CENTRAL INDUSTRIES PLC

Annual Report 2010|2011

Contents

Corporate Information

NAME OF COMPANY	Central Industries PLC
LEGAL FORM	A Public Limited Liability Company Incorporated in Sri Lanka.
DATE OF INCORPORATION	18th September 1984
COMPANY REGISTRATION NUMBER	PQ 121
ULTIMATE PARENT COMPANY	Central Finance Co. PLC
SUBSIDIARY COMPANIES	Central Industries Marketing (Pvt) Ltd. (Reg. No. PV 571) Polymer Technologies (Pvt) Ltd. (Reg. No. PV 2468)
DIRECTORS	S. V. Wanigasekera - Executive Chairman E. H. Wijenaike A. N. P. Wickramasuriya - Chief Executive Officer G. S. N. Peiris E. M. Wijenaike - Resigned with effect from 12th October 2010 C. S. W. De Costa R. E. Rambukwelle A. K. Gunaratne N. J. Abeysekere L. R. de Lanerolle - Appointed with effect from 20th June 2011
CHIEF EXECUTIVE OFFICER	A. N. P. Wickramasuriya
HEAD OFFICE AND REGISTERED OFFICE	No. 312, Nawala Road, Rajagiriya Telephone: + 94 - 11 - 2806623 Fax: + 94 - 11 - 2806622 E-mail: info@nationalpvc.com Website: www.nationalpvc.com
SECRETARIES	Corporate Services (Private) Limited 216, De Saram Place, Colombo 10.
AUDITORS	KPMG Ford, Rhodes, Thornton & Co. Chartered Accountants, 32 A, Sir Mohamed Macan Markar Mawatha, Colombo 3.
BANKERS	Nations Trust Bank PLC Hatton National Bank PLC Commercial Bank of Ceylon PLC Sampath Bank PLC

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Twenty Ninth Annual General Meeting of Central Industries PLC will be held at No. 270, Vauxhall Street, Colombo 2, on 26th July 2011 at 4.00 p.m., for the following purposes:

1. To receive and consider the Annual Report of the Board together with the Financial Statements of the Company for the year ended 31st March 2011 and the Report of the Auditors thereon.

2. To approve a first and final dividend of Rs.2.50 per share as authorized by the Directors.

3. To propose the following resolution as an ordinary resolution for the reappointment of Mr.S.V.Wanigasekera who has reached the age of 87 years.

   "IT IS HEREBY RESOLVED that the age limit referred to in section 210 of the Companies Act No.07 of 2007 shall not apply to Mr.S.V.Wanigasekera who has reached the age of 87 years prior to this Annual General Meeting and that he be reappointed as a director of the Company".

4. To propose the following resolution as an ordinary resolution for the reappointment of Mr.N.J.Abeysekere who has reached the age of 70 years.

   "IT IS HEREBY RESOLVED that the age limit referred to in section 210 of the Companies Act No.07 of 2007 shall not apply to Mr.N.J.Abeysekere who has reached the age of 70 years prior to this Annual General Meeting and that he be reappointed as a director of the Company".

5. To re-elect Mr.G.S.N.Peiris a director who retires by rotation in terms of Article 85 of the Articles of Association of the Company.

6. To re-elect Mr.C.S.W.De Costa a director who retires by rotation in terms of Article 85 of the Articles of Association of the Company.

7. To re-elect Mr. L. R. de Lanerolle a director who retires in terms of Article 91 of the Articles of Association.

8. To re-appoint M/s KPMG Ford Rhodes Thornton and Company, Chartered Accountants, as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be agreed with by the Board of Directors and to audit the Financial Statements of the Company for the accounting period ending 31st March 2012.

9. To authorise the Directors to determine contributions to charities for the ensuing year.

By Order of the Board,
Director
Corporate Services (Private) Limited
Secretaries
Central Industries PLC

Colombo
21st June 2011

Note: Any member entitled to attend and vote is entitled to appoint a proxy instead.

A proxy need not be a member, instruments appointing proxies must be lodged with the Company not less than 48 hours before the meeting.

Chairman's Review

On behalf of the Board of Directors I am pleased to welcome you to the twenty ninth Annual General Meeting of Central Industries PLC. The Annual Report and Audited Financial Statements of Central Industries PLC for the year ended 31st March 2011 have been with you for the requisite period and I propose with your permission that they be taken as read.

Performance During the Year

After three decades of civil strife there are visible signs of significant recovery in the economy. A reduction in the rate of inflation and in interest rates also helped further to spur economic activity. For the Company, this increase in economic activity was mainly visible initially in the retail market. Medium to large scale building projects commenced only during the latter part of the year. Infrastructure projects undertaken mainly by the Water Supply and Drainage Board also increased. As a result gross revenue increased by 11% to Rs.1.29 billion from Rs.1.1 billion last year. The Company continued to consolidate the 'KRYPTON' electrical products line which was introduced a few years ago and revenue from this sector grew by over 47% during this year.

Last year we reported that PVC raw material prices were at a relatively low level, especially during the first half of that year (2009/10). With the world economy having come out of the recession by the end of 2009, the price of PVC raw materials steadily increased in the world market in 2010. The average price of PVC resin this year was 20% higher than the previous year.

Despite the increase in demand for PVC products, the higher raw material costs resulted in lower profit margins being achieved. This feature is especially apparent with regard to tenders to government projects where offered prices have to be held valid for the minimum specified period of the tender, usually 4 months.

Despite the increase in revenues the impact of higher raw material costs resulted in Profit before tax being Rs. 121.8 million this year compared to Rs. 141.2 million last year. Although the company was liable to a nominal tax rate of 35% on its profits, until 31st December 2010, two-thirds of Nation Building Tax (NBT) which was charged at 3% of revenue, had to be added back to profits before applying the nominal rate. Hence, Profit after tax was Rs.74 million, compared to Rs. 85.5 million recorded last year.

Dividends

The Board is pleased to recommend a first and final dividend of Rs.2.50 per share out of the profits for the year ended 31st March 2011. Last year a dividend of Rs.7.00 per share was paid on 3,294,738 shares existing at the time. On 21st October 2010, the ordinary shares were subdivided in the ratio of three new shares for every one share previously held and the Stated Capital of the Company is now represented by an increased number of 9,884,214 ordinary shares. The dividend will be subject to withholding tax of 10%. Our auditors KPMG Ford Rhodes Thornton & Co. have confirmed this distribution satisfies the Solvency Test requirement of the Companies' Act No.7 of 2007 and a certificate to this effect has been obtained.

Marketing Activities During the Year

The Company now manufactures and markets a wide range of products. In the core area of water management products, potable water pipes and fittings, PVC solvent cement, corrugated electrical conduits, rectangular snap-on conduit casings, flexible PVC garden hoses, rain gutters and pipes and fittings for rainwater disposal and sewerage applications are marketed under the Company's flagship brand 'NATIONAL PVC'. Specialized PVC compounds are also manufactured and marketed to local industries under this brand name. The Company also markets PE water tanks and septic tanks under the brand name 'NATIONAL PE', and rigid electrical conduits under the brand name 'CILTEC'.

The Company is also the only manufacturer in Sri Lanka of stainless steel water tanks under the brand name 'NATIONAL SS'. These tanks are extremely hygienic, durable and virtually maintenance free.

Throughout the year, we continued to strengthen our distribution base and by the end of the financial year we had 33 distributors strategically located in key towns throughout the country. This also included 3 distributors in the Northern and Eastern Provinces.

The electrical products line of the Company continues to record good progress. The Company markets electrical switches and sockets, light dimmers, fan controllers, MCBs, RCCBs, bell pushes and bell chimes under the 'KRYPTON' brand. As always, marketing strategies have been centered on producing a high quality product. The Company continues to improve and enhance the design of the range of products based on customer needs and has an active mechanism to

Chairman's Review (Contd.)

obtain and review customer feedback. During the year the Company appointed 8 'KRYPTON' distributors to penetrate the retail market and improve availability. More distributors will be appointed shortly.

During the last financial year the Company was appointed the Authorized Distributor for 'HITACHI' power tools in Sri Lanka. The power tools we distribute under this brand are of the highest quality. However, due to the availability of cheaper, albeit low quality, products in the market the revenue expected from the 'Hitachi' products was not achieved during the year.

Future Prospects

We welcome the reforms in the tax structure introduced at the last budget, specifically the revocation of Provincial Council Turnover Tax, the reduction in the Corporate Income tax rate, the reduction in the NBT rate, the removal of the 85% ceiling on VAT input claims, and the relaxation of the almost punitive provisions of disallowing two-thirds of NBT and one-half of all advertising expenditure for income tax purposes. We believe that all of these taxes hitherto restricted business development in the country. The relative stability of the rupee / US dollar exchange rate in the recent past, single digit inflation and stable interest rates enables businesses to plan and implement future action with a greater degree of certainty. We anticipate that this will aid revival of the construction industry and hope that government policy will ensure this environment continues to improve.

The construction industry will obviously be in the forefront of any rapid economic growth. As a major supplier of several locally manufactured specialized products for this industry, the Company has a product base which is accepted by discerning customers and professionals as being of the highest quality. We are therefore confident that demand for the Company's products will continue to increase. The Company also continues to explore opportunities to expand the portfolio of products we could offer the construction industry, which would create synergies within the Company and value for our customers. Due to space constraints at the Company's only manufacturing facility in Kerawalapitiya, Wattala we are exploring several options to set up a new manufacturing facility outside the Colombo District.

Considering the improved economic and social environment emerging in the country, we believe that the Company has the essential factors and financial stability to benefit from new opportunities. Hence, we have every reason to feel optimistic about the future.

Appreciation

On behalf of the board, I wish to thank Mr.E.M.Wijenaike who retired from the Board on 12th October 2010 after 25 years of dedicated service. Mr.Wijenaike was a founder director of the Company and contributed immensely towards the direction and development of this Company, especially during the difficult start-up years. His experience and vision was invaluable in guiding the Board in the management of the Company.

