerasekera (resigned w.e.f 15th May 2009) Mr. Asanga C. Seneviratne (resigned w.e.f 22 May 2009) Mr. D.A.S. Abeyesinhe	CDAX Online Trade Charges	(7,852,989)	(2,176,270)
Asia Wealth Mangement Co. (Pvt) Ltd	Mr. H.L.L.M. Nanayakkara Mr. D.A.S. Abeyesinhe	Professional Fees Reimbursement of Expenses	(2,905,134) 20,160	-
Capital Reach Holdings Ltd	Mr. H.L.L.M. Nanayakkara (resigned w.e.f 20th August 2010) Mr. J.H. Paul Ratnayake (resigned w.e.f 20th August 2010)	Brokerage on Share Trading	45,370	-
Asia Asset Finance Ltd.				
Asia Securities (Pvt) Ltd	Mr. D.M Wijayasingha (resigned w.e.f 28th February 2010) Mr. H.L.L.M. Nanayakkara Mr. U. Nishan Sumanadeera (resigned w.e.f 16th October 2009)	Brokerage on Share Trading Interest charged on delayed payments	126,984 172,996	(14,121) (75,132)
Investor Access Asia (Pvt) Ltd.				
Asia Securities (Pvt) Ltd	Mr. H.L.L.M. Nanayakkara Mr. Harsha Amerasekera (resigned w.e.f 15th May 2009) Mr. D.A.S. Abeyesinhe	CDAX Online Trade Charges	7,852,989	2,176,270
Asia Growth Fund 1 (Pvt) Ltd				
P.R. Secreterial Services (Pvt) Ltd	Mr. J.H. Paul Ratnayake	Secretarial Fees	(65,679)	(74,722)
Asia Tea Packaging (Pvt) Ltd	Mr. H. L.L.M. Nanayakkara	Reimbursement of Expenses	(43,422,313)	-
Taru Villas Holdings (Pvt) Ltd	Mr. H. L.L.M. Nanayakkara Mr. A.C. Seneviratna (resigned w.e.f 20th May 2010)	Purchase of Share	(89,165,985)	-

Name of Related Party	Name of Director	Nature of the Transaction	2010 Amount Received/(Paid) Rs.	2009 Amount Received/(Paid) Rs.
Asia Fort Sri Lanka Direct Investment Fund Ltd				
P.R. Secreterial Services (Pvt) Ltd	Mr. J.H. Paul Ratnayake	Secretarial Fees	(91,496)	(99,865)
Asia Securities (Pvt) Ltd	Mr. Harsha Amerasekera (resigned w.e.f 15 May 2009) Mr. H.L.L.M. Nanayakkara	Brokerage on Share Trading Interest charged on delayed payments	(577) (56,180)	(47,488) (78,757)
Asia Asset Finance Ltd	Mr. H.L.L.M. Nanayakkara Mr. Asanga C. Seneviratne (resigned w.e.f 22nd May 2009)	Interest expense on Borrowings Loans Obtained/(Loan Settlements) Conversion of Short Term Loan to Long Term Loan	(2,378,201) 1,605,367 9,000,000	(178,354) 8,048,812
Asian Alliance Insurance PLC	Mr. J.H.P. Ratnayake Mr. S.H. Amerasekera (resigned w.e.f 15 May 2009) Mr. H.L.L.M. Nanayakkara	Dividend Income Purchase of shares	7,295,860 (58,554)	7,013,876 (4,816,769)
Asian Alliance Insurance PLC				
Asia Securities (Pvt) Ltd	Mr. H.L.L.M. Nanayakkara Mr. J.H. Paul Ratnayake Mr. Harsha Amerasekera (resigned w.e.f 15th May 2009)	Brokerage on Share Trading Insurance Premium	(8,859,675) 200,400	(1,748,255) 1,016,015
Asia Fort Sri Lanka Direct Investment Fund Ltd	Mr. J.H.P. Ratnayake Mr. S.H. Amerasekera (resigned w.e.f 15 May 2009) Mr. H.L.L.M. Nanayakkara	Dividends Paid Purchase of shares	(7,295,860) 58,554	(7,013,876) 4,816,769
Capital Reach Holdings Ltd				
Capital Reach Credit Ltd	Mr. H.L.L.M. Nanayakkara (resigned w.e.f 20 August 2010)	Loans Given Corporate guarantees given	35,333,336 25,000,000	- -
Capital Reach Leasing Ltd	Mr. H.L.L.M. Nanayakkara (resigned w.e.f 20 August 2010)	Reimbursement of expenses Vehicle hiring fees Corporate guarantees given	(3,424,055) (1,500,000) 25,000,000	- - -
Capital Reach Business Development (Pvt) Ltd	Mr. H.L.L.M. Nanayakkara (resigned w.e.f 20 August 2010)	Reimbursement of expenses	3,120,000	-
Taru Villas Holdings (Pvt) Ltd				
Investor Access Equities (Pvt) Ltd	Mr. Asanga C. Seneviratne (resigned w.e.f 20 May 2010)	Write back of short term borrowings	15,891,050	-
Asia Fort Asset Management (Pvt.) Ltd	Mr. Asanga C. Seneviratne (resigned w.e.f 20 May 2010)	Short term borrowings Write back of short term borrowings	145,000 74,756,502	- -
Taru Villas (Pvt) Ltd				
Investor Access Equities (Pvt) Ltd	Mr. Asanga C. Seneviratne (resigned w.e.f 20 May 2010)	Short term borrowings Write back of short term borrowings	6,000,000 6,509,572	- -
Asia Fort Asset Management (Pvt) Ltd	Mr. Asanga C. Seneviratne (resigned w.e.f 20 May 2010)	Short term borrowings Write back of short term borrowings Write back of share application proceeds	60,072,224 75,303,845 296,000,000	- - -

