

ANNUAL REPORT

2015/16



LAXAPANA
BATTERIES PLC



60 Years Of Excellence

Our Mission

“Our mission is to provide best value energy generating products”

To our shareholders - We will continuously improve our manufacturing capabilities and technology as part of our growth strategy and thereby improve profits and return on investment.

To our customers - We will provide high quality products that will consistently meet customer expectations.

To our employees - We will create a work environment where employees will be treated with dignity & respect and made active participants in the development of the organization.

To our suppliers - We will work towards building long term relationships and commitment for mutual growth.

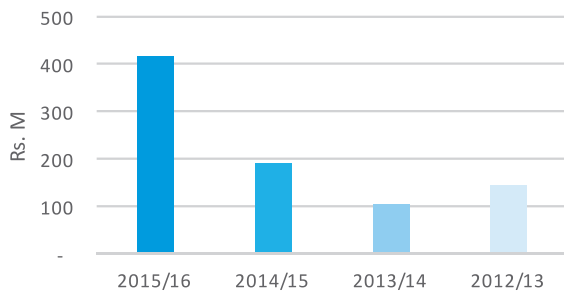
To our society - We will commit ourselves to ensure that our present and future manufacturing systems and services will be so designed to create the least environmental impact. We will always promote good governance and ethical practices in business and honour the rights of all racial, religious and gender sections in our society.

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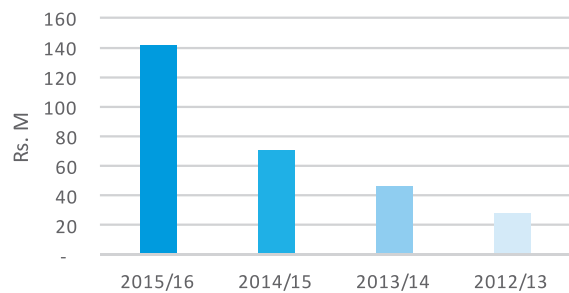
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Financial Highlights

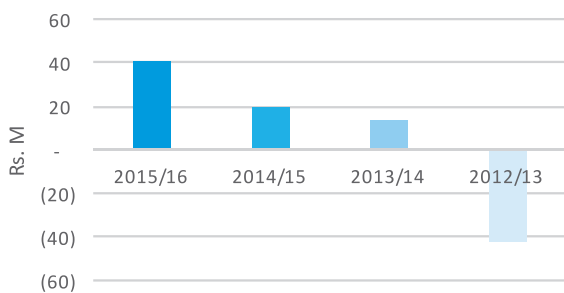
Revenue



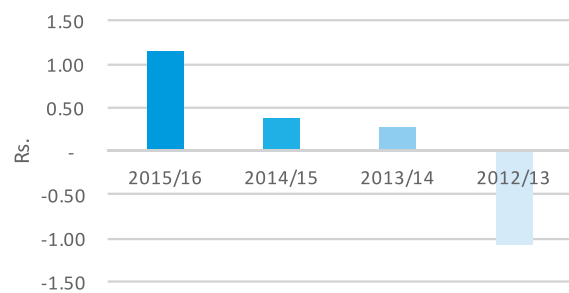
Gross Profit



Profit before Tax



Earnings per Share



Financial Performance

	2015/16	2014/15
	Rs.	Rs.
Revenue	416,838,527	190,090,622
Gross Profit	141,705,488	70,485,866
Profit Before Tax	40,516,809	19,508,927
Profit After Tax	44,549,353	14,432,816
Earnings per Share	1.14	0.37
Net Assets per Share	5.01	4.12
Market Price per Share	7.00	4.60
Current Ratio (Times)	1.37	1.37



Notice of Meeting

Notice is hereby given that the Sixtieth Annual General Meeting of Laxapana Batteries PLC will be held at the Grand Oriental Hotel, No. 2, York Street, Colombo 01, on Thursday, 30th June 2016 at 4.00 p.m. for the following purposes, namely:

1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2016, with the Report of the Auditors thereon.
2. To declare a First & Final Dividend as recommended by the Directors.
3. To re-elect as a Director, Mr. P. M. A. Sirimane who retires in accordance with Articles 83 and 84 of the Articles of Association.
4. To re-elect as a Director, Mr. S. N. P. Palihena who retires in accordance with Articles 83 and 84 of the Articles of Association.
5. To reappoint Mr. R. N. Bopearatchy who is over seventy years of age as a Director.

Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out below in relation to his reappointment (see Note No. 4)

6. To reappoint Mr. A. R. Rasiyah who has attained the age of seventy years as a Director.

Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out below in relation to his reappointment (see Note No.5)

7. To reappoint as Auditors, KPMG Chartered Accountants, and to authorize the Directors to determine their remuneration.

By Order of the Board

Corporate Managers & Secretaries (Private) Limited

Secretaries

Colombo

31st May, 2016

Note

1. Any member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of him or her. A proxy need not be a member of the Company.
2. A Form of Proxy for the Meeting is enclosed with this Report.
3. The instrument appointing a proxy should reach the Registered Office of the Company's Secretaries, Corporate Managers & Secretaries (Private) Limited, No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01, not less than 48 hours before the time appointed for the holding of the meeting.
4. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting:

Resolved –

“That Mr. R.N. Bopearatchy who is seventy five years of age be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.7 of 2007 shall not apply to the said Director, Mr. R.N. Bopearatchy.”

5. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting:

Resolved –

“That Mr. A. R. Rasiyah who is seventy years of age, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No.7 of 2007 shall not apply to the said Director, Mr. A. R. Rasiyah.”

Chairman's Review

It gives me great pleasure to welcome you for the 60th Annual General Meeting of the Company and to present the Annual Report for the year ended 31st March 2016.

In 2015 the economic growth registered for Sri Lanka was 4.8% as against the previous year's 4.9%. The Central Bank relaxed the exchange rate management and allowed market forces to determine the exchange rate. This resulted in the depreciation of the Rupee by 9.3%. The core inflation increased to 4.5% by end 2015 from 3.5% at end of 2014.

The Company has been able to record a satisfactory growth in terms of both revenue and profitability. The revenue recorded for the year is Rs. 417 Million. More than double the Rs. 190 Million achieved the previous year. The profit before tax recorded for the Company is Rs. 40.5 Million, a healthy growth in profit of 108% over the Rs. 19.5 Million achievement of the previous year.

The turnover from Penlite Batteries, CFL Bulbs and Rechargeable torches which constitutes the core trading operation of the Company showed a very satisfactory sales during the current year vis-a-vis the achievement of the previous year. Laxapana's Marketing Division took advantage of the vacuum in the market to thrust its marketing efforts more aggressively to take advantage of the available opportunity.

Keeping in line with our policy of diversifying our range of products and the manufacturing activities to achieve a more dominant presence in the lighting market, the Company commenced its CFL Bulb assembly operations during mid-2014. This new manufacturing initiative enabled the Company to increase the sales by twofold in this sector.

The CFL Bulbs were targeted as a growth area for the Company and accordingly strategies both in pricing and distribution were set in motion to achieve this objective. The Company pursued a policy of producing high quality, cost effective products.

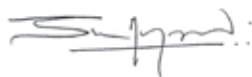
To carry out this strategy efficiently, investments were made in a new product quality testing facility. Opportunities for embarking on new product lines is aggressively pursued to sustain the growth of the Company's business.

To take advantage of the strategic location of the our Homagama factory site and the fast dwindling commercial space close to the city, investigations are underway to examine the financial feasibility of developing a logistics centre at the venue.

The Directors have proposed a declaration of a dividend of Cents 55 for the year ended 31st March 2016. This is an increase of Cents 30 per share over dividend of the previous year.

Your Directors are confident that with the initiatives taken by the Management, the profitability and growth of the Company will continue improving in the ensuing years.

I take this opportunity to thank all the stakeholders for their continued confidence in the Company and also wish to thank all my colleagues on the Board for their guidance and counsel.



S.D.R. Arudpragasam
Chairman
31st May, 2016

Company Profile

Elephant Lite Corporation Ltd was incorporated as a Public Limited liability Company in 1956. The Company is the pioneer manufacturer of D size dry cell batteries, namely Torch and Transistor batteries, in Sri Lanka and continued manufacturing the same until the closure of operation in 2012, due to the rapid drop in demand for D size batteries locally as well as globally. In 1982, it was quoted on the Colombo Stock Exchange. In August 2005, the name of the Company was changed to Laxapana Batteries Limited and subsequently re-registered as Laxapana Batteries PLC.

The Company continues to market LAXAPANA brand Zinc Chloride and Alkaline type AA and AAA batteries, CFL bulbs and Re-chargeable torches. LAXAPANA brand zinc chloride 9v batteries and LED bulbs were introduced to the market during the year.

The Company continues to operate the fully equipped laboratory to ensure the quality of dry cell batteries marketed by the Company and also a laboratory testing facility to ensure quality of CFL and LED bulbs produced in the factory.

The factory and office are located on a 3 ½ acre freehold land at Homagama.



Board of Directors

S.D.R. Arudpragasam – Chairman FCMA (UK)

Mr. S.D.R. Arudpragasam joined the Board in 1997 and was appointed Chairman in the year 2011. He serves as Chairman of several subsidiaries of The Colombo Fort Land & Building PLC. He holds the positions of Deputy Chairman on the Boards of The Colombo Fort Land & Building PLC (CFLB) and Lankem Ceylon PLC. Mr. Arudpragasam also functions as Managing Director of E.B. Creasy & Co. PLC in addition to serving on the Boards of other Companies within the CFLB Group.

K.D. Sumanasekera - Director/ Chief Executive Officer FCA

Mr. K. D. Sumanasekera joined the E.B. Creasy Group in 1992 and headed the Finance Division until December, 2008. He was appointed to the Board of Laxapana Batteries PLC in November, 2009 and also functions as the Chief Executive Officer of the Company. He has served in senior financial positions in the Government and Private Sector and has also been associated with overseas companies in Zambia.

R.N. Bopearatchy – Director B.Sc. (Cey), Dip. BM, MBA (Univ. of Col.)

Mr. R. N. Bopearatchy was appointed to the Board in the year 2000. He has considerable expertise in product development, manufacturing and marketing of pesticides, pharmaceuticals and consumer products. Soon after graduation he was employed in Research in the Plant Pathology Division of the Tea Research Institute and subsequently joined Chemical Industries Colombo Limited and was appointed to its Board. He also served on the Boards of Crop Management Services (Pvt) Ltd. the managing agents for Mathurata Plantations Ltd., CIC Fertilizers Ltd. and Cisco Speciality Packaging (Pvt) Limited. He has held office as the Chairman of the Pesticide Association of Sri Lanka, the Toxicological Society of Sri Lanka and the International Mosquito Spiral Manufacturers Association (IMSMA). Mr. R. N. Bopearatchy currently holds several other Directorships within The Colombo Fort Land & Building Group.