Acknowledgements

We express our gratitude to all our customers who have placed their trust in the Company and its products. We also wish to thank our distributors and loyal dealers who ensure that our retail customers can obtain our products at reasonable prices throughout the country. My Board and I also express our warm appreciation of the contribution made by our employees at all levels of the Company.

We also wish to thank our bankers, auditors and company secretaries who have rendered valuable services, assistance and co-operation.

I wish to thank my colleagues on the Board for their wise guidance and continued support.

Finally, and most importantly I am grateful to all of you, our shareholders, who have placed your trust in us. It is your best interests that guide our decisions in the management of the Company.

(Sgd.)

S. V. Wanigasekera

Chairman

Colombo

17th June 2011

Board of Directors

Stanley V. Wanigasekera
Executive Chairman - Executive Director

Stanley Wanigasekera was appointed as Chairman of the Company in 2006 consequent to the retirement of Mr. Chandra Wijenaike the Founder Chairman of the Company. He has been a member of the Board since the inception of the Company in 1984. He also serves as the Chairman of the parent company, Central Finance Company PLC and is on the Board of Tokyo Cement Company (Lanka) PLC. He has previously served as the Executive Chairman / CEO of Ceylon Tobacco Company PLC and on the Boards of Hatton National Bank PLC, Richard Peiris & Company PLC, Associated Motorways PLC and Brown & Company PLC.

He has over 52 years of finance and management experience in Sri Lanka. He is a Fellow of the Institute of Chartered Accountants of England & Wales and a Fellow of the Institute of Chartered Accountants of Sri Lanka. He holds a Bachelor's Degree in Commerce from the University of London.

Newton Wickramasuriya
Chief Executive Officer

Newton Wickramasuriya was appointed CEO of the Company in 1997 and joined the Board of the Company in 1999. He holds a Bsc Engineering degree from the University of Ceylon, Peradeniya and is a Chartered Engineer in UK and Sri Lanka. He is a Fellow of the Institution of Mechanical Engineers (UK) and a Fellow of the Institution of Engineers, Sri Lanka. A past President of the Institution of Engineers, Sri Lanka, and a past Chairman of the Ceylon National Chamber of Industries, he is the Chairman of Lanka Hydraulic Institute Ltd. He has served on the Boards of several statutory bodies and counts over 35 years of experience in industry here and abroad.

Eranjith Harendra Wijenaike
Non - Executive Director

Eranjith Wijenaike has served on the Board of the Company since its inception. He is the Managing Director of Central Finance Company PLC and has been a member on its Board since 1983. He is the Deputy Chairman of Nations Trust Bank PLC as well as a Director of several companies within and outside the Group including Tea Smallholder Factories PLC. He has over 29 years experience and holds a Bachelor's Degree in Commerce and a Postgraduate Diploma in Finance and Management. He is a Member of the Chartered Institute of Management (UK).

Shamil Peiris
Non - Executive Director

Shamil Peiris has served on the Board of the Company since its inception. He is also the Director – Finance of Central Finance Company PLC. He possesses over 33 years of post qualification management experience. He is a Fellow of the Institute of Chartered Accountants, Institute of Credit Management & Society of Certified Management Accountants - Sri Lanka, Chartered Institute of Management Accountants, British Institute of Management and Association of Corporate Treasurers-UK.

Sarath De Costa
Independent Non - Executive Director

Sarath De Costa has served on the Board of the Company since 1997. He is Vice Chairman of Colombo Dockyard PLC and Chairman and Managing Director of the Amano and Tivoli group of companies. He also serves on the Boards of several other local and foreign companies. He was former Consul General for Sri Lanka in Japan. He is also Vice President of the Sri Lanka – Japan Business Co-operation Committee. He holds a Diploma in Foundry Engineering.

Board of Directors (Contd.)

Nalin Abeysekere
Independent Non - Executive Director

Nalin Abeysekere was appointed to the Board in August 2007. He is a President's Counsel and an Advocate of the Supreme Court, a Barrister-at-law (Lincoln's Inn) and was formerly Legal Consultant to the Ministry of Finance.

Ravi Rambukwelle
Non - Executive Director

Ravi Rambukwelle has served on the Board of the Company since 2006. He is also the Director - Marketing & Operations of Central Finance Company PLC. He has over 30 years of management experience, both locally and internationally. He holds a Bachelor's Degree in Economics and Political Science from the University of Peradeniya, a Diploma in Marketing from the Chartered Institute of Marketing UK and a Diploma in Commerce from the Institute of Commerce UK. He serves as a Director in several companies within the Group, as well as outside.

Arjuna Gunaratne
Non - Executive Director

Arjuna Gunaratne has served on the Board of the Company since 2006. He is also Director - Group Co-ordination of Central Finance Company PLC. He is a Director of several Companies within the Group and also serves on the Boards of Nations Trust Bank PLC and Union Assurance PLC. He is a Fellow of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants of UK.

Ralph de Lanerolle
Independent Non-Executive Director

Mr De Lanerolle has over 45 years of experience in both in the public and private sectors, holding senior management positions, of which more than 18 years has been at CEO/MD level. He has worked primarily in the field of Project Finance and Management, undertaking assignments in diverse sectors of the economy, especially Financial Services Shipping & Ports, Tourism, Property and Transportation.

A Chartered Engineer, Mr de Lanerolle holds a Bachelor's degree in Civil Engineering (First Class Honours) from the University of Ceylon (1965) and a Master's degree from the University of Waterloo, Ontario, Canada (1968).

Currently, he is the Executive Director of Mireka Capital Land (Pvt) Ltd, a joint venture company in real estate development and has served, and continues to serve, on the Board of Directors of several other private and public listed companies.

Annual Report of the Board of Directors

The Directors have pleasure in presenting to the Members their report together with the Audited Financial Statements of Central Industries PLC and the Group for the year ended 31st March 2011.

Review of the Year's Performance

The Chairman's Review describes the progress and indicates important events during the year.

Principal Activity

The principal activity of the Company is the manufacture and distribution of PVC Pipes and Fittings. The Company also manufactures and distributes Electrical Switches, Sockets and Accessories, and markets other products used in the construction industry. The wholly owned subsidiary companies Central Industries Marketing (Pvt) Ltd. and Polymer Technologies (Pvt) Ltd. did not carry out any business activity during the year.

Capital Expenditure

The Group invested Rs. 38,150,515/- in property, plant & equipment, and Rs. 2,191,400/ in Intangible Assets during the year. The movement in property plant and equipment during year is given in Note 12 to the Financial Statements. The movement in Intangible Assets during year is given in Note 13 to the Financial Statements.

Property Plant and Equipment

Details of Property Plant and Equipment of the Company and Group are given in Note 12 to the Financial Statements.

Financial Results

The financial statements of the Company and the Group are given on pages 21 to 44

Revenue and Profits

	Group		Company	
	2010/11 Rs.'000	2009/10 Rs.'000	**2010/11 Rs.'000**	2009/10 Rs.'000
Revenue	**1,286,055**	1,113,706	**1,286,024**	999,914
The profit before tax for the year after providing for bad debts, depreciation of property, plant and equipment and all known liabilities	**121,814**	141,236	**126,865**	110,974
Provision for taxation	**(47,781)**	(55,695)	**(47,795)**	(48,522)
The profit for the year after taxation	**74,033**	85,541	**79,070**	62,452

Dividends

The Directors recommend the payment of a first and final dividend of Rs.2.50 per share for the year ended 31st March 2011. The dividend will be paid out of the taxable profit of the Company and will be subject to a withholding tax of 10%. As required by section 56(2) of the Companies Act No.7 of 2007, the Directors confirm that the Company satisfies the solvency test in terms of section 57 of the Act and that the company has obtained a certificate from the Auditors to this effect.

Taxation

The rate of corporate tax applicable to Central Industries PLC and its subsidiaries during the year was 35%. The corporate tax rate applied in the calculation of deferred tax assets and liabilities is 28%, which rate had been substantially enacted as of the Balance Sheet date, and becomes effective from the year of assessment 2011/12.

Accounting Policies

There were no changes to the accounting policies during the year.

Annual Report of the
Board of Directors (Contd.)

Post Balance Sheet Events

There have been no material post balance sheet events which would require adjustment to, or disclosure other than as stated in Note 29 to the Financial Statements.

Board of Directors

The Directors of the Company as at 31st March 2011 were :

Executive Directors

Mr. S. V. Wanigasekera - Executive Chairman

Mr.A.N.P.Wickramasuriya - Chief Executive Officer

Non - Executive Directors

Mr. E. H. Wijenaike

Mr. G. S. N. Peiris

Mr. R. E. Rambukwelle

Mr. A. K. Gunaratne

Non - Executive Independent Directors

Mr. C. S. W. De Costa

Mr. N. J. Abeysekere

Resignations, New Appointments and Re-Elections to the Board

Mr.E.M.Wijenaike resigned from the Board with effect from 12th October 2010.

Mr. L. R. de Lanerolle was appointed a director on 20th June 2011 in terms of Article 91 of the Articles of Association. In terms of Article 91 Mr. L. R. de Lanerolle is due to retire and being eligible offers himself for re-election.

Mr. S. V. Wanigasekera has passed the age limit referred to in section 210 of the Companies Act No.07 of 2007. His appointment as a Director of the Company requires the approval of a resolution of the Company in general meeting. A notice is duly given by the Company that in terms of section 211 of the Companies Act No.07 of 2007, a resolution will be proposed that the age limit referred to in section 210 of the Companies Act No.07 of 2007, shall not apply to Mr. S. V. Wanigasekara who has reached the age of 87 years.