> Notes to the Financial Statements

(e) Transactions with Key Management Personnel

The key management personnel includes members of the Board of Directors of the Group companies.

	Group 2010 Rs.	Company 2010 Rs.
(i) Compensation to Key Management Personnel		
Short-Term Employee Benefits	46,925,321	4,517,166

(ii) Other Transactions with Key Management Personnel

During the year Capital Reach Holdings Limited-Group has granted loans to Key Management Personnel and the amount due as at 31.03.2010 was Rs. 2,602,221 and borrowed funds from from Key Management Personnel amounting to Rs. 4,615,392/- as at 31.03.2010.

37. ASSETS PLEDGED

37.1 Company

The following assets owned by Asia Capital PLC have been pledged as securities for liabilities as at the Balance Sheet date.

Name of the Borrower	Name of the Lender	Nature of Facility	Facility Limit	Details of Assets Pledged	Outstanding as at 31.03.2010
Asia Capital PLC	Pan Asia Banking Corporation PLC	Overdraft Facility	Rs. 100 Mn	Ordinary Shares of Asian Alliance Insurance PLC	162,635,229
Asia Capital PLC	Bank of Ceylon	Overdraft Facility	Rs. 250 Mn	Ordinary Shares of Asian Alliance Insurance PLC and Richard Peiris and Co PLC (Note)	154,822,664

Note: Facility obtained from Bank of Ceylon is secured by Ordinary Shares of Asian Alliance Insurance PLC owned by Asia Capital PLC and Asia Fort Sri Lanka Direct Investment Fund Ltd.

37.2 Group

The following assets owned by the Companies of Asia Capital Group have been pledged as securities for liabilities as at the Balance Sheet date.