S. Rajaratnam- Director B.Sc., CA

Mr. S. Rajaratnam was appointed to the Board in the year 2006. He holds a Bachelor of Science Degree in Business Administration from Boston College, U.S.A. and is a member of the Institute of Chartered Accountants in Australia. He has been associated with overseas companies in the field of Finance and currently holds the position of Deputy Managing Director of E.B. Creasy & Company PLC amongst other Directorships in The Colombo Fort Land & Building Group.

R. C. A. Welikala - Director

Mr. R. C. A. Welikala was appointed to the Board in the year 2000. He has extensive experience in marketing of fast moving consumer goods and has successfully developed key brands in the E.B. Creasy Group to market leadership positions. He also holds other Directorships within The Colombo Fort Land & Building Group.

P. M. A. Sirimane – Director FCA, MBA

Mr. P. M. A. Sirimane joined the E.B. Creasy Group in October, 2009 and was appointed to the Board of Laxapana Batteries PLC in November, 2009. Amongst other senior positions he has functioned as Managing Director/CEO of Mercantile Leasing Ltd., Group Finance Director of United Tractor & Equipment Ltd., Chief Financial Officer, Sri Lanka Telecom Ltd. and Director SLT Hong Kong Ltd. He has served as a Member of several Committees of the Institute of Chartered Accountants of Sri Lanka and was an ex-officio member of the International Leasing Association. Mr. Sirimane serves on the Board of E.B. Creasy & Company PLC and some of its subsidiaries. He also holds several other Directorships.

A. R. Rasiah -Director B.Sc.(Cey.), FCA

Mr. A.R. Rasiah was appointed to the Board as an Independent Non-Executive Director on 2nd May, 2013. He possesses well over 40 years of experience in Finance at a very senior level both internationally and locally. He currently serves on some of the

Board of Directors Contd....

Boards of The Colombo Fort Land and Building Group, Ceylon Cold Stores PLC, Hela Clothing Co. Ltd. and MTD Walkers PLC. He is a former (retired) Finance Director of Nestle (Lanka) PLC. He has been a past visiting lecturer on Finance and Accounts for Nestle SA for Africa-Asian and Oceanic Regions. Mr. Rasiah is the Chairman of Ceylon Pencil Company Ltd. and a past lecturer for MBA students on Finance at the Postgraduate Institute of Management (PIM). He is a former President of the Benevolent Society of the Institute of Chartered Accountants of Sri Lanka and Vice President of the Sri Lanka Institute of Directors. .

S.N.P. Palihena – Director FCIB (U.K.), FIB (SL), Post Grad. Dip. Bus. & FA

Mr. S.N.P. Palihena was appointed to the Board as an Independent Non-Executive Director on 2nd May, 2013. In addition to serving on the Board of E. B. Creasy & Company PLC and some of its subsidiaries, he also serves on the Board of a subsidiary of The Colombo Fort Land & Building PLC. Mr. Palihena currently holds Directorships in Softlogic Finance PLC and SMB Leasing PLC.

He was a former Chief Executive Officer/General Manager of Bank of Ceylon and has had a distinguished banking career spanning almost forty years at the Bank of Ceylon. He has also worked at the National Development Bank of Sri Lanka for a period of over three years. Mr. Palihena is a former Director of the DFCC Bank.

A. M. Mubarak -Director B.Sc. (Hons.) Ph. D. (Cantab)

Dr. A. M. Mubarak was appointed to the Board as an Independent Non – Executive Director on 2nd September 2013. Dr. Mubarak, a former Director and Chief Executive Officer of the Industrial Technology Institute, has more than 25 years of experience in Research & Development.

Dr. Mubarak graduated from the University of Colombo with first class honours in Chemistry and holds a Ph. D. from the University of Cambridge U.K. He did his Post-doctoral research at the University of Maryland,

College Park Campus and Royal Institute of Technology, Stockholm. Dr. Mubarak a Commonwealth Scholar is a former President of the Institute of Chemistry, Ceylon a past General President of the Sri Lanka Association for the Advancement of Science and the current President of the National Academy of Sciences, Sri Lanka.

He has served on the Boards/Councils of the University of Colombo, Post Graduate Institute of Science, Sri Lanka Institute of Advance Technological Education, National Engineering Research & Development Centre, Sri Lanka Accreditation Board and National Authority, Chemical Weapons Convention. Dr. Mubarak had served in many Presidential and Ministerial Task Forces dealing with Science & Technology.

S.W. Gunawardena - Director B.Sc., MBA

Mr. S. W. Gunawardena was appointed to the Board as a Non – Executive Director on 1st April 2014. He graduated from the University of Colombo in 1995 with a Bachelor of Science degree and holds a Masters in Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenapura. Prior to joining the Parent Company, E.B. Creasy & Company PLC he had served in leading mercantile establishments in Sri Lanka and overseas.

Corporate Governance

Corporate Governance is the process by which Company objectives are established, achieved and monitored. Corporate Governance is concerned with the responsibilities of the Board and its relationships with all relevant stakeholders within a legal and regulatory framework.

Board

Composition

The Board consists of nine Non -Executive Directors three of whom are Independent and an Executive Director, who also functions as the Chief Executive Officer of the Company. They are equipped with a balance of skills and experience and together they provide strategic direction to the Company.

Mr. S.D.R. Arudpragasam	-	Non - Executive
Mr. K.D. Sumanasekera	-	Executive
Mr. S. Rajaratnam	-	Non- Executive
Mr. R. N. Bopearatchy	-	Non- Executive
Mr. R.C.A. Welikala	-	Non - Executive
Mr. P.M.A. Sirimane	-	Non- Executive
Mr. A. R. Rasiah	-	Independent
	-	Non-Executive
Mr. S. N. P. Palihena	-	Independent
	-	Non- Executive
Dr. A. M. Mubarak	-	Independent
	-	Non-Executive
Mr. S. W. Gunawardena	-	Non- Executive

The Non-Executive Directors have submitted declarations of their independence or non-independence to the Board of Directors.

Mr. A.R. Rasiah, Mr. S.N.P. Palihena and Dr. A. M. Mubarak serve on the Boards of E. B. Creasy & Co. PLC (EBCPLC) Parent Company and some of its subsidiaries and a majority of the Directors of the Company are on the Boards of EBCPLC and its subsidiaries. The Board after taking into consideration all other circumstances listed in the Rules pertaining to the Criteria for defining Independence is of the opinion that they are nevertheless Independent.

Appointments to the Board

The Board as a whole decides on the appointment of Directors in accordance with the Articles of Association of the Company and in Compliance with the rules of Governance. The details of new appointments to the Board are made available to the shareholders by making announcements to the Colombo Stock Exchange.

Re-election of Directors

The Company's Articles of Association require any Director appointed by the Board to hold office until the next Annual General Meeting at which he seeks re-election by the Shareholders.

The Articles require one- fourth of the Directors in office to retire at each Annual General Meeting (not being an Appointed Director or Nominee Director). The Directors to retire in each year are those who have been longest in office since their last election. Retiring Directors are generally eligible for re-election.

Decision Making

In addition to Board Meetings matters are referred to the Board and decided by Resolutions in writing.

The Interim and Annual Financial Statements are approved by the Board. Management Accounts and the progress reports are also reviewed and approvals relating to the Annual Budgets, Capital Expenditure and New Investments are granted after consideration.

Company Secretaries and Independent Professional Advice

The Company and all Directors may seek advice from Corporate Managers & Secretaries (Private) Ltd. who are qualified to act as Secretaries as per the provisions of the Companies Act No. 07 of 2007. Advice is also sought from independent external professionals whenever the Board deems it necessary.

Independent Judgement

The Board of Directors as a whole and individually are committed to exhibit high standards of integrity and independence of judgement on various issues.

Corporate Governance Contd....

Management Meetings

The Management team meets on a monthly basis to review progress, discuss operational issues and other important developments that require consideration and follow up action.

Financial Acumen

The Board includes five finance professionals who possess the necessary knowledge and experience to offer the Board guidance on financial matters.

Annual General Meeting

The Board considers the Annual General Meeting/ General Meetings an opportunity to communicate with Shareholders and encourages their participation. Questions raised by the Shareholders are answered and an appropriate dialogue is maintained with them.

Financial Reporting

The Board of Directors considers the timely publication of its Quarterly and Annual Financial Statements as a high priority. The Financial Statements are prepared in accordance with the Sri Lanka Accounting Standards.

Audit Committee

The Company's Audit Committee was constituted in July, 2013.

The Audit Committee Report is set out on page 15.

Remuneration Committee

The Remuneration Committee of the Parent Company, E. B. Creasy & Company PLC functions as the Company's Remuneration Committee. The committee comprises of Mr. A. R. Rasiyah-Chairman, Mr. S. N. P. Paliheena and Mr. A. M. de S. Jayaratne – Independent Non-Executive Directors of E. B. Creasy & Company PLC. The Committee is responsible for recommending remuneration packages for the Key Management and Senior Management Personnel.

In addition they lay down guidelines and parameters for the compensation structure of the Management Staff.

Related Party transactions Review Committee

The Related Party Transactions are disclosed in Note 23 (C) to the Financial Statements.

The Report of the Related Party Transactions Review Committee appear on page 16.

Annual Report of the Board of Directors

The Board of Directors of Laxapana Batteries PLC present their Report on the Affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2016.

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

Principal Activities, Business Review/Future Developments

The Company markets AA, AAA and 9v batteries, CFL and LED bulbs and re-chargeable torches.

A review of the Company's business and its performance during the year with comments on financial results and future developments is contained in the Chairman's Review, which together with the financial statements reflect the state of affairs of the Company.

The Directors to the best of their knowledge and belief confirm that the Company has not engaged in any activities that contravene laws and regulations.

Financial Statements

The Financial Statements of the Company are given on pages 18 to 48.

Auditors' Report

The Auditors' Report on the Financial Statements is given on Page 17.

Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 22 to 32 There were no changes in the Accounting Policies adopted.

Interest Register

Directors' Interest in transactions

The Directors have made general disclosures as provided for in Section 192(2) of the Companies' Act No. 7 of 2007. Arising from this, details of contracts in which they have an interest are disclosed in Note 23 to

the financial statements on page 46 and 47.

Directors' Interest in Shares

The Directors of the Company who have an interest in the shares of the Company have disclosed their shareholdings and any acquisitions /disposals to the Board in compliance with Section 200 of the Companies Act No. 07 of 2007.

Details pertaining to Directors direct shareholdings are set out below:

Name of Director	No. of Shares as at 31.03.2016	No. of Shares as at 31.03.2015
Mr. S.D.R. Arudpragasam	4,600,000	-

Directors' Remuneration

Directors fees in respect of the Company for the financial year 2015/2016 are given in Note 23 (b) (i) to the Financial Statements on page 46.

Corporate Donations

Corporate donations made during the year was Rs.69,800/- (2014/2015 - Nil)

Directorate

The names of the Directors who held office during the financial year and who are currently in office are given below. Brief profiles of the Directors currently in office appear on pages 8 & 9.