Mr. N. J. Abeysekere has passed the age limit referred to in section 210 of the Companies Act No.07 of 2007. His appointment as a Director of the Company requires the approval of a resolution of the Company in general meeting. A notice is duly given by the Company that in terms of section 211 of the Companies Act No.07 of 2007, a resolution will be proposed that the age limit referred to in section 210 of the Companies Act No.07 of 2007, shall not apply to Mr. N. J. Abeysekere who has reached the age of 70 years.

In terms of Article 85 of the Articles of Association, Directors Mr. G.S.N. Peiris and Mr. C.S.W. De Costa are due to retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-election.

Interests Register

The Interests Register is maintained by the Company as per the Companies Act No.07 of 2007.

Directors' Interests in Transactions

Directors' Interests in transactions with the company are disclosed in the Interests Register and in Note 28 to the Financial Statements under the heading "Transactions with Related Parties" and is as follows:

Annual Report of The Board of Directors (Contd.)

Directors' interests in Transactions with Related Parties

The Company carried out transactions during the year in the ordinary course of its business at commercial rates with the following related entities.

Name of the Company and Relationship	Name of Directors	Position	Nature of Transactions
Central Finance Co. PLC (Parent Company)	Mr. S. V. Wanigasekera Mr. E. H. Wijenaike Mr. G. S. N. Peiris Mr. A. K. Gunaratne Mr. R. E. Rambukwelle	Chairman Managing Director Director Director Director	Hire of vehicles – Rs.391,859/- (2009/10 – nil) Interest earned from short term deposits - Rs.11,000/- (2009/10 – Rs.3.4 million) Short term deposits as at 31st March 2011 - Rs.128,508/- (2009/10 – Rs.129,735)
CF Insurance Brokers (Pvt) Ltd. (Fellow Subsidiary)	Mr. S. V. Wanigasekera Mr. E. H. Wijenaike Mr. G. S. N. Peiris Mr. R. E. Rambukwelle	Director Director Director Director	Agents/Brokers of the Company's insurers. The Company has paid total premia of Rs. 1.1 million (2009/10 -Rs.1.6 million) to insurers during the year. CF Insurance Brokers (Pvt.) Ltd is entitled to an agency / brokerage commission on these premia from the insurance companies.
Tivoli Plastics (Pvt.) Ltd. (An Enterprise owned by a Director)	Mr. C. S. W. De Costa	Director	Manufacture of PVC Fittings under agreement with the Company. The cost of services obtained during the year was Rs.27.8 million. (2009/10 - Rs.21.1 million)
Central Transport and Travels (Pvt.) Ltd. (Fellow Subsidiary)	Mr. E. H. Wijenaike Mr. G. S. N. Peiris	Chairman Director	No transactions during the year. The amount due to Central Transport and Travels (Pvt.) Ltd as at 31st March 2011 is Rs.95,547/-. (2009/10 – Rs.95,547/-).
Nations Trust Bank PLC. (An Associate of the Parent Company)	Mr. E. H. Wijenaike Mr. A. K. Gunaratne	Deputy Chairman Director	Banking facilities up to a limit of Rs.140 million (2009/10 - Rs.140 million) in the normal course of business. Interest received on short term deposits – Rs.448,212/- (2009/10 – Rs.1,278,524/-) Interest and charges paid on banking facilities and short term financing – Rs.2.7 million. (2009/10 – Rs.1.2 million)
Central Industries Marketing (Pvt.) Ltd. (A wholly owned subsidiary)	Mr. S. V. Wanigasekera Mr. E. H. Wijenaike Mr. A.N.P.Wickramasuriya	Chairman Director Director/CEO	Funds advanced by the subsidiary to Central Industries PLC. Amount due to the subsidiary – Rs.28 million. (2009/10 – Rs.33.4 million)

The directors have no direct or indirect interests in any other contract or proposed contract in relation to the business of the company other than those disclosed above.

Annual Report of the Board of Directors (Contd.)

Shareholdings of Directors

	No. of Shares Held as at 31st March 2011	1st April 2010
Mr.E.H.Wijenaike	9,003	3,001
Mr.S.V.Wanigasekera	903	301
Mr.G.S.N.Peiris	3	1
Mr.A.N.P.Wickramasuriya	-	-
Mr.C.S.W.De Costa	-	-
Mr.R.E.Rambukwelle	-	-
Mr.A.K.Gunaratne	-	-
Mr.N.J.Abeysekere	-	-

The shareholdings of entities in which the Directors have controlling interest.

	No.of Shares Held as at 31st March 2011	1st April 2010
Central Finance Company PLC	4,354,500	1,451,500
CF Insurance Brokers (Pvt.) Ltd.	564,600	188,200
CF Growth Fund Ltd.	18,000	6,000
Expanded Plastic Products Ltd.	3,225	1,075
Tivoli Lanka Ltd.	307,200	102,400

During the year ended 31st March 2011;

Mr.S.V.Wanigasekera, Mr.E.H.Wijenaike, Mr.G.S.N.Peiris, Mr.R.E.Rambukwelle and Mr.A.K.Gunaratne were Directors of Central Finance Company PLC.

Mr.S.V.Wanigasekera, Mr.E.H.Wijenaike, Mr.G.S.N.Peiris and Mr.R.E.Rambukwelle were Directors of CF Insurance Brokers (Pvt.) Ltd.

Mr.S.V.Wanigasekera and Mr.E.H.Wijenaike were Directors of CF Growth Fund Limited.

Mr.E.H.Wijenaike and Mr.G.S.N.Peiris were Directors of Expanded Plastic Products Ltd.

Mr.C.S.W.De Costa was a Director of Tivoli Lanka Ltd.

Remuneration of Directors

Remuneration of the Directors is disclosed in Note 8 to the consolidated financial statements.

The aggregate remuneration received by the Directors during the year under review was:-

	2010/11 Rs.	2009/10 Rs.
Executive Directors	7,681,274	6,219,415
Non-Executive Directors	102,500	96,000

Major Shareholders

The twenty largest shareholders of the Company as at 31st March 2011 are given on page 18 together with an analysis of the shareholdings. As at that date the Company had 710 shareholders.

Parent Enterprise

The Company's parent and ultimate parent enterprise is Central Finance Company PLC.

Donations

During the year, donations to charities of Rs. 53,820/= were made by the Company

Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of the Financial Statements of the Company so that it reflects a true and fair view of the state of its affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

Stated Capital

The Ordinary Shares of the Company were subdivided in the ratio of three shares for every one share previously held, on 21st October 2010. The stated capital of the Company as at 31st March 2011 was Rs. 121,320,000/- and is represented by 9,884,214 ordinary shares.

Annual Report of the Board of Directors (Contd.)

Auditors

The Financial Statements for the year have been audited by KPMG Ford, Rhodes, Thornton & Co., Chartered Accountants, who offer themselves for re-appointment.

Remuneration of the Auditors is disclosed in Note 8 to the consolidated financial statements.

In addition the auditors were paid Rs. 93,000/- for work not directly related with the audit of the financial statements, and consisted mainly of opinion expresed in relation to the solvency certificate required in the distribution of dividends and in relation to the sub-division of the ordinary shares of the Company.

As far as the Directors are aware the auditors do not have any other relationship with the company other than those disclosed above.

For and on behalf of the Board

(Sgd.)	(Sgd.)
S. V. Wanigasekera	**A.N.P.Wickramasuriya**
Chairman	*Director/CEO*

(Sgd.)

Director
CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries – Central Industries PLC
21st June 2011

Corporate Governance

The Board of Directors of the company believes good corporate governance is the cornerstone of strong business performance. We strive to be transparent in our governance practices and policies and responsive to our shareholders while managing the Company for long-term success.

Board of Directors

The Board consisted of the Executive Chairman, Chief Executive Officer and six Non-Executive Directors as at 31st March 2011. The names and profiles of the directors are given on page 6.

Mr.Nalin Abeysekere, and Mr.Sarath de Costa are Independent Non-Executive Directors.

Mr.Sarath de Costa has served on the Board for more than ten years. (last year also nine) The Board nevertheless has determined that Mr.Sarath de Costa is an independent director as he continues to exercise objectivity in the performance of his duties and is not directly involved in the management of the company.

Audit Committee

The audit committee comprises:

Mr. A. K. Gunaratne FCA, FCMA
(Chairman of the Committee)

Mr. C. S. W. de Costa

Mr. N.J.Abeysekere

The Audit Committee comprises three Non-Executive Directors with the Internal Auditor functioning as the Secretary. The Chief Executive Officer and the Chief Financial Officer are invitees to the meetings of the Audit Committee. The Committee is empowered to examine any matters relating to the financial affairs of the Company and its internal and external audits. Its duties include detailed reviews of the financial statements, internal control procedures, accounting policies, compliance with accounting standards, emerging accounting issues and such other related functions as the Board may require. It also recommends the appointment and fees of the external auditors. It also keeps under review the independence and objectivity of the external auditors. The detailed Audit Committee's Report including the areas reviewed during the financial year 2010/11 is given on page 16 of the Annual Report.

Remuneration Committee

The Remuneration Committee of the Parent Company, Central Finance Company PLC functions as the Company's Remuneration Committee.

The Remuneration Committee of the Parent Company comprises:

Mr. S. V. Wanigasekera
(Chairman of the Committee)

Mr. U. L. Kadurugamuwa

Mr. G. C. B. Wijeyesinghe

The Managing Director of the Parent Company, who is also a Director of this Company, assists the Committee.

Compliance with the Colombo Stock Exchange Rules on Corporate Governance

The table on page 14 sets out the relevant Colombo Stock Exchange Rules on Corporate Governance and the manner in which the Company complies with them.

Corporate Governance (Contd.)