Name of the Borrower	Name of the Lender	Nature of Facility	Facility Limit	Details of Assets Pledged	Outstanding as at 31.03.2010
Asia Capital PLC	Pan Asia Banking Corporation PLC	Overdraft Facility	Rs. 100 Mn	Ordinary Shares of Asian Alliance Insurance PLC	162,635,229
Asia Capital PLC	Bank of Ceylon	Overdraft Facility	Rs. 250 Mn	Ordinary Shares of Asian Alliance Insurance PLC and Richard Peiris and Co PLC (Note)	154,822,664
Asia Fort Sri Lanka Direct Investment Fund Ltd	Asia Asset Finance Ltd	Long Term Loan	Rs. 9 Mn	Ordinary Shares of Asian Alliance Insurance PLC	-
Taru Villas Holdings (Private) Ltd	Seylan Bank PLC	Term Loan	Rs. 150 Mn	Land & Buildings	98,429,401

Capital Reach Holdings Ltd. group has following assets which have been pledged as securities as at 31.03.2010

	Rs.
Lease Receivables	715,683,446
Loan Receivables	31,636,032
Fixed Deposits	6,298,603

Note: Facility obtained from Bank of Ceylon is secured by Ordinary Shares of Asian Alliance Insurance PLC owned by Asia Capital PLC and Asia Fort Sri Lanka Direct Investment Fund Ltd.

38. COMMITMENT & CONTINGENCIES

There are no material contingent liabilities outstanding as at Balance Sheet date other than those disclosed below.

38.1 Guarantees

38.1(a) Company

The Company has issued corporate guarantees against bank borrowings by the Subsidiaries/Associates companies as indicated below.

Name of the Borrower/ Guarantee Issued To	Name of the Bank	Purpose	2010 Amount (Rs.)	2009 Amount (Rs.)
Asia Securities (Pvt) Ltd.	Hongkong and Shanghai Banking Corporation	Over Draft	-	40,000,000
Asia Securities (Pvt) Ltd.	Pan Asia Banking Corporation PLC	Over Draft	50,000,000	-
Asia Siyaka Commodities (Pvt) Ltd.	Hongkong and Shanghai Banking Corporation	Over Draft /Money Market Loan	-	50,000,000
	Bank of Ceylon	Over Draft	5,000,000	5,000,000
	Sampath Bank PLC	Over Draft	5,000,000	5,000,000
	National Development Bank PLC	Project Loan	-	30,000,000
	People's Bank	Over Draft	100,000,000	100,000,000

38.1 (b) Group

The following companies of the Asia Capital Group have issued corporate guarantees against borrowings as indicated below;

Name of the Company	2010 Amount (Rs.)	2009 Amount (Rs.)
Capital Reach Holdings Ltd.	50,000,000	-
Capital Reach Leasing PLC	5,800,000	-

38.2 Litigations against the Company and the Group

Asia Securities (Pvt) Ltd.

Case No.	Parties	Amount of Claim (Rs.)
HC/CIVIL/112/2005(1)	N.S. Cader Vs Asia Securities (Pvt) Ltd & Commercial Bank of Ceylon Ltd.	15,584,200
7516/SPL	M.S. Salahudeen Vs Asia Securities (Pvt) Ltd.	1,000,000

38.3 Other Contingent Liabilities

Asia Securities (Pvt) Ltd has a contingent liability as at the balance sheet date on an undertaking provided to a lender for a loan obtained by Asia Capital PLC with regard to any loss or damage due to disposal of shares owned by the Company which are offered as securities for the loan obtained without the written consent of the lender. The management is of the view that there will not be material financial loss or damage to lender due to disposal of such shares.

There were no commitments and contingencies as at the Balance Sheet date other than those disclosed above.

39. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No circumstances have arisen since the Balance Sheet date which would require adjustments to or disclosures in the Financial Statements other than those disclosed below,

- The group has disposed its stake in Capital Reach Holdings Ltd on 19th August 2010 for Rs. 299.5 Mn.
- On 19th August 2010 Asia Capital Group has acquired 6,000,000 shares of Asian Alliance Insurance Co PLC (Associate Company) for Rs.343.75 Mn and Asian Alliance Insurance Co PLC became a Subsidiary as of that date and on 23rd August 2010 Asia Capital PLC has acquired further 1,298,800 shares of Asian Alliance Insurance Co PLC for Rs.74 Mn.