Mr. S.D.R. Arudpragasam	- Chairman
Mr. K.D. Sumanasekera	- Director/ Chief Executive Officer
Mr. S. Rajaratnam	- Director
Mr. R. N. Bopearatchy	- Director
Mr. R.C.A. Welikala	- Director
Mr. P.M.A. Sirimane	- Director
Mr. A. R. Rasiah	- Director
Mr. S. N. P. Palihena	- Director
Dr. A. M. Mubarak	- Director
Mr. S. W. Gunawardena	- Director

Annual Report of the Board of Directors Contd.....

In terms of Articles 83 and 84 of the Articles of Association Messrs P. M. A. Sirimane and S. N. P. Paliheena retire by rotation and being eligible offer themselves for re-election.

Mr. R. N. Boppearatchy who is over seventy years of age, retires and offers himself for reappointment under and by virtue of a Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Mr. A. R. Rasiah who has attained the age of seventy years retires and offers himself for reappointment under and by virtue of a Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Auditors

The Financial Statements of the Company for the year have been audited by KPMG, Chartered Accountants, the retiring Auditors who have expressed their willingness to continue as Auditors of the Company and are recommended for reappointment.

A resolution to reappoint them and to authorize the Directors to determine their remuneration will be proposed at the Annual General Meeting.

The Auditors, Messrs. KPMG were paid Rs. 556,600/- (2014/2015 - Rs. 506,000/-) as audit fees and fees for audit related services by the Company. In addition they were paid Rs. 354,587/- (2014/2015 - Rs. 250,864/-) by the Company for non-audit related work, which consisted mainly of taxation work.

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 do not have any interests in the Company.

Revenue

The Revenue of the Company for the year was Rs. 416.8 Mn. (2014/15- Rs. 190.1 Mn)

Results

The Company made a net profit of Rs. 44.5 Mn. in the current financial year. The net profit for the previous year was Rs. 14.4 Mn.

Dividends

The Board of Directors have recommended the payment of a First and Final Dividend of Rs. 0.55 per share on the Ordinary Shares of the Company for the year ended 31st March, 2016 for approval by the shareholders at the Annual General Meeting to be held on 30th June, 2016.

The Directors have confirmed that the Company satisfies the solvency test requirement under section 56 of the Companies Act No. 07 of 2007 for the dividend proposed. A solvency certificate has been sought from the Auditors in respect of the aforementioned Dividend.

Property, Plant & Equipment

The carrying amount of property, plant and equipment as at the date of the Statement of Financial Position was Rs. 129.7 Mn. (2014/15 – Rs. 128.4 Mn). The details are given in Note 10 on page 35.

Investment Property

The carrying amount of investment property, which was leased to the Parent Company, as at the date of statement of Financial Position was Rs. 26.7 Mn. (2014/2015 – Rs. 24.7 Mn). The details are given in Note 11 on page 36.

Stated Capital

The Stated Capital of the Company as at 31st March 2016 was Rs. 138,010,000/- and is represented by 39,000,000 Ordinary Shares and 1000, 5% Cumulative Preference Shares.

Reserves

The Company had Retained Earnings of Rs. 57.5 Mn as at 31st March 2016.

The movements are shown in the Statement of Changes in Equity in the Financial Statements.

Annual Report of the Board of Directors Contd.....

Taxation

Income Tax liability for the current year is Rs.7.7 Mn. (2014/2015 – Rs. 3.6 Mn).

Related Party Transactions

During the financial year there were no recurrent or non-recurrent related party transactions which exceeded the respective thresholds mentioned in Section 9 of the Colombo Stock Exchange Listing Rules and the Company has complied with the requirements of Listing Rules on Related Party Transactions.

The Related Party Transactions presented in the financial statements are disclosed in Note 23 (C) on page 47.

Share Information

Information relating to earnings (deficit), net assets, market value per share and share trading is given on pages 49 , 50 and 51.

Events Occurring after the Reporting Date

No circumstances have arisen since the Reporting date that would require adjustments to or disclosures in the Financial Statements.

Capital Commitment and Contingent Liabilities

There were no capital commitments and material contingent liabilities outstanding as at the date of the Statement of Financial Position.

Employment Policy

The Company's recruitment and employment policy is non-discriminatory. The number of persons employed by the Company at the year end was 22. (2014/2015 - 17)

Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory payments due in relation to employees and the Government have been made.

Environmental Protection

The Company has applied for Environmental Protection License for the year 2016.

Internal Control

The Directors are satisfied with the Internal Control systems in operation at present.

Going Concern

The Board of Directors are satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Therefore the Going Concern basis has been adopted in the preparation of the financial statements.

For and on behalf of the Board



S.D.R. Arudpragasam
Director



K.D. Sumanasekera
Director

By Order of the Board



Corporate Managers & Secretaries (Private) Limited

Secretaries
31st May, 2016

Audit Committee Report

The audit committee report focuses on the activities of the Company for the year under review, which the committee has reviewed and monitored as to provide additional assurance on the reliability of the Financial Statements through a process of independent and objective views.

Composition

The Audit Committee comprises of two Independent Non- Executive Directors of the Company and an Independent Non- Executive Director of the Parent Company, E.B. Creasy & Company PLC (EBCPLC)

The names of the members are set out below:

Mr. A.R. Rasiah - Chairman
(Independent Non-Executive Director - LB PLC)

Mr. S.N.P. Palihena - Member
(Independent Non-Executive Director - LB PLC)

Mr. A.M. de S. Jayaratne - Member
(Independent Non- Executive Director- EBC PLC)

The members have varied experience, financial knowledge and business acumen to carry out their role effectively and efficiently. Two of the members are finance professionals including the Chairman.

The Company's Secretaries, Corporate Managers and Secretaries (Pvt) Ltd. functions as the Secretaries to the Audit Committee.

Role of the Audit Committee

The Committee provides assistance to the Board of Directors in fulfilling its responsibility to the Shareholders and other Stakeholders relating to the Company's financial statements and the financial reporting process to ensure that the financial reporting system is in adherence with the Sri Lanka Accounting Standards and other regulatory and statutory requirements. It also reviews the adequacy of internal controls and the business risks.

The Committee has scrutinized the quarterly accounts and the accounts for the year ended 31st March, 2016.

Meetings and Attendance

The Audit Committee has met on four occasions during the year ended 31st March, 2016.

The Attendance of the committee was as follows

Mr. A.R. Rasiah - (3/4)
Mr. A.M. de S. Jayaratne - (4/4)
Mr. S.N.P. Palihena - (4/4)

Senior management personnel of the Company are invited to the meetings as and when required. The proceedings of the Audit Committee are reported to the Board of Directors.

External Audit

The Company has appointed KPMG as its external Auditor and the service provided by them are segregated between audit/assurance services and other advisory services such as tax consultancy.

The Audit Committee has determined that KPMG Auditors are independent on the basis that they do not carry out any management related functions of the Company. The Audit Committee also reviews the professional fees of the External Auditors.

The Audit Committee has concurred to recommend to the Board of Directors the re-appointment of KPMG as Auditors for the financial year ending 31st March 2017, subject to the approval of the shareholders at the Annual General Meeting. The Fee to be agreed upon by the Directors.

Conclusion

The Audit Committee is of the view that adequate controls are in place to safeguard the Company's assets and that the financial position and the results disclosed in the audited accounts are free from any material misstatements.



A.R. Rasiah
Chairman,
Audit Committee
31st May, 2016

Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee is entrusted with the responsibility of ensuring that Shareholders' interests are protected in all related party transactions.

Composition

The Related Party Transactions Review Committee of the Parent Company, E.B. Creasy & Company PLC (EBCPLC) functions as the Company's Related Party Transactions Review Committee which comprises of the following members:

Mr. R. Seevaratnam	- Chairman- Independent / Non-Executive Director , EBC PLC
Mr.A.M.de S.Jayaratne	- Member- Independent / Non-Executive Director, EBC PLC
Mr. A.R.Rasiah	- Member- Independent / Non-Executive Director, EBC PLC
Mr.P.M.A.Sirimane	- Member- Executive Director, EBC PLC

The Company's Secretaries , Corporate Managers & Secretaries (Private) Ltd. functions as the Secretaries to the Related Party Transactions Review Committee.

Meetings of the Committee

The Related Party Transactions Review Committee met for the first time during the first quarter of the current financial year.

Functions of the Committee:

- Review all proposed Related Party Transactions (Except for exempted transactions)
- Direct the transactions for Board approval / Shareholder approval as deemed appropriate
- Obtain updates on previously reviewed Related Party Transactions from Senior Management and approve any material changes
- Establish guidelines for Senior Management to follow in ongoing dealings with related parties.
- Review and assess on an Annual basis the transactions for Compliance against the Committee guidelines.

Conclusion

The Related Party Transactions Review Committee has reviewed the Related Party Transactions entered into during the financial year under review and has communicated it's comments and observations to the Board of Directors.

Related Party Transactions will be reviewed and disclosed in a manner consistent with the Listing Rules. The Committee is free to seek external professional advice on matters within their purview when necessary.

The Board of Directors have also declared in the Annual Report that there were no recurrent or non-recurrent related party transactions which exceeded the respective thresholds mentioned in Section 9 of the Colombo Stock Exchange Listing Rules and that the Company has complied with the requirements of the Listing Rules on Related Party Transactions.



R. Seevaratnam
Chairman

Related Party Transactions Review Committee

31st May, 2016

Independent Auditors' Report



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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Colombo 00300,
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Internet : www.lk.kpmg.com

TO THE SHAREHOLDERS OF LAXAPANA BATTERIES PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Laxapana Batteries PLC ("the Company"), which comprise the statement of financial position as at 31st March 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information set out on pages 18 to 48 of the annual report.

Board's Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- The basis of opinion and scope and limitations of the audit are as stated above.
- In our opinion we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company and the financial statements of the Company, comply with the requirements of section 151 of the Companies Act.

CHARTERED ACCOUNTANTS

Colombo

31st May, 2016

KPMG, 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.

M.R. Mihular FCA	P.Y.S. Perera FCA	C.P. Jayatilake FCA
T.J.S. Rajakarier FCA	W.W.J.C. Perera FCA	Ms. S. Joseph FCA
Ms. S.M.B. Jayasekara ACA	W.K.D.C. Abeyrathne FCA	S.T.D.L. Perera FCA
G.A.U. Karunaratne FCA	R.M.D.B. Rajapakse FCA	Ms. B.K.D.T.N. Rodrigo FCA
R.H. Rajan ACA		
Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA		

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March

	Note	2016 Rs.	2015 Rs.
Revenue	4	416,838,527	190,090,622
Cost of Sales		(275,133,039)	(119,604,756)
Gross profit		141,705,488	70,485,866
Other Income	5	7,629,670	12,011,956
Administrative Expenses		(42,998,651)	(31,815,252)
Selling Expenses		(59,811,655)	(26,403,278)
Net Finance Costs	6	(6,008,043)	(4,770,365)
Profit before Taxation	7	40,516,809	19,508,927
Income Tax Expense	8	4,032,544	(5,076,111)
Profit for the year		44,549,353	14,432,816
Other Comprehensive Income			
Re-measurement of Retirement Benefit Obligations	19.3	(40,619)	(356,543)
Deferred Tax (Charge) / Reversal on Actuarial Gains / (Losses)		11,373	-
Other Comprehensive Expense for the year		(29,246)	(356,543)
Total Comprehensive Income for the year		44,520,107	14,076,273
Earnings per Share	9.1	1.14	0.37
Dividend per Share	9.2	0.25	0.15

The Accounting Policies and Notes form an integral part of these Financial Statements.
Figures in bracket indicate deductions.