Compliance with Colombo Stock Exchange Rules on Corporate Governance

Rule No.	Subject	Applicable Requirement	Compliance Status	Details
7.10.1	Non-Executive Directors	At least one third of the total number of Directors should be Non-Executive Directors	Compliant	Six of eight Directors are Non-Executive Directors
7.10.2(a)	Independent Directors	Two or one third of Non-Executive Directors, whichever is higher should be independent.	Compliant	Two Non-Executive Directors are independent
7.10.2(b)	Independent Directors	Each Non-Executive Director should submit a declaration of independence / non-independence in the prescribed format.	Compliant	All Non-Executive Directors have submitted the declaration of independence/non-independence
7.10.3(a)	Disclosure relating to Directors	Names of Independent Directors should be disclosed in the Annual Report.	Compliant	Disclosed in the section on Corporate Governance on page 13.
7.10.3(b)	Determination on Independence	Determination on criteria not met.	Compliant	Disclosed on page 13.
7.10.3(c)	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report including the area of expertise.	Compliant	Disclosed on page 6.
7.10.5	Remuneration Committee	A listed company shall have a Remuneration Committee.	Compliant	The Remuneration Committee of the parent company, Central Finance Co. PLC functions as the Remuneration Committee of the Company.
7.10.5(a)	Composition of the Remuneration Committee	Shall comprise of Non-Executive Directors a majority of whom can be independent	Compliant	All Directors are Non-Executive Directors of the parent company two of whom are independent.
7.10.5(b)	Functions of the Remuneration Committee	The Remuneration Committee shall recommend the remuneration of the Chief Executive Officer and Executive Directors.	Compliant	The remuneration committee recommends the remuneration of the Chairman and the Chief Executive Officer as disclosed in the report of the Remuneration Committee.
7.10.5(c)	Disclosure in the Annual Report relating to the Remuneration Committee	The Annual Report should set out:		
		a) Names of Directors comprising the Remuneration Committee	Compliant	Disclosed in the section on Corporate Governance on page 13.
		b) Statement of Remuneration Policy.	Compliant	Disclosed in the Report of the Remuneration Committee on page 17.
		c) Aggregate remuneration paid to Executive & Non-Executive Directors	Compliant	Disclosed in the Annual Report of the Board of Directors on page 11.

Corporate Governance (Contd.)

Compliance with Colombo Stock Exchange Rules on Corporate Governance (Contd.)

Rule No	Subject	Applicable Requirement	Compliance Status	Details
7.10.6	Audit Committee	The Company shall have an Audit Committee.	Compliant	Disclosed in the section on Corporate Governance on page 13.
7.10.6(a)	Composition of the Audit Committee	Shall comprise of Non-Executive Directors a majority of whom shall be independent.	Compliant	The committee comprises three Non-Executive Directors (Two of whom are independent)
		Chief Executive Officer and the Chief Financial Officer should attend Audit Committee meetings.	Compliant	The CEO and CFO attend Audit Committee meetings.
		The Chairman of the Audit Committee or one member should be a member of a professional accounting Body.	Compliant	The Chairman of the Committee is a member of a professional accounting body.
7.10.6(b)	Audit Committee Functions	Should be as outlined in the listing rules	Compliant	The Audit Committee was constituted at a meeting of the Board of Directors and the functions outlined.
7.10.6(c)	Disclosure in the Annual Report relating to the Audit Committee	a) Names of Directors comprising the Audit Committee.	Compliant	Disclosed on page 13 (Corporate Governance)
		b) The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination.	Compliant	Disclosed on page 16 (Audit Committee Report)
		c) The Annual Report shall contain a report of the Audit Committee setting out the manner of compliance by the Company.	Compliant	Disclosed on page 16 (Audit Committee Report)

Audit Committee Report

The Audit Committee comprises three Non-Executive Directors of the Company. The Internal Auditor of the Company functions as the Secretary of the Audit Committee. The Chief Executive Officer and the Chief Financial Officer attend the Audit Committee meetings by invitation.

The Audit Committee is empowered to examine all matters relating to the financial affairs of the Company and its internal and external audits. It attempts to assist the responsibilities in respect of the regulatory compliance and risk management.

The Audit Committee examined the adequacy and effectiveness of internal controls and made its recommendations to ensure that effective controls were in operation. The Audit Committee is satisfied that the control environment prevailing in the Company provides reasonable assurance that the financial position of the Company is satisfactory and that systems are in place to minimize the impact of identifiable risks.

The Audit Committee examined the Company's interim and annual Financial Statements and made its observation on the financial reporting adopted by the Company to ensure that there is consistency in accounting policies and that these conform to and comply with the Sri Lanka Accounting Standards. The Financial Statements were recommended to the Board of Directors for approval. The Audit Committee has reviewed the other services provided by the external Auditors to ensure their independence as auditors has not been compromised. The Audit Committee has recommended to the Board of Directors that KPMG Ford, Rhodes, Thornton & Company be re-appointed as Auditors of the Company, for the financial year ending 31st March 2012, subject to the approval by the shareholders at the forthcoming Annual General Meeting.

(Sgd.)
A. K. Gunaratne
Chairman – Audit Committee

9th June 2011

Report of the Remuneration Committee

The Remuneration Committee of the Parent Company, Central Finance Company PLC functions as the Company's Remuneration Committee. The Remuneration Committee comprises three Non-Executive Directors of the parent Company of whom two are independent. The Managing Director of the Parent Company, who is also a Director of the Company assists the Committee by providing relevant information and participating in its analysis and deliberations.

The Committee is responsible for determining the compensation of the Executive Directors, and the fee of Non-Executive Directors. In addition they lay down guidelines and parameters for the compensation structure of all management staff.

The primary objective of compensation packages is to attract and retain a qualified and an experienced work force. These packages are aimed at providing compensation appropriate for the industry and commensurate with each employee's level of experience and contribution, bearing in mind the Company's performance and long term shareholder returns.

The committee meets from time to time to review the Company's compensation structures to ensure alignment with strategic priorities and comparison with those offered by other similar entities. Steps are also being taken to align pay more closely with performance, based on performance management and evaluation systems installed within the Company.

(Sgd.)
S. V. Wanigasekera
Chairman - Remuneration Committee

9th June 2011

Share Information

1. Stock Exchange Listing

Central Industries PLC. is a Public Listed Company (Reg. No.-PQ 121) the issued Ordinary Shares of which are listed on the Colombo Stock Exchange.

2. Stated Capital

The Stated Capital of the Company as defined by the Companies Act No. 07 of 2007 was Rs. 121.3 million as at 31st March 2011.

3. Shareholders

	No. of Shares	%
Issued Ordinary Shares	9,884,214	
Shares held by the Parent Enterprise, Subsidiaries, Associates, Directors and Shareholders whose holdings exceed 10%	6,746,049	68.25%
Shares held by the public	3,138,165	31.75%

4. Distribution of Shareholdings as at 31st March 2011

	Residents			Non- Residents			Total		
Number of Shares held	No of Share holders	No. of Shares	%	No of Share holders	No. of Shares	%	No of Share holders	No. of Shares	%
1-1,000	482	161,245	1.63	5	4,150	0.04	487	165,395	1.67
1,001-5,000	137	310,702	3.15	5	11,875	0.12	143	322,577	3.27
5,001-10,000	39	263,486	2.67	-	-	-	39	263,486	2.67
10,001-50,000	24	505,666	5.12	3	49,500	0.50	27	555,166	5.62
50,001-100,000	3	193,500	1.96	-	-	-	3	193,500	1.96
100,001-500,000	5	1,260,375	12.75	3	716,000	7.24	8	1,976,375	19.99
500,001-1,000,000	1	564,600	5.71	-	-	-	1	564,600	5.71
Over 1,000,000	2	5,843,115	59.11	-	-	-	2	5,843,115	59.11
	694	9,102.689	92.10	16	781,525	7.90	710	9,884,214	100.00

5. Twenty Largest Shareholders as at 31st March 2011

	Name of Share Holder	No. of Shares	%
1	Central Finance Company PLC	4,354,500	44.06
2	Sierra Cables PLC	1,488,615	15.06
3	CF Insurance Brokers (Pvt) Ltd	564,600	5.71
4	Bigspring Investments Limited	415,200	4.20
5	Seylan Bank Ltd/ Govindasamy Ramanan	343,200	3.47
6	Tivoli Lanka Ltd	307,200	3.11
7	Merchant Credit of Sri Lanka Limited	231,600	2.34
8	Merchant Bank of Sri Lanka Ltd A/C No 1	200,100	2.02
9	H.W.M.Woodward	180,000	1.82
10	Sierra Holdings Limited	178,275	1.80
11	Elgin Investments Limited	120,800	1.22
12	Alucop Cables Ltd	71,400	0.72
13	Alliance Finance Company PLC	65,400	0.66
14	Harris (Ceylon) Limited	56,700	0.57
15	P.D.P.Weerasuriya	41,100	0.42
16	R.F.C.De Livera	30,000	0.30
17	A.N.Esufally	30,000	0.30
18	S.Shanmuganathan	30,000	0.30
19	Waldock Mackenzie Ltd/Hi-Line Towers (Pvt) Ltd	29,100	0.29
20	M.I.Shibly	27,000	0.27
	Total	**8,764,790**	**88.67**

6. Share Trading

Highest Price - 4th August 2010	-	Rs. 385.00
Lowest Price - 13th December 2010	-	Rs. 65.30
Last Traded Price - 31st March 2011	-	Rs. 96.10
No. of Trades		1,260
No. of Shares Traded		793,500
Value of the Shares Traded	-	Rs. 170,812,850
Market Capitalisation	-	Rs. 949,872,965

7. Key Financial Ratios

	2010/11 Rs.	2009/10 Rs.
Dividend per Share (Rs.)	**2.50**	7.00
*Net Assets per Share (Rs.)	**80.43**	75.28

* The Ordinary Shares of the Company were subdivided in the ratio of three shares for every one share previously held, on 21st October 2010. Net Assets per share is the Total assets less total liabilities divided by the number of shares in issue as at 31st March 2011.

Statement of Directors' Responsibilities

The following statement sets out the responsibilities of the Directors in relation to the Financial Statements of the Company. These differ from the responsibilities of the Auditors which are set out in their report, appearing on page 20. The Companies Act No. 07 of 2007 requires the Directors to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit or Loss of the Company for that financial year.

In preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently, reasonable and prudent judgments and estimates have been made and applicable accounting standards have been followed.

The Directors are responsible for ensuring that the Company keeps sufficient accounting records to disclose with reasonable accuracy the financial position of the Company and to enable them to ensure that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards and provide the information required by the Companies Act. They are also responsible for taking reasonable measures to safeguard the assets of the Company and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to prevent and detect fraud and other irregularities. The Directors continue to adopt the going concern basis in preparing the Financial Statements. The Directors, after making enquiries and following a review of the Company's budget for 2011/12, including cash flows and borrowing facilities, consider that the Company has adequate resources to continue in operation.

For and on behalf of the Board,

(Sgd.)
S.V. Wanigasekera
Chairman

(Sgd.)
A.N.P. Wickramasuriya
Director/CEO

9th June 2011

Independent Auditors' Report

KPMG Ford, Rhodes, Thornton & Co.
(Chartered Accountants)
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TO THE SHAREHOLDERS OF CENTRAL INDUSTRIES PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Central Industries PLC, (the "Company"), and the consolidated financial statements of the Company and its subsidiaries as at March 31 2011, which comprise the balance sheet as at March 31, 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 21 to 44 of this Annual Report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

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

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

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

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2011 and the financial statements give a true and fair view of the Company's state of affairs as at March 31, 2011 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs as at March 31, 2011 and the profit and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards, of the Company and its subsidiaries dealt with thereby, so far as concerns the shareholders of the Company.

Report on Other Legal and Regulatory Requirements

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

CHARTERED ACCOUNTANTS
Colombo.
09 June, 2011,

Income Statement

For the year ended 31st March	Note	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Revenue	5	**1,286,055**	1,113,706	**1,286,024**	999,914
Cost of sales		**(1,025,174)**	(855,077)	**(1,025,146)**	(788,181)
Gross Profit		**260,881**	258,629	**260,878**	211,733
Other Income	6	**3,052**	8,268	**7,351**	8,250
Distribution Expenses		**(75,317)**	(67,171)	**(75,304)**	(52,464)
Administrative Expenses		**(62,380)**	(55,011)	**(61,653)**	(53,644)
Finance Expenses	7	**(4,422)**	(3,479)	**(4,407)**	(2,901)
Profit Before Taxation	8	**121,814**	141,236	**126,865**	110,974
Income Tax Expenses	9	**(47,781)**	(55,695)	**(47,795)**	(48,522)
Profit for the Year attributable to equity holders of the Company		**74,033**	85,541	**79,070**	62,452
Basic Earnings per Share (Rs.)	10	**7.49**	8.65	**8.00**	6.32

Figures in brackets indicate deductions

The annexed Notes to the Financial Statements form an integral part of these Financial Statements.

Balance Sheet

As at 31st March	Note	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
ASSETS					
NON - CURRENT ASSETS					
Property, Plant and Equipment	12	384,333	369,458	384,333	369,412
Capital Work-In-Progress	12.1	-	618	-	618
Intangible Assets	13	2,481	457	2,481	457
Investments - Marketable	14.1	30	30	10	10
- Subsidiaries	14.2	-	-	2,000	2,000
TOTAL NON-CURRENT ASSETS		386,844	370,563	388,824	372,497
CURRENT ASSETS					
Inventories	15	236,555	197,570	235,966	196,953
Debtors and Prepayments	16	266,210	289,987	266,155	289,594
Cash and Cash Equivalents	17	30,265	19,459	30,254	19,458
TOTAL CURRENT ASSETS		533,030	507,016	532,375	506,005
TOTAL ASSETS		919,874	877,579	921,199	878,502
EQUITY AND LIABILITIES					
EQUITY					
Stated Capital	18	121,320	121,320	121,320	121,320
Revaluation Reserve	19	159,891	160,360	159,891	160,360
Capital Redemption Reserve	20	35,814	35,814	35,814	35,814
General Reserve		65,000	65,000	65,000	65,000
Retained Earnings		412,999	361,561	387,332	330,856
TOTAL EQUITY		795,024	744,055	769,357	713,350
NON - CURRENT LIABILITIES					
Deferred Taxation	21	22,872	28,259	22,872	28,246
Retirement Benefit Obligations	22	26,400	23,676	26,400	23,676
TOTAL NON-CURRENT LIABILITIES		49,272	51,935	49,272	51,922
CURRENT LIABILITIES					
Trade Creditors		3,316	4,101	3,316	4,101
Short Term Loans	23	-	10,000	-	10,000
Other Creditors	24	51,544	40,988	49,944	39,377
Current Taxation		16,664	22,177	16,664	21,487
Due to Related Parties	25	3,268	3,701	3,268	3,701
Due to Subsidiaries	26	-	-	28,592	33,961
Bank Over draft		786	622	786	603
TOTAL CURRENT LIABILITIES		75,578	81,589	102,570	113,230
TOTAL LIABILITIES		124,850	133,524	151,842	165,152
TOTAL EQUITY AND LIABILITIES		919,874	877,579	921,199	878,502
Net Assets Per Ordinary Share		80.43	75.28	77.84	72.17

The annexed Notes to the Financial Statements form an integral part of these Financial Statements.

These Financial Statements are in compliance with the requirements of the Companies Act No.7 of 2007.

(Sgd.)
R. H. Moses
Manager Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
For and on behalf of the Board,

(Sgd.)
S. V. Wanigasekera
Chairman

(Sgd.)
A. N. P. Wickramasuriya
Director / CEO

Colombo.
9th June 2011

Statement of
Changes in Equity

For the year ended 31st March 2011

GROUP

	Note	Stated Capital Rs.000	Revaluation Reserve Rs.000	Capital Redemption Reserve Rs.000	General Reserve Rs.000	Retained Earnings Rs.000	Total Rs.000
Balance as at 1st April 2009		121,320	160,829	35,814	65,000	292,848	675,811
Profit for the year		-	-	-	-	85,541	85,541
Depreciation on Revaluation Surplus		-	(469)	-	-	469	-
Final Dividend, 2008/09 - Paid		-	-	-	-	(17,297)	(17,297)
Balance as at 31st March 2010		121,320	160,360	35,814	65,000	361,561	744,055
Profit for the year		-	-	-	-	74,033	74,033
Depreciation on Revaluation Surplus		-	(469)	-	-	469	-
Final Dividend, 2009/10 - Paid	11	-	-	-	-	(23,063)	(23,063)
Balance as at 31st March 2011		**121,320**	**159,891**	**35,814**	**65,000**	**412,999**	**795,024**

COMPANY

	Note	Stated Capital Rs.000	Revaluation Reserve Rs.000	Capital Redemption Reserve Rs.000	General Reserve Rs.000	Retained Earnings Rs.000	Total Rs.000
Balance as at 1st April 2009		121,320	160,829	35,814	65,000	285,232	668,195
Profit for the year		-	-	-	-	62,452	62,452
Depreciation on Revaluation Surplus		-	(469)	-	-	469	-
Final Dividend, 2008/09 - Paid		-	-	-	-	(17,297)	(17,297)
Balance as at 31st March 2010		121,320	160,360	35,814	65,000	330,856	713,350
Profit for the year		-	-	-	-	79,070	79,070
Depreciation on Revaluation Surplus		-	(469)	-	-	469	-
Final Dividend, 2009/10 - Paid	11	-	-	-	-	(23,063)	(23,063)
Balance as at 31st March 2011		**121,320**	**159,891**	**35,814**	**65,000**	**387,332**	**769,357**

The Notes attached hereto form an integral part of these financial statements .
Figures in brackets indicate deductions

Cash Flow Statement

For the year ended 31st March	Note	Group 2011 Rs.000	Group 2010 Rs.000	Company 2011 Rs.000	Company 2010 Rs.000
Cash Flows from Operating Activities					
Profit before taxation		**121,814**	141,236	**126,865**	110,974
Adjustments for :					
Depreciation and Amortisation	8	**20,268**	16,250	**20,223**	16,238
Profit on disposal of Property, Plant and Equipment		**(17)**	(2,441)	**(17)**	(2,441)
Provision for Retirement Benefit Obligations	22	**3,746**	4,054	**3,746**	3,770
Provision for Bad Debts	8	**294**	2,248	**493**	1,767
Reduction in Provision for Write-down of Inventories		**(293)**	-	**(293)**	-
Dividend Income		**(3)**	(1)	**(4,501)**	(1)
Interest Expenses	7	**4,297**	3,337	**4,281**	2,794
Interest Received	6	**(627)**	(4,762)	**(627)**	(4,753)
Operating Profit before Working Capital Changes		**149,479**	159,921	**150,170**	128,348
Increase in Inventories		**(38,692)**	(33,882)	**(38,720)**	(42,123)
(Increase)/ Decrease in Trade Debtors and Other Accounts Receivables		**23,483**	(34,390)	**22,946**	(46,216)
Increase in Accounts Payable		**9,339**	15,122	**3,978**	65,451
Cash generated from Operations		**143,609**	106,771	**138,373**	105,460
Retirement Benefit Obligations Paid	22	**(1,022)**	(989)	**(1,022)**	(879)
Interest Paid	7	**(4,297)**	(3,337)	**(4,281)**	(2,794)
Tax paid		**(58,683)**	(40,874)	**(57,990)**	(39,822)
Net Cash generated from Operating Activities		**79,607**	61,571	**75,080**	61,965
Cash Flows from Investing Activities					
Purchase of Property, Plant and Equipment and Intangible Assets	12/13	**(36,610)**	(26,121)	**(36,610)**	(26,121)
Capital Work-in-progress		**(3,732)**	(617)	**(3,732)**	(617)
Proceeds from Sale of Property, Plant and Equipment		**3,810**	3,516	**3,810**	3,516
Interest Received		**627**	4,762	**627**	4,753
Dividends Received		**3**	1	**4,501**	1
Net Cash used in Investing Activities		**(35,902)**	(18,459)	**(31,404)**	(18,468)
Cash Flows from Financing Activities					
Short Term Loans obtained		**381,241**	94,856	**381,241**	94,856
Short Term Loans paid		**(391,241)**	(104,725)	**(391,241)**	(104,725)
Dividends paid		**(23,063)**	(17,297)	**(23,063)**	(17,297)
Net Cash used in Financing Activities		**(33,063)**	(27,166)	**(33,063)**	(27,166)
Net increase in Cash and Cash Equivalents		**10,642**	15,946	**10,613**	16,331
Cash and Cash Equivalents at the beginning of the year		**18,837**	2,891	**18,855**	2,524
Cash and Cash Equivalents at the end of the year	17	**29,479**	18,837	**29,468**	18,855

The annexed Notes to the Financial Statements form an integral part of these financial statements .