> Notes to the Financial Statements

40. GOING CONCERN

a) Company

The Company has recorded accumulated loss of Rs. 855,304,278/- as at 31st March 2010 and the Company's current liabilities exceed the current assets by Rs. 329,322,834/- as at that date. These factors raise doubts on the Company's ability to continue as a going concern. However, the Company has reported a profit of Rs.189,896,000/- (unaudited) for the 6 months ended 30th September 2010 which include a profit of Rs. 138,353,000/- from sale of its subsidiary, Capital Reach Holdings Limited. The financial statements are prepared on the assumption that the Company is a going concern as the Board of Directors are confident that the financial position of the Company will continue to improve.

The Company's net assets are less than half of the stated capital as at 31st March 2010. But in the assessment of the Board of Directors, the Company is not facing a serious loss of capital as per the Companies Act No.07 of 2007 as the market value of its equity investments are significantly higher than the costs recorded in the financial statements.

b) Group

The Group has recorded accumulated loss of Rs. 871,535,832/- as at 31st March 2010 and current liabilities exceed current assets by Rs. 951,039,083/- as at that date. These factors raise doubts on the Group's ability to continue as a going concern. However, the Group has recorded a profit of Rs. 389,386,000/- (unaudited) for the 6 months ended 30th September 2010. The financial statements are prepared on the assumption that the Group is a going concern as the Board of Directors are confident that the financial position of the Group will continue to improve.

1. Asia Asset Finance Limited

The Company has recorded accumulated loss of Rs. 434,040,294/- as at 31st March 2010 and current liabilities exceed current assets by Rs. 38,138,716/- the total liabilities exceed the total assets by Rs.19,513,648/- with advance for share capital of Rs. 200,000,000/- provided by Asia Capital PLC as at that date. These factors raise doubts on the Company's ability to continue as a going concern. However, the Company has reported a profit of Rs. 45,880,000/- (unaudited) for the 6 months ended 30th September 2010. Further, Asia Capital PLC has provided Rs.185,000,000/- as an advance for share capital to the Company subsequent to the balance sheet date. The financial Statements are prepared on the assumption that the Company is a going concern as the Board of Directors of the company are confident that the Company's financial position will improve in near future.

2. Asia Growth Fund 1 (Private) Limited

The Company has recorded accumulated loss of Rs. 21,903,216/- as at 31st March 2010 and the current liabilities exceed current assets by Rs. 119,301,599/- and total liabilities exceed the total assets by Rs. 21,853,176 /- as at that date. However, the financial Statements are prepared on the assumption that the Company is a going concern as the Board of Directors of the Company are confident that the Company's financial position will improve in near future. Further the parent company, Asia Capital PLC, has agreed to provide financial support to enable the Company to continue as a going concern.

3. Asia Fort Sri Lanka Direct Investment Fund Limited

The Company has recorded accumulated loss of Rs. 36,624,538/- as at 31st March 2010 and the current liabilities exceed current assets by Rs. 27,498,802/- and total liabilities exceed the total assets by Rs. 31,623,468/-. However, the financial Statements are prepared on the assumption that the Company is a going concern as the Board of Directors of the company are confident that the Company's financial position will improve in near future. Further the parent company, Asia Capital PLC, has agreed to provide financial support to enable the Company to continue as a going concern.

4. Investor Access Asia (Pvt) Limited

The Company has recorded accumulated loss of Rs. 24,404,387/- as at 31st March 2010 and the current liabilities exceed current assets by Rs. 7,099,565/- and total liabilities exceed the total assets by Rs. 4,065,747/- as at that date. However, the financial Statements are prepared on the assumption that the Company is a going concern as the Board of Directors of the Company are confident that the Company's financial position will improve in near future. Further the parent company, Asia Capital PLC, has agreed to provide financial support to enable the Company to continue as a going concern.