Statement of Financial Position

As at 31st March	Note	2016 Rs.	2015 Rs.
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	10.1	129,693,629	128,382,663
Investment Property	11	26,658,455	24,680,443
Deferred Tax Asset	17	24,032,278	11,315,886
Total Non-Current Assets		180,384,362	164,378,992
Current Assets			
Inventories	12	49,981,127	48,120,475
Amount Due from Related Companies	13	73,186,876	37,728,532
Trade and Other Receivables	14	1,848,213	8,809,816
Cash and Cash Equivalents	15	18,927,969	9,151,620
Total Current Assets		143,944,185	103,810,443
Total Assets		324,328,547	268,189,435
EQUITY AND LIABILITIES			
Equity			
Stated Capital	16	138,010,000	138,010,000
Retained Earnings		57,456,006	22,685,899
Total Equity		195,466,006	160,695,899
Non-Current Liabilities			
Deferred Tax Liability	17	12,346,839	11,315,886
Interest Bearing Borrowings	18	6,666,688	16,326,680
Retirement Benefit Obligations	19	4,586,263	4,150,764
Non-Current Liabilities		23,599,790	31,793,330
Current Liabilities			
Trade and Other Payables	20	40,280,839	21,092,012
Interest Bearing Loans and Borrowings	18	59,372,119	50,822,951
Amounts Due to Related Companies	21	475,830	216,361
Income Tax Payable		5,133,963	3,568,882
Total Current Liabilities		105,262,751	75,700,206
Total Liabilities		128,862,541	107,493,536
Total Equity and Liabilities		324,328,547	268,189,435

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

I certify that these Financial Statements are prepared in compliance with the requirements of the Companies Act No.07 of 2007.

(Sgd.)

K.M.G.V. Kariyawasam
Finance Manager

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements. Approved and signed for and on behalf of the Board of Directors of Laxapana Batteries PLC.

(Sgd.)

S.D.R. Arudpragasam
Director

31st May, 2016
Colombo

(Sgd.)

K.D. Sumanasekera
Director

Statement of Changes in Equity

For the year ended 31st March 2016

	Stated Capital		Retained Earnings Rs.	Total Rs.
	Ordinary Share Capital Rs.	Preference Share Capital Rs.		
Balance as at 01st April 2014	138,000,000	10,000	14,459,626	152,469,626
Profit for the year	-	-	14,432,816	14,432,816
Other Comprehensive Expenses for the year	-	-	(356,543)	(356,543)
Dividend Paid	-	-	(5,850,000)	(5,850,000)
Balance as at 31st March 2015	138,000,000	10,000	22,685,899	160,695,899
Profit for the year	-	-	44,549,353	44,549,353
Other Comprehensive Expense for the year	-	-	(29,246)	(29,246)
Dividend Paid	-	-	(9,750,000)	(9,750,000)
Balance as at 31st March 2016	138,000,000	10,000	57,456,006	195,466,006

The Accounting Policies and Notes form an integral part of these Financial Statements.
Figures in bracket indicate deductions.

Statement of Cash Flows

For the year ended 31st March	Note	2016 Rs.	2015 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		40,516,809	19,508,927
Adjustments for:			
Depreciation on Property, Plant and Equipment & Investment Property		3,626,963	2,371,797
Gain/ (Loss) on translation of foreign currency		201,517	(129,680)
Interest cost		5,806,526	4,900,045
Provision for Retiring Gratuity		794,880	657,750
Provision for slow moving inventories		42,290	253,400
Obsolete stocks written off		1,552,136	30,178
Profit on disposal of Property, Plant & Equipments		(1,824,812)	(2,674,569)
Operating cash flows before working capital changes		50,716,309	24,917,848
(Increase)/Decrease in Inventories		(3,455,078)	(26,518,354)
(Increase)/Decrease in Trade and Other Receivables		6,961,604	2,141,055
(Increase)/Decrease in amounts due from Related Companies		(35,458,344)	(24,654,806)
Increase/(Decrease) in amounts due to Related Companies		259,469	125,026
Increase/(Decrease) in Trade & Other Payables		19,196,256	16,137,174
Cash generated from/ (used in) operating activities		38,220,216	(7,852,057)
Taxes Paid		(6,076,441)	(3,026,237)
Interest paid		(6,015,469)	(5,119,537)
Retiring Gratuity paid		(400,000)	-
Net cash flows generated from (used in) operating activities		25,728,306	(15,997,831)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Disposal of Property Plant and Equipment		1,937,733	2,700,712
Purchase and construction of Property, Plant & Equipment		(7,028,863)	(10,481,805)
Net cash flows (used in) investing activities		(5,091,130)	(7,781,093)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term loans obtained		198,873,632	115,349,182
Short term Loan repaid		(199,984,459)	(80,034,868)
Repayment of Finance Lease Obligations		-	(392,280)
Dividend paid		(9,750,000)	(5,850,000)
Net cash flows generated from financing activities		(10,860,827)	29,072,034
Net (Decrease) /Increase in Cash & Cash Equivalent		9,776,349	5,293,110
Cash and Cash equivalent at the beginning of the year		9,151,620	3,858,510
Cash and Cash equivalent at the end of the year	15	18,927,969	9,151,620

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

Figures in the brackets indicate deductions

Notes to the Financial Statements

1. REPORTING ENTITY

Laxapana Batteries PLC is a company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The Company's registered office is situated at No. 98, Sri Sangaraja Mawatha, Colombo 10 and the principal business is carried out at its premises located at No. 398, High Level Road, Panagoda, Homagama.

The principal activity of the Company is assembling CFL bulbs, importing batteries, Re-chargeable torches and LED bulbs, locally purchase other consumer goods and selling in the local market.

The immediate and ultimate holding companies of Laxapana Batteries PLC are E.B. Creasy & Company PLC and The Colombo Fort Land & Building Company PLC respectively.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Financial Statements of the Company comprises the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in equity and Statement of Cash Flow together with the Accounting Policies and Notes to the Financial Statements. The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs) as promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No.07 of 2007.

2.2. Approval of Financial Statements by Directors

The Financial Statements for the year ended 31st March 2016 were authorized for issue by the Board of Directors on 31st May 2016.

2.3. Basis of Measurement

The Financial Statements referred to are based on the historical cost convention, except for retirement benefit obligations which are measured at the present value of the defined benefit plans.

2.4. Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupee which is the Company's functional currency.

2.5. Use of Estimates and Judgments

The preparation of Financial Statements in conformity with SLFRS requires management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 17 – Deferred taxation
- Note 19 – Measurement of Retirement benefit obligation

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company, unless otherwise stated.

The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future, and they do not foresee a need for liquidation or cessation of trading.

3.1 Foreign Currency Translation

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.2. Financial instruments

3.2.1. Non-derivative financial assets

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in, which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held to-maturity financial assets, loans and receivables and available for sale financial assets.

Financial asset classified at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognized in profit or loss.

Held-to-maturity financial assets

If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held to-maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables

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

Loans and receivables comprise cash and cash equivalents, amount due from related parties and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

3.2.2. Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, amount due to related parties and trade and other payables. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents in the statement of cash flows.

3.3. Property, Plant & Equipment

3.3.1 Freehold Assets

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing cost. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(b) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is transferred to investment property.

(c) Gains and losses on disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income/other expenses" in profit or loss.

(d) Subsequent costs

The cost of replacing a 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 Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(e) Derecognition

The carrying amount of an item of Property, Plant & Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of Property, Plant & Equipment is included in profit or loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of Property, Plant and Equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

(f) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

Freehold Buildings	50 years
Plant & Machinery	15 years
Office Equipment	7 years
Factory Equipment	7 years
Motor Vehicles	4 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

(g) Capital work in progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as capital work-in-progress, while the capital assets which have been completed during the year and put to use are transferred to property, plant and equipment.

3.3.2. Leased Assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and any prepayments are recognized in the Company's

Statement of Financial Position as lease hold rights. The lease hold rights under operating leases are charged to the Statement of Profit or Loss on a straight- line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

The cost of improvements to or on leased property is capitalized, and depreciated over the unexpired period of the lease or the estimated useful lives of improvements, whichever is shorter.

3.4. Investment property

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

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its carrying value at the date of reclassification becomes its cost for subsequent accounting.

Depreciation is calculated to write off the cost of items of investment property less their estimated residual values using the straight-line basis over their estimated useful lives.

The estimated useful lives for the current and comparative years are as follows:

Freehold Buildings 50 years

3.5. Inventories

Inventories are measured at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. The cost of inventories is determined on FIFO basis and includes all the expenditure incurred in bringing the inventories to a saleable condition. In the case of finished products, cost includes all direct expenditures and production overheads based on a normal level of activity. Net realizable value is the price at which inventories can be sold in the normal course of business after allowing for cost of realization and/or cost of conversion from their existing state to saleable condition.

3.6. Impairment

3.6.1. Non-derivative financial assets

A financial asset not classified at fair value through profit or loss, including an interest in an equity-accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence, that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the

Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets measured at amortized cost

The Company considers evidence of impairment for financial assets measured at amortized cost (loans and receivables and hold to-maturity financial assets) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are, then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are, collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against loans and receivables or held-

to-maturity investment securities. Interest on the impaired asset continues to be recognized. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss recognized previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in other comprehensive income.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

3.6.2. Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and 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. Goodwill and indefinite life intangible assets are tested annually for impairment. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU 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 or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

3.7 Employee Benefits

3.7.1. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. All the employees who are eligible for Employees' Provident Fund and Employees' Trust Fund are covered by relevant contribution funds in line with the respective statutes. Employers' contribution to defined contribution plans are recognized as an expense in the Statement of Profit or Loss when incurred.

3.7.2. Defined Benefit Plan- Retiring Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the Statement of Financial Position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date.

The defined benefit obligation is calculated annually using the Projected Unit Credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Provision has been made for retiring gratuities from the first year of service for all employees in conformity with LKAS 19 - Employee Benefits. However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity to an employee arises only on completion of 5 years of continued service with the Company.

3.8 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably; and it is probable that an outflow, of economic benefits will be required to settle the obligation.