Figures in brackets indicate deductions

Notes to the
Financial Statements

1. Reporting Entity

1.1 Domicile and Legal Form

Central Industries PLC ("the Company") is a public limited liability company incorporated and domiciled in Sri Lanka on 18th September 1984. The registered office of the Company and the principal place of business is situated at 312, Nawala Road, Rajagiriya. The ordinary shares of the Company are listed on the Colombo Stock Exchange.

The Company has two fully owned subsidiaries; Central Industries Marketing (Pvt) Limited (incorporated on 22nd October 2001) and Polymer Technologies (Pvt) Limited (incorporated on 02nd March 1993)

The Consolidated Financial Statements of the Company as at the year ended 31 March 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities")

1.2 Principal Activities and Nature of Operations

The principal activities of the Company are manufacturing and distribution of PVC Pipes and Fittings. The Company and the Group also market other products to the construction and building industry.

There were no significant changes in the nature of the principal activities of the Group during the financial year under review.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent enterprise is Central Finance Company PLC. In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Central Finance Company PLC.

1.4 Number of Employees

The numbers of employees of the Group and Company as at 31st March 2011 are as follows:

Group	252 (2010- 241)
Company	252 (2010- 241)

1.5 Date of Authorization for Issue

The consolidated Financial Statements of the Group for the year ended 31st March 2011 were authorized for issue in accordance with a resolution of the Board of Directors on 09th June 2011.

1.6 Responsibility for the Financial Statements

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

2. Basis of Preparation

2.1 Statement of Compliance

The consolidated financial statements comprise the balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statement. The Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards (SLAS) as laid down by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the requirements of the Companies Act No. 7 of 2007.

2.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for freehold land and buildings which have been revalued to fair values. No adjustments have been made for inflationary factors in the financial statements.

2.3 Functional and Presentation Currency

These Consolidated Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional currency.

Notes to the Financial Statements (Contd.)

2.4 Use of Estimate and Judgments

The preparation of Consolidated Financial Statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimates and uncertainty that have the most significant effects on the amounts recognized in the Consolidated Financial Statements are as follows.

Measurement of employee benefit obligations (Note 22)

Assessment of impairment (Note 12)

Provisions and contingencies (Note 27)

2.5 Materiality and Aggregation

Each material class of similar items is presented separately. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.6 Comparative Information

Comparative information has been reclassified wherever necessary to conform to the current year's presentation.

3. Significant Accounting Polices

The accounting policies are consistent with those used in the previous year and have been consistently applied by the Group entities.

3.1 Basis of Consolidation

Subsidiaries

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of that enterprise so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control effectively commences until the date that control effectively ceases. Accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Subsidiaries consolidated are:

Name of the subsidiaries	Holding Percentage
Central Industries Marketing (Pvt) Ltd	100%
Polymer Technologies (Pvt) Ltd	100%

All companies in the Group have a common financial year, which ends on 31st March.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized gains and losses or income and expenses arising from the intra-group transactions are eliminated in preparing the Consolidated Financial Statements.

Accounting for investment in subsidiaries

When separate financial statements are prepared, investments in subsidiaries are accounted for using the cost method. Investments in subsidiaries are stated in the Company's balance sheet at cost less accumulated impairment losses.

3.2 Segment Reporting

A segment is a distinguishable component of the group that is engaged either in providing products or services (Business Segments), or in providing product or services within a particular economic environment

Notes to the

Financial Statements (Contd.)

(Geographical Segments), which is subject to risks and rewards that are different from those of other segments.

Segment information reflects Water Management products and Electrical products. Inter-segment transfers are based on fair market prices.

The Group's business activities are located in Sri Lanka. Consequently, assets and liabilities by geographic regions are considered not material to be segmented. Expenses that cannot be directly identified to a particular segment are allocated on the basis decided by the management and applied consistently throughout the year.

3.3 Foreign Currency Transactions

Transactions in foreign currencies are translated into Sri Lanka Rupees at the spot exchange rate at the time the transaction is effected. Where foreign exchange transactions are covered by forward contracts the rate used is that of the contract. Assets and liabilities denominated in foreign currencies are converted in to Sri Lanka Rupees using the rate that prevailed on the Balance Sheet date. All profits or losses arising from transactions in foreign currencies are recognised in the period in which they arise.

Assets and Bases of their Valuation

3.4 Property, Plant And Equipment

Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. Where items of property, plant and equipment are subsequently revalued, the entire class of assets is revalued. When an asset is revalued any increase in the carrying value is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the Income Statement, in which case the increase is recognized in the Income Statement. Any revaluation deficit that off-sets a previous surplus on the same asset is directly off-set against the surplus in the revaluation reserve and any excess recognized as an expense.

The difference between the depreciation based on the revalued carrying amount and cost are transferred from Revaluation Reserve to Retained Earnings as the said asset's economic benefits are consumed periodically.

The "Revaluation Model" is applied on Freehold Land and Buildings owed by the company and Freehold Land and Buildings revalued every 3-5 years thereafter.

Property, plant and equipment other than Freehold Land and Building are recorded at cost less accumulated depreciation and impairment losses.

The carrying amount of an item of property, plant and equipment is de-recognised on disposal or when no further economic benefits are expected from its use or disposal.

Depreciation

Depreciation is charged to the income statement on a straightline basis over the estimated useful lives of Property, Plant & Equipment. Freehold Land is not depreciated. The estimated useful life of assets is as follows.

Category of Asset	Useful Economic Life Time (Years)
Buildings	40
Plant and Machinery (Excluding the Processing Units of the Extrusion Lines)	5 -25
Tools and Equipment	10
Furniture and Fittings	10
Motor Vehicles	5
Computer Equipment	5

Depreciation on the Processing Units of the Extrusion Lines is provided on machine hour rate. These assets are depreciated commencing in the year of purchase over estimated lifespans, which are:

Processing Units of Extrusion Lines 1 and 2	17,500 Hours
Processing Units of Extrusion Lines 3, 4 and	20,000 Hours
Processing Units of Extrusion Lines 5 and 6	10,000 Hours

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 or is derecognized.

Capital Work -in-Progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings, major plant and machinery and system development, awaiting capitalisation. Capital work –in-progress would be transferred to the relevant asset when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Capital work-in-progress is stated at cost less any accumulated impairment losses.

3.5 Intangible Assets

An intangible asset is an identifiable non monetary asset without physical substance held for use in the production or supply of goods or other services, rental to others or for administrative purposes.

Basis of recognition

An intangible asset is initially recognized at cost, if it is probable that future economic benefit will flow to the enterprise, and the cost of the asset can be measured reliably. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Computer software

All computer software costs incurred, licensed for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it's probable that they will lead to future economic benefits, are included in the Balance Sheet under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses.

Amortization

Intangible assets with finite lives are amortized over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets are amortized on a straight line basis in the Income Statement from the date on which the asset was available for use, over the best estimate of its useful life. The estimated useful life of software is 5 years. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year-end.

Retirement and disposal

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.

3.6 Investments

3.6.1 Marketable Investments

Marketable Investments classified as long term investments are valued at the lower of cost or market value determined on a portfolio basis. A change in value of marketable investments is dealt with through the Income Statement.

3.6.2 Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the Company's financial statements.

Notes to the Financial Statements (Contd.)

3.7 Inventories

Inventories have been valued at the lower of Cost and Net Realisable Value under the Weighted Average Method, after making due provision for slow moving items and obsolescence. The costs of raw materials are determined at purchase price including all expenses incurred in sourcing. The cost of Work-in-Progress is the value of raw material transferred to production. The cost of finished goods includes raw material cost and all direct expenses incurred in production (Excluding labour cost). Labour cost is directly charged to cost of sales.

3.7.1 Non-moving and Slow-moving Inventories

The management carries out an annual review of the inventories and makes provisions as follows,

Non moving Inventories

80% provision is made on the value of non-moving items which have not moved for more than 12 months.

Slow moving Inventories

50% provision is made on the value of slow moving items which are in excess of 12 months average requirements.

Machinery Spares

Provision is made in full for machinery spares which have been carried in stocks for more than 10 years.

3.8 Debtors and Other Receivables

Debtors and Other Receivables are stated at the values estimated to be realised. Provision has been made in the accounts where necessary for bad and doubtful debts.

3.9 Cash and Cash Equivalents

Cash and Cash Equivalents are defined as cash-in-hand, deposits held at call with the banks net of bank overdraft, short term highly liquid investments, and readily convertible loan amounts subject to insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, Cash and Cash Equivalents comprises of cash-in-hand deposits held at call with banks, net of overdrafts.

Overdrafts are classified under Current Liabilities in the Balance Sheet.

3.10 Impairment of Assets

The carrying amount 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 and any impairment losses are recognized in profit or loss. An impairment loss is recognised when an assets recoverable amount is less than its carrying amount.

Liabilities and Provisions

Liabilities classified as Current Liabilities in the Balance Sheet are those obligations payable on demand or within one year from the Balance Sheet date. Items classified as Non-current Liabilities are those obligations which will be repaid after a period of one year from the Balance Sheet date. Provisions and Liabilities are recognised when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligations.