Segment Information

	Investments		Stock Broking and Investment Banking		Deposit Mobilisation and Credit		Insurance		Group	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
For the year ended 31 March										
Business Segment										
Revenue										
Total gross sales	407,268	80,465	386,252	108,937	553,008	206,313	43,961	1,429,849	1,390,488	1,825,564
Less : Inter segment sales/dividend	(40,763)	(22,440)	(10,403)	(62)	(10,900)	-	-	-	(62,065)	(22,502)
Gross segment revenue	366,505	58,025	375,849	108,875	542,108	206,313	43,961	1,429,849	1,328,423	(1,803,062)
Revenue based taxes	-	-	-	-	-	-	-	-	-	-
Net segment Revenue	366,505	58,025	375,849	108,875	542,108	206,313	43,961	1,429,849	1,328,423	1,803,062
Segmental Operating Profit / (Loss)	76,750	(76,697)	122,155	(83,834)	(106,682)	(174,731)	(29,682)	(63,005)	62,621	(398,267)
Other Operating Income	7,713	24,527	19,208	39,496	37,486	13,201	14,255	253,112	78,662	310,336
Share of Profit of Associate companies	31,260	15,020	-	-	-	-	67,225	-	98,485	15,020
Operating Profit / (Loss) before Provision for Fall in Value of Investments	115,723	(37,150)	141,363	(44,338)	(69,115)	(161,530)	51,798	170,107	239,768	(72,911)
Provision for fall in value of investments	27,391	(121,336)	-	-	21,670	(14,059)	-	(36,990)	49,062	(172,385)
Operating Profit / (Loss)	143,114	(158,486)	141,363	(44,338)	(47,445)	(175,589)	51,798	133,116	288,830	(245,296)
Finance cost	-	-	-	-	-	-	-	-	(78,529)	(150,263)
Adjustment on disposal of Subsidiary	-	-	-	-	-	-	-	-	78,494	-
Profit / (Loss) Before Taxation	143,114	(158,486)	141,363	(44,338)	(47,445)	(175,589)	51,798	133,116	288,830	(245,296)
Income Tax Expense	-	-	-	-	-	-	-	-	288,795	(395,559)
Profit / (Loss) After Taxation	143,114	(158,486)	141,363	(44,338)	(47,445)	(175,589)	51,798	133,116	288,830	(245,296)
Assets										
Segment assets	906,254	850,532	952,980	282,658	3,603,912	948,346	-	2,160,323	5,463,146	4,241,859
Deferred tax Assets	-	-	109	17,808	1,802	-	-	-	1,911	17,808
Investment in associates	273,218	90,058	-	-	-	-	-	-	273,218	90,058
Total assets	1,179,472	940,590	953,089	300,466	3,605,714	948,346	-	2,160,323	5,738,275	4,349,725
Liabilities										
Segment liabilities	108,701	106,997	539,854	191,124	2,113,307	1,069,181	-	1,740,811	2,761,862	3,108,113
Interest Bearing Borrowings	1,298,291	971,141	59,764	-	1,113,731	14,547	-	12,476	2,471,786	998,164
Deferred tax liability	-	-	-	-	-	-	-	-	-	-
Total Liabilities	1,406,992	1,078,138	599,618	191,124	3,227,038	1,087,038	-	1,753,287	5,233,648	4,106,277
Net Assets	(227,520)	(137,547)	353,471	109,342	378,676	(135,382)	-	407,036	504,627	243,448
Capital expenditure	15,698	755	8,925	2,529	16,675	4,216	-	33,796	41,297	43,305
Depreciation	50,717	11,638	6,447	5,893	17,756	1,461	-	12,689	74,920	32,767