3.9 Statement of Profit or Loss and Other Comprehensive Income

3.9.1 Revenue Recognition

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

(a) Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized. Revenue excludes value added taxes or other sales related taxes.

(b) Royalty

Royalty income is recognised on an accrual basis.

(c) Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognised as other income.

(d) Finance Income

Interest income is recognized as it accrues in profit or loss, using the effective interest method.

(e) Others

Other income is recognised on an accrual basis. Gains and losses on the disposal of Property, Plant and Equipment have been accounted for in the Statement of Profit or Loss.

3.9.2 Expenditure Recognition

All expenditure incurred in running the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to the Statement of Profit or Loss in arriving at the profit/(loss) for the year. Expenditure incurred for the purpose of acquiring and extending or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

(a) Finance Costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and losses on disposal of available for sale financial assets, fair value losses on financial assets at fair value through profit or loss and impairment losses recognized on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction or production

of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.9.3 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in the Statement of Profit or Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognized using liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

The principal temporary differences arise from depreciation on property, plant and equipment; tax losses carried forward and provisions for defined benefit obligations.

Deferred tax assets relating to the carry forward of unused tax losses are recognized

to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

3.10 Events Occurring After Reporting Date

All material post reporting date events have been considered and where appropriate adjustments to or disclosures have been made in the respective notes to the Financial Statements.

3.11 Earnings per Share

The Company 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 ordinary shares outstanding during the year.

3.12 Statement of Cash Flows

The Statement of Cash Flows is prepared under the "indirect method". Interest paid is classified as operating cash flows whereas interest received classified as investing cash flows.

3.13 Segment Reporting

A segment is a distinguishable component of the Company that is engaged in providing products and services, which is subject to risks and returns that are different from those of other segments.

The Company's business is import and sale of zinc chloride and alkaline AA and AAA batteries import and sale of LED bulbs, assembly and sale of CFL bulbs and local purchase and sale of sanitary napkins. These lines of businesses account for the entire operation of the Company. The financial statements taken as a whole presents the profitability, assets and cash flows related to those lines of businesses.

Further, geographic segment with distinguishable components associated with differing risks and rewards do not arise for the Company.

3.14 Capital Commitments and Contingencies

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Company's control. All material capital commitments and contingencies of the Company are disclosed in the Notes to the Financial Statements.

3.15 Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of standards issued, which the company

reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

SLFRS 9 - Financial Instruments

SLFRS 9 as issued reflects the replacement of LKAS 39 and applies to the classification and measurement of financial assets and financial liabilities as defined in LKAS 39. This standard becomes effective for annual periods beginning on or after 01 January 2018, with early adoption permitted. The adoption of SLFRS 9 will have an impact on classification and measurement of company's financial assets.

SLFRS 15 – Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces the existing revenue recognition guidance including LKAS 18 Revenue and LKAS 11 Construction Contracts.

SLFRS 15 is effective for annual reporting periods beginning on or after 01 January 2018, with early adoption permitted.

The Company is currently in the process of evaluating the potential effect of these standards on its financial statements and the impacts of the adoption of these standards have not been quantified as at the reporting date.

Notes to the Financial Statements Contd.....

For the year ended 31st March	2016 Rs.	2015 Rs.
4. REVENUE		
Gross Revenue	471,956,749	213,487,431
Less: Revenue Based Taxes:		
Value Added Tax	(46,770,489)	(22,270,638)
Nation Building Tax	(8,347,733)	(1,126,171)
Net Revenue	<u>416,838,527</u>	<u>190,090,622</u>
5. OTHER INCOME		
Sundry Income	247,684	223,474
Royalty Income	72,774	4,877,913
Rental Income	5,484,400	4,236,000
Profit on Sale of Property, Plant & Equipment	1,824,812	2,674,569
	<u>7,629,670</u>	<u>12,011,956</u>
6. NET FINANCE COSTS		
6.1 Finance Income		
Gain on translation of foreign currency	-	129,680
	<u>-</u>	<u>129,680</u>
6.2 Finance Costs		
Interest on TR Loans	(3,950,675)	(2,304,249)
Interest on Bank Overdraft	(96,577)	(5,624)
Interest on Finance Lease	-	(34,309)
Interest on Short Term Loan	(1,759,274)	(2,555,863)
Loss on translation of foreign currency	(201,517)	-
	<u>(6,008,043)</u>	<u>(4,900,045)</u>
Net Finance Costs	<u>(6,008,043)</u>	<u>(4,770,365)</u>
7. PROFIT BEFORE TAX		
is stated after charging all expenses including following :		
Auditors' Remuneration		
- Statutory audit	556,600	506,000
- Non audit services	354,587	250,864
Depreciation on Property, Plant and Equipment & Investment Property	3,626,963	2,371,797
Provision for obsolete inventory	42,290	253,400
Obsolete inventory written off	1,552,136	30,178
Staff Cost (Note 7.1)	33,261,843	20,433,925
7.1 Staff Cost		
Wages and Salaries	29,739,323	18,221,620
Defined Benefit Plan Costs - Retiring Gratuity	794,880	657,750
Defined Contribution Plan Cost - EPF/ETF	1,773,351	1,379,399
Other Staff Cost	954,289	175,156
	<u>33,261,843</u>	<u>20,433,925</u>

Notes to the Financial Statements Contd.....

For the year ended 31st March

	2016 Rs.	2015 Rs.
8. INCOME TAX EXPENSE		
Income Tax on Profit for the year (Note 8.2)	7,738,152	3,568,882
(Over) /Under provision for Income Tax from prior year	(96,630)	1,507,229
Reversal of Deferred Tax (Note 17.2)	(11,674,066)	-
	<u>(4,032,544)</u>	<u>5,076,111</u>

8.1 Current Taxes

In terms of provisions of Inland Revenue Act No. 10 of 2006 and amendments there to, the Company is liable for income tax at the rate of 28%.

8.2 Reconciliation between Accounting Profit and Tax Profit

	2016 Rs.	2015 Rs.
Accounting Profit before Income Tax Expense	40,516,809	19,508,927
Disallowed Expenses	10,714,850	8,140,033
Allowed Expenses	(8,714,341)	(8,039,716)
Statutory Income from Business	<u>42,517,318</u>	<u>19,609,244</u>
Tax loss claimed during the year	(14,881,062)	(6,863,235)
Taxable Income/(Loss)	<u>27,636,256</u>	<u>12,746,009</u>
Income Tax @ 28%	7,738,152	3,568,882
Income Tax Expense	<u>7,738,152</u>	<u>3,568,882</u>
Tax Loss brought forward	95,539,703	101,794,298
Adjustment to Tax Loss brought forward	185,828	608,640
Loss Utilised during the year	(14,881,062)	(6,863,235)
Tax Loss carried forward	<u>80,844,469</u>	<u>95,539,703</u>

9. EARNINGS PER SHARE / DIVIDEND PER SHARE

9.1 Earnings Per Share

The calculation of earnings per share is based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares in issue during the year.

	2016	2015
Profit attributable to Ordinary Shareholders (Rs.)	44,549,353	14,432,816
Weighted Average no. of Ordinary Shares (Note 9.1)	39,000,000	39,000,000
Earnings per Share (Rs.)	<u>1.14</u>	<u>0.37</u>

9.2 Dividend Per Share

The calculation of dividend per share is based on dividend for the year and weighted average number of ordinary shares in issue during the year.

	2016	2015
Dividend paid during the year (Rs.)	9,750,000	5,850,000
Weighted Average no. of Ordinary Shares (Note 9.1)	39,000,000	39,000,000
Dividend per Share (Rs.)	<u>0.25</u>	<u>0.15</u>

In accordance with Sri Lanka Accounting Standards - LKAS 10- 'Events after the Reporting Period, the proposed final dividend of Rs. 21,450,000/- for the year ended 31st March 2016 has not been recognised as a liability in the Financial Statements.

Notes to the Financial Statements Contd.....

As at 31st March 2016

10. PROPERTY, PLANT & EQUIPMENT

	Balance as at 01.04.2015 Rs.	Additions during the year Rs.	Disposals/ Transfers/ Write off during the year Rs.	Balance as at 31.03.2016 Rs.
10.1 Cost or Deemed Cost				
Freehold Assets				
Freehold Land	84,264,897	-	-	84,264,897
Buildings	28,194,430	830,167	(2,432,601)	26,591,996
Plant & Machinery	18,550,501	837,863	-	19,388,364
Motor Vehicles	5,225,000	3,575,000	(2,425,000)	6,375,000
Office Equipment	2,626,840	1,182,543	(258,276)	3,551,107
Factory Equipment	6,183,801	603,290	(376,177)	6,410,914
Total Cost/ Valuation	145,045,469	7,028,863	(5,492,054)	146,582,278
	Balance as at 01.04.2015 Rs.	Change for the year Rs.	Disposals/ Transfers during the year Rs.	Balance as at 31.03.2016 Rs.
10.2 Depreciation				
Freehold Assets				
Buildings	2,267,899	516,647	(244,559)	2,539,987
Plant & Machinery	2,960,512	1,051,288	-	4,011,800
Motor Vehicles	5,224,996	658,681	(2,425,000)	3,458,677
Office Equipment	1,424,749	429,556	(254,597)	1,599,708
Factory Equipment	2,138,042	760,761	(266,934)	2,631,869
Accumulated Depreciation	14,016,198	3,416,933	(3,191,090)	14,242,041
10.3 Impairment				
Plant & Machinery	2,646,608	-	-	2,646,608
Carrying Amount	128,382,663			129,693,629

10.4 The management has decided to discontinue manufacturing of 'D'sized batteries due to market conditions. Assets used in the manufacturing of 'D'sized batteries had been impaired as disclosed in note 10.3.

10.5 Property, Plant and Equipment include fully depreciated assets, the cost of which as at 31st March 2016 amounted to Rs. 4,662,774 /-. (2015- 6,767,105)

Notes to the Financial Statements Contd.....

As at 31st March 2016

10.6 Land & Buildings

Location : Property is situated along High Level Road, within a distance of about 2 kilometers from Homagama Town Centre, in the village called Panagoda and Godagama, within the Pradeshiya Sabha limits of Homagama, in Palle Pattu of Hewagama Korale, in the District of Colombo.

Extent : 3A-2R-17P
0A-0R-07P

Valuation : Properties were valued at Rs.240,820,000 by Mr. H.W.I.G.A. Weerakoon, incorporated valuer on 31st March 2016. Floor area of the Main Factory and Office building is totaling to 50,886 sq.ft. Part of this land & building has been classified as investment property.

Acquisition by the Government : Land area of 27.63 perches belonging to the Company has been gazetted to be acquired by the Government. Company made a claim on 28.04.2016 for Rs. 218.6 million, which includes 27.63 perches of land, 3885 cubic feet of retaining wall and other miscellaneous items.