3.11 Employee Retirement Benefits

(a) **Defined Contribution Plans - (Employees Provident Fund & Employees Trust Fund)**

All employees of the Company are members of the Employees' Provident Fund and Employees' Trust Fund, to which the Company contributes 12% and 3% respectively of such employees consolidated salary. The Company contributions are recognised as expenses in the Income Statement when incurred.

Notes to the Financial Statements (Contd.)

(b) **Defined Benefit Plans – Retirement gratuity**

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The liability recognized in the balance sheet in respect of a defined benefit plan is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized past-service costs. The defined benefit obligation is calculated annually by an independent actuary using the 'projected unit credit method' as required by SLAS 16 (Revised 2006) – "Retirement Benefits".

However, according to the payment of Gratuity Act, No. 12 of 1983, the liability to an employee arises only on completion of five years of continued service.

The liability is not externally funded.

3.12 Trade and other Payables

Trade and other payables are stated at Cost.

3.13 Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. The Company's share of any contingencies and capital commitments of a subsidiary for which the Company is also liable severally or otherwise are also included with appropriate disclosure.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recorded in the balance sheet but are disclosed unless they are remote.

3.14 Revenue

Revenue is comprised of the invoiced value of goods sold to customers after deduction of trade discounts, but before charging taxes thereon.

3.14.1 Revenue Recognition

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

Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods have passed to the buyer.

Interest income is recognized on an accrual basis.

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

Profit or loss of a revenue nature on the disposal of property, plant and equipment and other non current assets have been accounted for in the income statement having deducted from the proceeds on disposal, the carrying amount of the asset and the related selling expenses.

3.15 Expenditure Recognition

3.15.1 Operational Expenses

Expenses are recognized in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

3.15.2 Financial Expenses

Interest expenses are recognised on an accrual basis.

3.15.3 Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

3.16 Income Tax Expense

Income Tax Expenses comprises Current Deferred Taxation and Current Taxation.

Current Taxation

Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No.10 of 2006 and amendments thereto.

Deferred Taxation

Deferred Taxation has been provided for under the liability method on temporary differences as at the Balance Sheet date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes.

Deferred Tax assets are recognised for all temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of Deferred Tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax assets to be utilised. Unrecognised Deferred Tax assets are re-assessed at each balance sheet date and are recognised to the extent that future taxable profit will be available to recover the Deferred Tax assets.

Deferred Tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the Balance Sheet date.

3.17 Earnings Per Share

The Group presents its earnings per share based on the consolidated profit for the year in accordance with the requirements of SLAS-34.

3.18 Cash Flow Statement

The Cash Flow Statement has been prepared using the indirect method. Interest paid is classified as an Operating cash flow. Interest received is classified as an investing cash flow, while dividends paid is classified as a financing cash flow for the purpose of presentation of the Cash Flow Statements.

4 New Accounting Standards Issued but Not Effective as at Balance Sheet Date

The Institute of Chartered Accountants of Sri Lanka has issued a new volume of Sri Lanka Accounting Standards which will become applicable for financial periods beginning on or after 1st January 2012. Accordingly, these Standards have not been applied in preparing these consolidated financial statements as they were not effective for the year ended 31st March 2011.

These Sri Lanka Accounting Standards comprise Accounting Standards prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS). Application of Sri Lanka Accounting Standards prefixed SLFRS and LKAS for the first time shall be deemed to be an adoption of SLFRSs.

The Group/Company is currently in the process of evaluating the potential effects of these Standards on its consolidated financial statements and the impact on the adoption of these Standards have not been quantified as at the Balance Sheet date.

5. Revenue

	Group		Company	
For the year ended 31st March,	**2011 Rs.'000**	2010 Rs.'000	**2011 Rs.'000**	2010 Rs.'000
Gross Revenue	**1,320,980**	1,145,176	**1,320,949**	1,028,272
Turnover Tax and Nation Building Tax	**(34,925)**	(31,470)	**(34,925)**	(28,358)
	1,286,055	1,113,706	**1,286,024**	999,914

Segmental Information is given in Note 30 to these Financial Statements.

6. Other Income

	Group		Company	
For the year ended 31st March,	**2011 Rs.'000**	2010 Rs.'000	**2011 Rs.'000**	2010 Rs.'000
Profit on Sale of Property, Plant and Equipment	**17**	2,441	**17**	2,441
Dividend Received	**3**	1	**4,501**	1
Sale of Scrap and Obsolete Items	**2,195**	1,063	**2,194**	1,054
Exchange Gain	**12**	1	**12**	1
Bad debts recovered during the year	**198**	-	**-**	-
Interest Income	**627**	4,762	**627**	4,753
	3,052	8,268	**7,351**	8,250

7. Finance Expenses

	Group		Company	
For the year ended 31st March,	**2011 Rs.'000**	2010 Rs.'000	**2011 Rs.'000**	2010 Rs.'000
Interest Paid on Short Term Financing Facilities	**4,174**	3,076	**4,158**	2,631
Interest Paid on Distributor Security Deposits	**123**	261	**123**	163
Stamp Duty	**125**	142	**126**	107
	4,422	3,479	**4,407**	2,901

Notes to the
Financial Statements (Contd.)

8. Profit Before Taxation

The profit before taxation for the year is stated after charging all expenses including the following :

For the year ended 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Directors' Emoluments	**7,783**	6,315	**7,783**	6,315
Auditors' Remuneration - Audit fee and Expenses	**386**	363	**256**	233
Audit Related fee and Expenses	**75**	-	**75**	-
Non Audit fee and Expenses	**93**	21	**93**	21
Depreciation and Impairment	**20,101**	16,131	**20,055**	16,119
Amortisation of Intangible Assets	**167**	119	**167**	119
Donations	**54**	63	**54**	63
Bad Debts - Specific Provision	**294**	2,248	**493**	1,767
Staff Cost				
Remuneration	**67,983**	57,540	**67,983**	51,704
EPF	**7,348**	6,231	**7,348**	5,658
ETF	**1,837**	1,558	**1,837**	1,415
Retirement Benefits Obligations	**3,746**	4,054	**3,746**	3,770

9. Income Tax Expenses

For the year ended 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Current Tax Expense				
Current Tax on Profits for the Year (Note 9.1)	**52,382**	54,674	**52,382**	48,303
Under Provision for Prior Years	**-**	2	**-**	-
Social Responsibility Levy	**786**	820	**786**	725
	53,168	55,496	**53,168**	49,028
Deferred Tax Expense				
Deferred Tax Asset Recognised / (Reversed) during the Year (Note 21.b)	**895**	(1,073)	**895**	(1,073)
Deferred Tax Liability (Recognised)/ Reversed during the Year (Note 21.a)	**(6,282)**	1,272	**(6,269)**	567
	(5,387)	199	**(5,373)**	(506)
Total Income Tax Expense	**47,781**	55,695	**47,795**	48,522

9.1 Reconciliation of Accounting Profits and Taxable Income

	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Profit Before Taxation	**121,814**	141,236	**126,865**	110,974
Disallowed expenses and provisions	**56,167**	46,526	**51,116**	46,067
Capital Allowances on Property, Plant and Equipment	**(22,169)**	(18,158)	**(22,169)**	(18,152)
Aggregate Allowable Items	**(6,150)**	(13,392)	**(6,150)**	(879)
Taxable Income	**149,662**	156,212	**149,662**	138,010
Current Tax on Profits for the Year at 35%	**52,382**	54,674	**52,382**	48,303

In terms of the Inland Revenue Act, No. 10 of 2006, and the amendments thereto the corporate rate of tax applicable to profits of the Company and it's Subsidiaries is 35%. The tax charge is based on taxable profits which differ from profit for financial reporting purposes as explained in the reconciliation provided in Note 9.1.

Notes to the
Financial Statements (Contd.)

10. Basic Earnings Per Share

Basic earnings per share is calculated by dividing the consolidated net profit for the year attributable to ordinary shareholders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

The following reflects the profit and share data used in the Basic Earnings Per Share computation:

	Group		Company	
For the year ended 31st March	**2011**	2010	**2011**	2010
Net Profit attributable to Ordinary Shareholders (Rs.'000)	**74,033**	85,541	**79,070**	62,452
Weighted Average Number of Ordinary Shares	**9,884,214**	9,884,214	**9,884,214**	9,884,214
Basic Earnings per Share (Rs.)	**7.49**	8.65	**8.00**	6.32

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefore, diluted Earning Per Share is same as Basic Earning Per Share shown above.

11. Dividends

11.1 Dividend Declared and Paid during the Year

The Final dividend declared for the year ended 31st March 2010 of Rs.7/- per share amounting to Rs. 23,063,166 was paid during the current year.

11.2 Proposed Dividends for approval at AGM

The Board of Directors has recommended a first and final dividend of Rs.2.50 per share amounting to Rs.24,710,535/- for the year ended 31st March 2011, which is to be approved by the shareholders at the Annual General Meeting to be held on 26th July 2011. As stipulated by Sri Lanka Accounting Standard No. 12 " Events After the Balance Sheet Date", the proposed dividend is not recognized as a liability as at 31st March 2011 in the Financial Statements.

Under the Inland Revenue Amendment Act, No 10 of 2006, a withholding tax of 10% has been imposed on dividends declared from 1st April 2004.

11.3 Compliance with Section 56 and 57 of the Companies Act No. 7 of 2007

As required by Section 56 of the Companies Act, No.7 of 2007, the Board of Directors of the Company has certified that the Company satisfies the Solvency Test in accordance with the Section 57, prior to recommending the first and final dividend for the year ended 31st March 2011. A statement of solvency completed and duly signed by the Directors on 9th June 2011 has been audited by M/S KPMG Ford, Rhodes, Thornton & Co.