Ten Year Summary

Year ended 31st March	2010 Rs.'000	2009 Rs.'000	2008 Rs.'000 (Restated)	2007 Rs.'000	2006 Rs.'000	2005 Rs.'000	2004 Rs.'000	2003 Rs.'000	2002 Rs.'000	2001 Rs.'000
OPERATING RESULTS										
Revenue	1,328,423	1,803,062	956,048	982,836	743,097	1,678,846	2,636,189	1,552,293	1,477,230	590,354
Profit/(loss) before Taxation	210,301	(395,559)	(561,128)	2,229	(395,559)	267,032	251,732	2,747	105,096	(183,754)
Adjustment on disposal of Subsidiary	78,494	-	206,252	-	-	-	-	-	-	-
Taxation	(66,435)	16,373	(16,125)	(33,034)	(54,346)	(17,875)	(45,542)	(11,396)	(22,625)	(2,823)
Profit/(loss) after Taxation	222,360	(379,186)	(371,001)	(30,805)	65,620	249,157	206,190	(8,649)	82,471	(186,577)
Minority Interest	(12,600)	(65,681)	(60,641)	(186)	(247)	-	562	(13,573)	(8,275)	1,263
Profit/(loss) attributable to Shareholders	209,760	(444,867)	(431,642)	(30,991)	65,373	249,157	206,752	(22,222)	74,196	(185,314)
ASSETS										
Property, Plant & Equipment	328,038	94,001	94,979	75,843	88,400	168,288	136,885	143,898	156,101	150,601
Intangible Assets	78,143	55,455	49,076	150,088	150,088	150,088	-	33,450	1,209	2,417
Investment Properties	67,039	12,023	12,731	13,438	14,145	-	-	-	-	-
Long Term Investments	372,210	337,053	433,991	739,732	511,324	411,020	527,243	891,978	1,114,838	1,184,338
Deferred Taxation	1,913	17,809	129	-	-	-	-	-	-	-
ESOP Loan	17,491	17,491	17,491	17,491	17,491	17,491	17,491	17,491	38,023	37,190
Other Non Current Assets	1,339,611	560,766	7,962	14,824	14,824	14,617	16,027	7,775	6,528	6,538
Current Assets	3,533,830	3,255,127	3,857,563	2,050,008	3,745,748	2,116,806	974,943	361,784	1,622,917	735,125
	5,738,275	4,349,725	4,473,922	3,061,424	4,542,020	2,878,310	1,672,589	1,456,376	2,939,616	2,116,209
EQUITY AND LIABILITIES										
Stated Capital	1,114,558	1,114,558	1,114,558	1,114,558	1,114,558	1,114,558	1,114,558	1,114,558	1,114,558	1,114,558
Capital Redemption Reserve Fund	-	-	-	13,800	13,800	13,800	13,800	14,440	13,840	1,840
Revaluation Reserve	8,709	10,437	5,970	-	-	-	-	-	-	-
Capital Reserves	1,790	1,344	1,344	3,174	2,500	2,500	2,500	2,500	9,250	2,500
Exchange Equalisation Reserve	-	-	-	78,316	78,316	(48,467)	(22,385)	(15,015)	(9,290)	-
General Reserve	3,000	3,000	3,000	-	-	-	-	-	-	-
Accumulated Profits/(Losses)	(871,536)	(1,080,850)	(635,983)	66,604	89,701	131,722	(114,469)	(149,594)	38,968	(16,478)
Shareholders' Fund	256,521	48,489	488,889	1,276,452	1,298,875	1,214,113	994,004	966,889	1,167,326	1,102,420
Pre-operational and Share Issue Expenses	-	-	-	-	-	-	-	-	(13,338)	(15,692)
Minority Interest	248,106	194,959	131,945	542	247	-	-	6,238	12,521	7,883
	504,627	243,448	620,834	1,276,994	1,299,122	1,214,113	994,004	973,127	1,166,509	1,094,611
Negative Goodwill	-	-	-	-	-	-	-	-	24,302	48,603
Non Current Liabilities	748,778	186,067	92,904	91,523	90,119	91,657	78,179	35,449	47,205	49,169
Current Liabilities	4,484,870	3,920,210	3,760,184	1,692,907	3,152,779	1,572,540	600,406	447,800	1,701,600	923,826
	5,738,275	4,349,725	4,473,922	3,061,424	4,542,020	2,878,310	1,672,589	1,456,376	2,939,616	2,116,209

Asia Capital PLC
21-01, West Tower, World Trade Center,
Echelon Square,
Colombo 1, Sri Lanka