11. INVESTMENT PROPERTY

	Land Rs.	Building Rs.	Total Rs.
Cost			
Balance as at 01st April 2015	17,410,103	8,068,900	25,479,003
Reclassification from property, plant and equipment	-	2,432,601	2,432,601
Balance as at 31st March 2016	17,410,103	10,501,501	27,911,604
Accumulated Depreciation			
Balance as at 01st April 2015	-	798,560	798,560
Charge for the Year	-	210,030	210,030
Transfer from property, plant and equipment	-	244,559	244,559
Balance as at 31st March 2016	-	1,253,149	1,253,149
Carrying value as at 31st March 2016	17,410,103	9,248,352	26,658,455
Carrying value as at 31st March 2015	17,410,103	7,270,340	24,680,443

Investment property comprises a commercial property that is leased to its parent company (E.B. Creasy & Co. PLC - The Lessee) for two years period commencing on 01st April 2013 to 31st March 2015. Agreement was renewed for further eight years from 1st April 2015. Rental shall be mutually agreed once in every two years and amend accordingly.

Part of property has been transferred from property, plant and equipment to investment property, since the building was no longer used by the Company and as such it was decided that the building would be leased to a third party.

The property has been valued by Mr. H.W.I.G.A. Weerakoon, incorporated valuer and assessor at Rs.48,300,000/- on the basis of Income as at 31st March 2016.

Notes to the Financial Statements Contd.....

Rent Income is included in the statement of profit or loss as follows;

For the Year ended 31st March

	2016 Rs.	2015 Rs.
Rental Income	5,484,400	4,236,000
Direct operating expenses arising from investment property that generated rental income during the period	-	-

As at 31st March

	2016 Rs.	2015 Rs.
12. INVENTORIES		
SKD - CFL Components	7,636,507	9,776,515
Packing Material	5,206,351	3,439,712
Work in Progress	-	6,626
Finished Goods	26,900,159	18,714,439
Consumables and Spare Parts	17,339,732	16,991,237
Goods in Transit	9,872,136	16,255,516
	66,954,885	65,184,045
Less: Provision for Slow Moving Inventories	(16,973,758)	(17,063,570)
	49,981,127	48,120,475
13. AMOUNT DUE FROM RELATED COMPANIES		
Darley Butler & Company Limited	73,186,876	37,035,900
E.B.Creasy & Company PLC	-	692,632
	73,186,876	37,728,532
14. TRADE AND OTHER RECEIVABLES		
Trade Receivables (Note 14.1)	-	-
Other Receivables, Deposits & Prepayments	1,848,213	3,441,804
Economic Service Charge Recoverable	-	706,056
Withholding Tax Recoverable	-	4,661,956
	1,848,213	8,809,816
14.1 Trade Receivables		
Balance at end of the year	4,399,026	4,399,026
Less: Provision for Bad and Doubtful Debts	(4,399,026)	(4,399,026)
	-	-
15. CASH AND CASH EQUIVALENTS		
15.1 Favourable Balance		
Cash at Bank	18,869,388	5,293,349
Cash in Hand	58,581	108,271
Cash in Transit	-	3,750,000
Cash and Cash Equivalent for the purpose of Statement of Cash Flows	18,927,969	9,151,620

Notes to the Financial Statements Contd.....

As at 31st March

16. STATED CAPITAL

Issued and Fully Paid	2016		2015	
	No. of shares	Rs.	No. of shares	Rs.
Ordinary shares				
Balance at the beginning of the year	39,000,000	138,000,000	39,000,000	138,000,000
Balance at the end of the year	39,000,000	138,000,000	39,000,000	138,000,000
5% Cumulative Preference shares	1,000	10,000	1,000	10,000
		10,000		10,000
		138,010,000		138,010,000

As at 31st March

	2016	2015
	Rs.	Rs.
17. DEFERRED TAX		
Deferred Tax Assets (Note 17.3)	24,032,278	11,315,886
Deferred Tax Liabilities (Note 17.4)	(12,346,839)	(11,315,886)
Net Deferred Tax Asset (Note 17.1)	11,685,439	-

17.1 Recognised Deferred Tax Assets & Liabilities

Deferred tax assets and liabilities are attributable to the following originations of temporary differences;

As at 31st March

	2016	2015
	Rs.	Rs.
Deductible Temporary Differences		
Retirement Benefit Obligation	4,986,263	4,150,764
Tax Loss carried forward	80,843,302	36,263,114
	85,829,565	40,413,878
Taxable Temporary Differences		
Property, Plant & Equipment & Investment Property	(44,095,854)	(40,413,878)
Total Deductible Temporary Differences (net)	41,733,710	-
Applicable Tax Rate	28%	28%
Net Deferred Tax Assets	11,685,439	-
17.2 Deferred Tax Income / (Expense)		
Origination and Reversal of Deferred Tax		
Asset (Note 17.3)	12,716,392	1,112,964
Liability (Note 17.4)	(1,030,953)	(1,112,964)
	11,685,439	-
Deferred Tax reversal to Profit or Loss	11,674,066	-
Deferred Tax reversed to OCI	11,373	-

Notes to the Financial Statements Contd.....

As at 31st March 2016

The above Deferred Tax Asset/(Liability) has been calculated as follows.

	2016		2015	
	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
17.3 Deferred Tax Asset				
Balance as at beginning of the year	40,413,878	11,315,886	36,439,007	10,202,922
Originating during the year	45,415,687	12,716,392	3,974,871	1,112,964
Balance as at end of the year	85,829,565	24,032,278	40,413,878	11,315,886
17.4 Deferred Tax Liability				
Balance as at beginning of the year	(40,413,878)	(11,315,886)	(36,439,007)	(10,202,922)
Originating during the year	(3,681,976)	(1,030,953)	(3,974,871)	(1,112,964)
Balance as at end of the year	(44,095,854)	(12,346,839)	(40,413,878)	(11,315,886)

Deferred Tax is provided using the liability method in respect of temporary differences between the Company value of assets and liabilities for the financial reporting purpose and the amount used for taxation purpose at the effective tax rate of 28%.

Potential Impact of Income Tax Rate Change

As per the press issue by Finance Ministry on 06th April 2016, the Company will be liable to income tax at 17.5% instead of current income tax at 28% on profit and income earned by the Company, with effect from year of assessment 2016/17.

	Current rate	Proposed rate
Laxapana Batteries PLC	28%	17.5%

Since the new Tax Rates had not been published through a gazette by the Parliament as at the Reporting date, being March 31, 2016, the new rate was not considered to be substantially enacted as at that date. Accordingly, the Company has provided for Deferred Taxation at the existing rate of 28% in the Financial Statements for the year ended March 31, 2016.

The potential impact on the deferred tax had the Company applied the proposed rate as above is shown below:

Deferred tax Asset

Balance at the beginning of the year	11,315,886
Originating during the year in Profit or Loss	3,697,180
Originating during the year in OCI	7,108
Balance as at end of the year	15,020,174

Deferred tax liability

Balance at the beginning of the year	(11,315,886)
Reversing during the year	3,599,111
Balance as at end of the year	(7,716,775)

18. INTEREST BEARING BORROWINGS

	Amount repayable within 1 year Rs.	Amount repayable after 1 year Rs.	Total As at 31.03.2016 Rs.	Total As at 31.03.2015 Rs.
Trust receipt loan (Note 18.1.2)	54,372,127	-	54,372,127	43,818,959
Short Term Loan (Note 18.1.1)	4,999,992	6,666,688	11,666,680	23,330,672
	59,372,119	6,666,688	66,038,807	67,149,631

Notes to the Financial Statements Contd.....

As at 31st March 2016

18.1 The Company has obtained the following short term loan facilities;

18.1.1 Short Term Loans

Lender	Facility No.	Interest Rate	Outstanding as at 31.03.2016 Rs.	Outstanding as at 31.03.2015 Rs.	Repayment Terms	Security
Sampath Bank	Term loan facility of Rs. 20 Million	AWPLR + 1.0%	11,666,680	16,666,672	To be paid in 47 equal monthly installments of Rs.416,666/- and final installment of Rs.416,698/- on 26th day of each month commencing one month from the date of disbursement.	Loan Agreement for Rs. 20 million
	Term loan facility of Rs. 8 Million	AWPLR + 1.5%	Nil	6,664,000	Loan fully settled in March 2016	Loan agreement for Rs.8 million and Mortgage over machinery of the CFL bulbs assembling operation for Rs.8 million

18.1.2 Trust Receipt Loans

Lender	Facility No.	Interest Rate	Outstanding as at 31.03.2016 Rs.	Outstanding as at 31.03.2015 Rs.	Repayment Terms	Security
Sampath Bank	Revolving Trust Receipt loan of Rs. 80 million	AWPLR + 0.5%	54,372,127	41,114,827	Each loan to be settled within 120days from the date of grant.	Existing Primary Mortgage bond of Rs.66.5 million over the property situated in Panagoda, Homagama with an extent of 50,886 sq. ft.
Union Bank	Revolving Trust receipt loan of Rs. 20 million	AWPLR	-	2,704,132	Each loan to be settled within 120days from the date of grant.	Primary floating mortgage bond of Rs.30million over stocks at Company H/O and at Company premises in Panagoda, Homagama and assignment over book debts.
	Overdraft Facility of Rs.10 million	AWPLR + 1.5%	Nil	Nil		
DFCC Bank	Revolving Trust receipt loan of Rs. 20 million	AWPLR	-	-	Each loan to be settled within 90 days from the date of grant.	Mortgage for Rs.20 million over stocks kept at Company premises at Panagoda, Homagama.

Notes to the Financial Statements Contd.....

As at 31st March	2016	2015
	Rs.	Rs.
18.2 Finance Lease Obligation		
Balance at the beginning of the year	-	392,280
Accrued default interest during the year	-	-
Payments made during the year	-	(392,280)
Balance at the end of the year	-	-
Unamortized finance charges	-	-
Net lease obligation	-	-
19. RETIREMENT BENEFIT OBLIGATIONS		
Balance at the beginning of the year	4,150,764	3,136,471
Provision made in profit or loss during the year (Note 19.2)	794,880	657,750
Actuarial Loss recognised in Other Comprehensive Income (Note 19.3)	40,619	356,543
	4,986,263	4,150,764
Payments made during the year	(400,000)	-
Balance at the end of the year	4,586,263	4,150,764
Present value of unfunded obligation	4,586,263	4,150,764
Present value of funded obligation	-	-
Total present value of obligation	4,586,263	4,150,764
Fair value of planned assets	-	-
Recognised liability for defined benefit obligation	4,586,263	4,150,764
Total retirement benefit obligation	4,586,263	4,150,764
19.1 Movement in the Present Value of the Defined Benefit Obligation		
Liability for Defined benefit obligation as at 1st April	4,150,764	3,136,471
Benefit paid by the Plan	(400,000)	-
Current service cost	381,635	347,202
Interest cost	413,245	310,548
Remeasurment of Retirement Benefit Obligation	40,619	356,543
Liability for Defined benefit obligation as at 31st March	4,586,263	4,150,764
19.2 Expense Recognised in the Statement of Profit or Loss		
Current service cost	381,635	347,202
Interest cost	413,245	310,548
	794,880	657,750
19.3 Re-measurment of Retirement Benefit Obligation recognised in Other Comprehensive Income		
Remeasurment of Retirement Benefit Obligation	40,619	356,543

Notes to the Financial Statements Contd.....

As at 31st March 2016

19. RETIREMENT BENEFIT OBLIGATION (contd.)

19.4 The Company has adopted LKAS 19 “Employee Benefits” and applied project unit credit (PUC) method to make a reliable estimate to the present value of Company’s retirement benefit obligation.

	2016	2015
Principal assumptions used were as follows;		
Expected Annual Average Salary Increment	10%	10%
Discount Rate / Interest Rate	11%	10%
Staff Turnover Factor	5%	0%
Retirement Age (Male/Female)	55 Years	55 Years

19.5 Sensitivity Analysis

Sensitivity Variation on Salary Increment Rate

Impact of change in salary increment rate when the base assumption is increased/decreased by 1% is measured as follows;

Salary Increment Rate	Defined Benefit Obligation as at 31.03.2016 (Rs.)
11%	4,972,356
9%	4,233,204

Sensitivity Variation on Discount Rate

Impact of change in discount rate when the base assumption is increased/decreased by 1% is measured as follows;

Discount Rate	Defined Benefit Obligation as at 31.03.2016 (Rs.)
12%	4,239,236
10%	4,972,356

As at 31st March

	2016 Rs.	2015 Rs.
20. TRADE AND OTHER PAYABLES		
Trade Payables	3,614,223	5,312,151
Bills payable	22,202,419	9,168,334
Loan Interest Payable	64,819	72,245
Value Added Tax Payable	2,153,192	-
Nation Building Tax Payable	514,643	-
Sundry Creditors and Accrued Expenses	11,539,855	6,472,521
Unclaimed Dividends	191,690	66,761
	40,280,839	21,092,012
21. AMOUNT DUE TO RELATED COMPANIES		
E.B.Creasy & Co. PLC	420,324	-
E.B. Creasy Logistics Ltd.	-	80,612
Lankem Ceylon PLC	-	115,125
Ceylon Tapes (Pvt) Ltd.	55,506	20,624
	475,830	216,361

Notes to the Financial Statements Contd.....

As at 31st March 2016

22. FINANCIAL INSTRUMENTS

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. They are responsible for developing and monitoring the Company's risk management policies and reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board of directors of Laxapana Batteries PLC, oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

As at 31st March

	Note	2016 Rs.	2015 Rs.
22.1 Financial Instruments - statement of Financial Position			
Loans and receivables			
Amount due from related companies	13	73,186,876	37,728,532
Trade and Other Receivables	14	1,848,213	8,809,816
		75,035,089	46,538,348
Cash and cash equivalents	15	18,927,969	9,151,620
Total		93,963,058	55,689,968
Financial liabilities			
Other financial liabilities			
Interest bearing borrowings	18	66,038,807	67,149,631
Trade and other payables	20	40,280,839	21,092,012
Amount due to related companies	21	475,830	216,361
Total		106,795,476	88,458,004

Notes to the Financial Statements Contd.....

As at 31st March 2016

22.2 Financial Instruments Carried at Fair Value

The company uses the following hierarchy to determine and disclose the fair value of financial instruments by valuation techniques.

Level 01: Quoted (unadjusted) prices in active market for identical assets or liabilities.

Level 02: Other techniques for which all inputs with significant effect on the recorded fair values are observable either directly or indirectly

Level 03: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The company did not hold financial instruments carried at fair value in the Statement of Financial Position as at 31st March 2016.

22.3 Credit risk

Credit risk is the risk of financial losses to the company, if counterparty or a customer to a financial instrument fails to meet its contractual obligation, and arises from the Company's Trade and other receivable amounts due from related parties and banking institutes.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

As at 31st March

	Note	2016 Rs.	2015 Rs.
Amount due from related companies	13	73,186,876	37,728,532
Trade and other receivables	14	1,848,213	8,809,816
Cash and cash equivalents	15	18,927,969	9,151,620
		93,963,058	55,689,968

22.4 Impairment loss

The aging of trade receivables at the reporting date was;

As at 31st March	Gross 2016	Impairment 2016	Gross 2015	Impairment 2015
Not past due	-	-	-	-
Past due 0 - 365 days	-	-	-	-
More than one year	4,399,026	4,399,026	4,399,026	4,399,026
	4,399,026	4,399,026	4,399,026	4,399,026

Notes to the Financial Statements Contd.....

The movements in the allowance for impairment in respect of loans and receivables during the year was as follows;

As at 31st March	2016 Rs.	2015 Rs.
Balance as at 1st April	4,399,026	4,399,026
Impairment loss recognised/(reversal)	-	-
Balance as at 31st March	4,399,026	4,399,026

Based on historic default rates, the Company believe that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 365 days.

The aging of amount due from related companies at the reporting date was;

	Gross 2016	Impairment 2016	Gross 2015	Impairment 2015
Not past due	73,186,876	-	37,728,532	-
Past due 0 - 31 days	-	-	-	-
Past due 31 - 365 days	-	-	-	-
More than one year	-	-	-	-
	73,186,876	-	37,728,532	-

Based on historic default rates, the Group / Company believe that, apart from the above, no impairment allowance is necessary in respect of amount due from related companies not past due or past due by up to 365 days.

22.5 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the financial obligations associated with its financial liabilities that are settled by delivering cash or another financial assets.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

As at 31 March 2016	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 Years	More than 5 years
Non-derivative financial liabilities							
Finance Lease	-	-	-	-	-	-	-
Bank Loan	66,038,807	(66,038,807)	(56,872,123)	(2,499,996)	(6,666,688)	-	-
Trade and other payables	40,280,839	(40,280,839)	(40,280,839)	-	-	-	-
Amount due to related companies	475,830	(475,830)	(475,830)	-	-	-	-
	106,795,476	(106,795,476)	(97,628,792)	(2,499,996)	(6,666,688)	-	-

Notes to the Financial Statements Contd.....

As at 31 March 2015	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 Years	More than 5 years
Non-derivative financial liabilities							
Bank Loan	67,149,631	(67,149,631)	(47,320,955)	(3,501,996)	(14,007,984)	(2,318,696)	-
Trade and other payables	21,092,012	(21,092,012)	(21,092,012)	-	-	-	-
Amount due to related companies	216,361	(216,361)	(216,361)	-	-	-	-
	88,458,004	(88,458,004)	(68,629,328)	(3,501,996)	(14,007,984)	(2,318,696)	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amount.

22.6 Market risk

Market risk is the risk that changes in the market prices such as foreign exchange rates and interest rates affecting the Company's income or the value of holdings of financial instruments.

22.7 Currency risk

The Company is exposed to foreign currency risk on purchases on borrowings that are denominated in a currency other than the functional currency which is in Sri Lankan Rupees.

22.8 Interest rate risk

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was,

	Carrying amount	
	2016 Rs.	2015 Rs
Fixed Rate Instrument		
Financial Liabilities	-	-
	-	-
Variable Rate Instrument		
Financial Liabilities	66,038,807	67,149,631
	66,038,807	67,149,631
	66,038,807	67,149,631

23. RELATED PARTY DISCLOSURES

(a) Parent and Ultimate Controlling Party

The ultimate parent of the company is The Colombo Fort Land & Building PLC.

(b) Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard 24 - 'Related Party Disclosures', Key Management Personnel, are those having responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non-Executive Directors) have been classified as Key Management Personnel of the Company.

	2016 Rs.	2015 Rs.
(i) Key Management Personnel Compensation		
Short term employee benefits	1,380,000	1,380,000
(ii) Other Transactions with Key Management Personnel		
There was no transactions with its key management personnel during the year under review.		

Notes to the Financial Statements Contd.....

For the year ended 31st March 2016

(c) Transactions with Related Companies

During the year Company had following transactions with its related companies.

Name of the Company and Relationship	Names of Directors	Nature of Transaction	2016 Amount Rs.	2015 Amount Rs.
E.B.Creasy & Co. PLC	Mr. S.D.R. Arudpragasam	Settled bills payable due to beneficiaries	(88,058)	-
	Mr. S. Rajaratnam	Employee related expenses	(771,766)	(746,903)
	Mr. R.N. Bopearatchy	Vehicle hire charges	-	(111,594)
	Mr. R.C.A. Welikala	Management fee	(3,900,000)	-
	Mr. P.M.A.Sirimane	Rental receivable on buildings & machinery	6,211,923	4,830,337
	Mr. A.R. Rasiah	Electricity ,security & other services costs recoverable	4,410,974	3,122,646
	Mr. S.N.P. Palihena	Settlement of current Account	(6,976,028)	(6,598,115)
	Mr. A.M. Mubarak Mr. S.W. Gunawardena			
Darley Butler & Co. Ltd	Mr. S.D.R. Arudpragasam	Sale of batteries/CFL & GLS Bulbs, Rechargeable		
	Mr. R.N. Bopearatchy	torches & Sanitary Towels	471,956,746	213,301,131
	Mr. P.M.A.Sirimane	Royalty income (inclusive of VAT) on consumer		
	Mr. S. Rajaratnam	products under Company brand name	80,779	5,449,397
	Mr. R.C.A. Welikala	Settled bills payable due to beneficiaries	(9,615)	(7,164)
	Mr. A.R. Rasiah	Consumable purchases	-	-
	Mr. S.N.P. Palihena	Promotional expenses	(4,503,513)	(2,066,196)
	Mr. A.M. Mubarak Mr. S.W. Gunawardena	Settlements during the year Vehicle hire charges	(430,773,424) (600,000)	(191,918,733) (600,000)
EB Creasy Logistics Ltd	Mr. S.D.R. Arudpragasam	Imports clearance	(1,680,175)	(1,891,211)
	Mr. S. Rajaratnam	Advance payments & settlements	1,760,787	1,901,934
	Mr. R.N. Bopearatchy			
	Mr. R.C.A. Welikala			
	Mr. P.M.A.Sirimane Mr. S.W. Gunawardena			
Lankem Ceylon PLC	Mr. S.D.R. Arudpragasam	Consumable purchases	(245,900)	(126,624)
	Mr. R.N. Bopearatchy	Settlements	361,026	136,642
Ceylon Tapes (Pvt) Ltd	-	Consumable purchases	(127,529)	(48,598)
	-	Settlements	92,647	27,974

Notes to the Financial Statements Contd.....

24. CAPITAL COMMITMENTS

There were no material capital commitments as at the reporting date.

25. CONTINGENT LIABILITIES

There were no material contingent liabilities outstanding as at the reporting date.

26. EVENTS OCCURRING AFTER REPORTING DATE

The Directors have proposed the payment of First and Final Dividend of Rs.0.55 per share on Ordinary Shares amounting to Rs. 21,450,000/- for the year ended 31st March 2016 (2015 - Rs. 9,750,000/-).

No circumstances have arisen since the reporting date which would require adjustments to or disclosure in the financial statements, other than those disclosed above.

Share Information

Distribution of Shareholding

No. of Shares held	31st March 2016			31st March 2015		
	No. of Shareholders	Total Holding	% of Total Shares	No. of Shareholders	Total Holding	% of Total Shares
1 - 1,000	1,256	349,126	0.89	1,278	373,750	0.96
1,001 - 10,000	445	1,760,891	4.52	519	2,140,714	5.49
10,001 - 100,000	139	4,627,137	11.86	134	4,146,360	10.63
100,001 - 1,000,000	31	6,099,383	15.64	28	6,583,105	16.88
Over 1,000,000	3	26,163,463	67.09	4	25,756,071	66.04
	1,874	39,000,000	100.00	1,963	39,000,000	100.00

Categories of Shareholders	31st March 2016			31st March 2015		
	No. of Shareholders	Total Holding	% of Total Shares	No. of Shareholders	Total Holding	% of Total Shares
Individuals	1,789	14,031,832	35.98	1,877	13,918,941	35.69
Institutions	85	24,968,168	64.02	86	25,081,059	64.31
	1,874	39,000,000	100.00	1,963	39,000,000	100.00

Public Holding

The percentage of shares held by the public as at 31st March 2016 was 34.69% (31st March 2015 - 48.42%)

Public Shareholders

The number of Public Shareholders as at 31st March 2016 were 1,866 (31st March 2015 - 1,959)

Market Value Of Shares

The market value of the Company's ordinary shares was

	2015/2016 (Rs.)	2014/2015 (Rs.)
Highest	10.20	6.70
Lowest	4.50	3.40
Close	7.00	4.60

Share Information Contd.....

Major Shareholders

	Name of Shareholder	31 st March 2016		31 st March 2015	
		No of Shares	Share Percentage	No of Shares	Share Percentage
1	E.B. CREASY & COMPANY PLC	20114838	51.58	20,114,838	51.58
2	MR. SRI DHAMAN RAJENDRAM ARUDPRAGASAM	4,600,000	11.79	-	-
3	RESEARCH EVOLUTION (PVT) LTD	1,448,625	3.71	-	-
4	PAN ASIA BANKING CORPORATION PLC./ MR.RAVINDRA ERLE RAMBUKWELLE	500,000	1.28	500,000	1.28
5	DR. NIRANJAN DEEPAL GUNAWARDENA	408,270	1.05	-	-
6	MR. DEGIRI MADHAWA PUSHPAKUMARA DE ZOYSA	400,000	1.03	400,000	1.03
7	COLOMBO FORT INVESTMENTS PLC	286,200	0.73	-	-
8	COLOMBO INVESTMENT TRUST PLC	278,700	0.71	-	-
9	COMMERCIAL BANK OF CEYLON PLC/ SITHIJAYA FUND LIMITED	277,679	0.71	-	-
10	MR. MOHAMED NASIM MOHAMMED RIFKAN	263,000	0.67	-	-
11	MR. RAJAPAKSE VITHANAGE DON CHAMIL GAYANATH RAJAPAKSE	230,000	0.59	230,000	0.59
12	MR. THILAKAMUNI ANTHONY DHARSHAN DE SILVA	208,672	0.54	-	-
13.	FIRST CAPITAL MARKETS LIMITED/ MR.T.R.MOONEMALLE	200,731	0.51	-	-
14.	WALDOCK MACKENZIE LTD/ MRS. G. SOYSA	200,088	0.51	200,088	0.51
15	MR. TALPAVILA KANKANAMAGE DON ARUNA PRASAD SAMARASINGHE AND MRS.DEANARAYANAGE PRADEEPA SAMARASINGHE	200,000	0.51	336,409	0.86
16.	MR. JOSEPH PONNIAH JAYARAMU	200,000	0.51	-	-
17.	FINANCIAL TRUST LIMITED	189,267	0.49	-	-
18.	MR. DISANAYAKA MUDIYANSELAGE GUNARATHNA	180,727	0.46	-	-
19.	MRS. RAZIA NUZHATH FAIZAL AND MR. ABDUL WAHID MOHAMD FAIZAL	171,161	0.44	-	-
20.	PAN ASIA BANKING CORPORATION / A.C.JAYASINGHE	165,380	0.42	-	-
		30,523,338	78.24	21,781,335	55.85

Financial Summary

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
TRADING RESULTS										
Revenue (Net)	332,041	207,109	196,492	267,960	316,640	115,908	145,037	104,967	190,091	416,839
Profit / (Loss) before Tax	1,674	(11,124)	1,785	(12,221)	12,812	(88,503)	(42,197)	13,525	19,509	40,517
Income Tax Expense	861	-	2,135	709	6,413	8,926	-	3,025	5,076	(4,033)
Profit / (Loss) after Tax	813	(11,124)	(350)	(12,930)	6,399	(79,577)	(42,197)	10,500	14,433	44,549
Other Comprehensive Income										
Other Comprehensive Income/ (Expense)						47	283	(868)	(357)	(29)
Total Comprehensive Income for the year						(79,531)	(41,914)	9,632	14,076	44,520
ASSETS EMPLOYED										
Non-Current Assets	188,443	184,138	179,018	186,705	176,063	147,242	147,849	155,182	164,379	180,384
Net Current Assets	(31,331)	(28,261)	20,231	223	111,529	56,928	5,921	10,627	28,110	38,681
	157,112	155,877	199,249	186,928	287,592	204,170	153,770	165,809	192,489	219,066
SHAREHOLDERS' FUND										
Stated Capital	90,010	90,010	180,010	42,010	138,010	138,010	138,010	138,010	138,010	138,010
Reserves	(4,824)	(15,948)	(15,193)	120,213	126,273	46,742	4,828	14,460	22,686	57,456
	85,186	74,062	164,817	162,223	264,283	184,752	142,838	152,470	160,696	195,466
NON-CURRENT LIABILITIES										
	71,926	81,815	34,432	24,705	23,309	19,417	10,933	13,339	31,793	23,600
	157,112	155,877	199,249	186,928	287,592	204,170	153,770	165,809	192,489	219,066
Market Price per Share	6.75	7.50	4.00	5.25	8.30	7.40	4.40	3.50	4.60	7.00
Earnings/(Loss) per Share	0.09	(1.17)	(0.02)	(0.48)	0.21	(2.04)	(1.08)	0.27	0.37	1.14
Net Assets per Share	9.47	8.23	6.10	6.01	6.78	4.74	3.66	3.91	4.12	5.01

Notes

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Form of Proxy

I/We.....
of being a member/
 members of Laxapana Batteries PLC hereby appoint
 of or failing him

- | | |
|---|---------------------------|
| 1. Sri Dhaman Rajendram Arudpragasam | of Colombo or failing him |
| 2. Ranjit Noel Bopearatchy | of Colombo or failing him |
| 3. Rohan Chrisantha Anil Welikala | of Colombo or failing him |
| 4. Sanjeev Rajaratnam | of Colombo or failing him |
| 5. Kalu Deva Sumanasekera | of Colombo or failing him |
| 6. Parakrama Maithri Asoka Sirimane | of Colombo or failing him |
| 7. Albert Rasakantha Rasiah | of Colombo or failing him |
| 8. Shanthikumar Nimal Placidus Palihena | of Colombo or failing him |
| 9. Azeez Mohamed Mubarak | of Colombo or failing him |
| 10. Sanjeeva Wijesiri Gunawardena | of Colombo |

as my/our* Proxy to speak and vote as indicated hereunder for me/us* and on my/our* behalf at the Sixtieth Annual General Meeting of the Company to be held on 30th June, 2016, at 4.00 p.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	FOR	AGAINST
1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2016, with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To declare a First & Final Dividend recommended by the Directors	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. P. M. A. Sirimane as a Director	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr. S. N. P. Palihena as a Director	<input type="checkbox"/>	<input type="checkbox"/>
5. To reappoint Mr. R. N. Bopearatchy as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
6. To reappoint Mr. A. R. Rasiah as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
7. To reappoint as Auditors, KPMG Chartered Accountants, and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

*The proxy may vote as he/she thinks fit on any other resolution brought before the Meeting.

Signed this day of 2016.

.....
 Signature

*Please delete the inappropriate words.

NOTE:

If no words are struck out or there is in view of the Proxy-holder doubt (by reason of the way in which the instructions contained in the Proxy have been completed) as to the way in which the Proxy-holder should vote, the Proxy-holder will vote, as he thinks fit.

Instructions for completion appears overleaf.

Instructions as to completion

1. Please write legibly, your name, address and date, and sign in the space provided.
2. The completed Form of Proxy should be received at the Registered Office of the Company's Secretaries, Corporate Managers & Secretaries (Pvt) Ltd at 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01, not less than 48 hours before the time appointed for the holding of the meeting.
3. In the case of a Company/Corporation, this Form of Proxy shall be executed either under its Common Seal or by its Attorney or by an Officer on behalf of such Company/Corporation duly authorised in writing.
4. In the case of Proxy signed by an Attorney, the relevant Power of Attorney should also accompany the completed proxy for registration if such Power of Attorney has not been registered with the Company.

Corporate Information

NAME OF COMPANY

Laxapana Batteries PLC

LEGAL FORM

A Public Quoted Company with limited liability
Incorporated in Sri Lanka under the Companies Ordinance
No 51 of 1938 on 13th August 1956

COMPANY REGISTRATION NUMBER

PQ 170

BOARD OF DIRECTORS

S. D. R. Arudpragasam FCMA (Chairman)
S. Rajaratnam B.Sc., CA.
R. N. Bopearatchy B.Sc. (Cey.), Dip. BM, MBA.
R. C. A. Welikala
K. D. Sumanasekera FCA
P. M. A. Sirimane FCA, MBA
A.R. Rasiah B.Sc. (Cey.) FCA
S.N.P. Paliheha FCIB (U.K.) FIB (SL) Postgrad. Dip. Bus.& FA
A.M.Mubarak B.Sc. (Hons.) (Cey), Ph.D.(Cantab)
S.W. Gunawardena B.Sc., MBA

STOCK EXCHANGE LISTING

The Ordinary Shares of the Company are listed with the
Colombo Stock Exchange of Sri Lanka.

SECRETARIES

Corporate Managers & Secretaries (Private) Ltd.
8-5/2, Leyden Bastian Road,
York Arcade Building,
Colombo 1.

REGISTERED OFFICE

98, Sri Sangaraja Mawatha,
Colombo 10.

AUDITORS

KPMG , Chartered Accountants,
32A, Sir Mohamed Macan Markar Mawatha,
Colombo 3.

BANKERS

Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Sampath Bank PLC
Union Bank of Colombo PLC
DFCC Bank PLC

LEGAL ADVISERS

Messrs Julius & Creasy
Attorneys-at-Law
P.O.Box 154,
Colombo.