12. Property, Plant and Equipment

GROUP

	Freehold Land Rs.'000	Freehold Buildings Rs.'000	Plant and Machinery Rs.'000	Processing Units of ex-trusion Lines Rs.'000	Tools & Equipment Rs.'000	Furniture & Fittings Rs.'000	Motor Vehicles Rs.'000	Computer System Rs.'000	Total 2011 Rs.'000	Total 2010 Rs.'000
Cost / Valuation										
As at 1st April	166,525	102,533	185,394	52,870	23,896	12,298	24,101	4,996	**572,613**	548,655
Additions during the year	-	-	21,501	1,749	237	218	9,378	1,336	**34,419**	26,121
Transfers from Capital Work-in-Progress (Note 12.1)	-	4,350	-	-	-	-	-	-	**4,350**	206
Disposals during the year	-	-	-	-	-	-	(6,685)	-	**(6,685)**	(2,369)
As at 31st March	166,525	106,883	206,895	54,619	24,133	12,516	26,794	6,332	**604,697**	572,613
Accumulated Depreciation / Impairment										
As at 1st April	-	3,276	116,720	46,076	15,150	7,327	11,458	3,148	**203,155**	188,317
Charge for the year	-	3,317	8,279	1,668	1,257	704	3,645	801	**19,671**	16,131
Impairment during the Year	-	-	386	-	17	27	-	-	**430**	-
Depreciation on Disposals	-	-	-	-	-	-	(2,892)	-	**(2,892)**	(1,293)
As at 31st March	-	6,593	125,385	47,744	16,424	8,058	12,211	3,949	**220,364**	203,155
Carrying Amount as at 31st March 2011	**166,525**	**100,290**	**81,510**	**6,875**	**7,709**	**4,458**	**14,583**	**2,383**	**384,333**	
Carrying Amount as at 31st March 2010	166,525	99,257	68,674	6,794	8,746	4,971	12,643	1,848		369,458

COMPANY

	Freehold Land Rs.'000	Freehold Buildings Rs.'000	Plant and Machinery Rs.'000	Processing Units of ex-trusion Lines Rs.'000	Tools & Equipment Rs.'000	Furniture & Fittings Rs.'000	Motor Vehicles Rs.'000	Computer System Rs.'000	Total 2011 Rs.'000	Total 2010 Rs.'000
Cost / Valuation										
As at 1st April	166,525	102,533	181,828	52,869	23,877	12,193	24,101	4,937	**568,863**	544,904
Additions during the year	-	-	21,501	1,749	237	218	9,378	1,336	**34,419**	26,121
Transfers from Capital Work-in-Progress	-	4,350	-	-	-	-	-	-	**4,350**	206
Disposals during the year	-	-	-	-	-	-	(6,685)	-	**(6,685)**	(2,368)
As at 31st March	166,525	106,883	203,329	54,618	24,114	12,411	26,794	6,273	**600,947**	568,863
Accumulated Depreciation / Impairment										
As at 1st April	-	3,276	113,153	46,075	15,139	7,257	11,460	3,091	**199,451**	184,625
Charge for the year	-	3,317	8,279	1,668	1,255	693	3,645	801	**19,658**	16,119
Impairment during the Year	-	-	386	-	11	-	-	-	**397**	-
Depreciation on Disposals	-	-	-	-	-	-	(2,892)	-	**(2,892)**	(1,293)
As at 31st March	-	6,593	121,818	47,743	16,405	7,950	12,213	3,892	**216,614**	199,451
Carrying Amount as at 31st March 2011	**166,525**	**100,290**	**81,511**	**6,875**	**7,709**	**4,461**	**14,581**	**2,381**	**384,333**	
Carrying Amount as at 31st March 2010	166,525	99,257	68,675	6,794	8,738	4,936	12,641	1,846		369,412

12. Property, Plant and Equipment (Contd.)

12.1 Movement of Capital Work in Progress

	Group		Company	
As at 31st March,	**2011**	2010	**2011**	2010
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Balance at the beginning of the Year	**618**	207	**618**	207
Additions during the year	**3,732**	617	**3,732**	617
Transferred to Property, Plant and Equipment	**(4,350)**	(206)	**(4,350)**	(206)
Balance at the end of the Year	**-**	618	**-**	618

12.2 The Company adopts The "Cost Model" to value all Property Plant and Equipment other than Freehold Lands and Buildings. All Freehold Land and Buildings owned by the Company were revalued by Mr. L.D.S. Rangedera, Incorporated Valuer and Valuer of Real Estate as at 31st March 2009. The Valuation has been made under the "Contractor's Method" on the assumption that the property is free from the title of the land. It is assumed that the land and building is of freehold ownership. Had the Company not revalued the Freehold land and building, the carrying value of the same will be as follows;

	Group		Company	
	2011	2010	**2011**	2010
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Cost as at 1st April	**124,267**	119,917	**124,267**	119,917
Accumulated Depreciation	**(22,990)**	(20,407)	**(22,990)**	(20,407)
Carrying value as at 31st March	**101,277**	99,510	**101,277**	99,510

12.3 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 38.8 Million. Cash payments amounting to Rs. 38.2 Million were made during the year for purchase of Property, Plant and Equipment.

12.4 Property, Plant and Equipment includes fully depreciated assets which are in the use of normal business activities having a cost of Rs. 77.9 Million.

12.5 Facilities Available from Banks Against a Negative Pledge over the Company's Property, Plant and Equipment.

Bank	**Facilities Available**
Nations Trust Bank PLC	Short Term Loan, Overdraft, Import Loan and Guarantee facilities for Rs.140 Million
Hatton National Bank PLC	Short Term Loan, Overdraft, Import Loan and Guarantee facilities for Rs.140 Million
Commercial Bank of Ceylon PLC	Short Term Loan, Overdraft, Import Loan and Guarantee facilities for Rs.132 Million
Sampath Bank PLC	Overdraft, Import Loan and Guarantee facilities for Rs.65 million

Notes to the
Financial Statements (Contd.)

13. Intangible Assets

As at 31st March	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Cost				
Balance at the beginning of the Year	**596**	596	**596**	596
Additions during the year	**2,191**	-	**2,191**	-
Balance at the end of the Year	**2,787**	596	**2,787**	596
Amortisation				
Balance at the beginning of the Year	**139**	20	**139**	20
Charge for the year	**167**	119	**167**	119
Balance at the end of the Year	**306**	139	**306**	139
Carrying Value as at 31st March	**2,481**	457	**2,481**	457

Intangible assets consists of computer software acquired by the Company/Group.

14. Investments

As at 31st March,	2011 Cost Rs.'000	2011 Market Value Rs.'000	2010 Cost Rs.'000	2010 Market Value Rs.'000
14.1 Marketable Investments (Group)				
Quoted Public Companies				
- Hemas Holdings PLC (3750 Ordinary Shares)	**30**	**173**	30	90
	30	**173**	30	90
Marketable Investments(Company)				
Quoted Public Companies				
- Hemas Holdings PLC (1250 Ordinary Shares)	**10**	**58**	10	30
	10	**58**	10	30
14.2 Subsidiaries				
Central Industries Marketing (Pvt) Limited (100,000 Ordinary Shares -100% at cost)	**1,000**		1,000	
Polymer Technologies (Pvt) Limited (100,000 Ordinary Shares -100% at cost)	**1,000**		1,000	
	2,000		2,000	

The Subsidiaries, Central Indutries Marketing (Pvt) Limited and Polymer Technologies (Pvt) Limited did not carry out any commercial operations during the year. The Board is of the view that there is no requirement for any provision against or impairment of the invetsments in the said subsidiaries, as at the balance sheet date based on the assesment of the net asset values of the subsidiaries.

Notes to the
Financial Statements (Contd.)

15. Inventories

As at 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Raw Materials	**122,444**	75,091	**122,444**	75,091
Work-in-Progress	**10,404**	18,853	**10,404**	18,853
Finished Goods	**83,314**	70,372	**82,725**	69,755
Machinery Spares	**17,270**	15,606	**17,270**	15,606
Goods-in-Transit	**14,275**	29,093	**14,275**	29,093
Less :- Provision for obsolete and slow moving Inventories	**(11,152)**	(11,445)	**(11,152)**	(11,445)
Balance at the end of the year	**236,555**	197,570	**235,966**	196,953

16. Debtors and Prepayments

As at 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Trade Debtors	287,041	308,682	278,634	299,779
Provision for Bad Debts-Specific Provision (Note 16.1)	**(37,606)**	(37,312)	**(29,199)**	(28,706)
	249,435	271,370	**249,435**	271,073
Deposits	**1,748**	1,827	**1,748**	1,827
Advances and Prepayments	**11,699**	11,544	**11,700**	11,505
Other Taxes paid in Advance	**507**	2,425	**451**	2,368
Other Debtors	**2,821**	2,821	**2,821**	2,821
	266,210	289,987	**266,155**	289,594
16.1 Provision for Bad Debts - Specific Provision				
Balance at the beginning of the year	**37,312**	35,064	**28,706**	26,939
Provision for the year	**294**	2,248	**493**	1,767
Balance at the end of the year	**37,606**	37,312	**29,199**	28,706

Notes to the

Financial Statements (Contd.)

17. Cash and Cash Equivalents

As at 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Cash in Hand	**96**	79	**96**	79
Cash at Bank	**30,169**	19,380	**30,158**	19,379
Cash and Cash Equivalents	**30,265**	19,459	**30,254**	19,458
Bank Overdraft	**786**	622	**786**	603
Cash and Cash Equivalents as per cash flow statement	**29,479**	18,837	**29,468**	18,855

18. Stated Capital

As at 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Issued and fully paid				
9,884,214 Ordinary Shares	**121,320**	121,320	**121,320**	121,320

The Ordinary Shares were subdivided at the rate of three shares for every one share previously held on 21st October 2010 as approved by the shareholders at the EGM held on 21st October 2010.

19. Revaluation Reserve

As at 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Balance at the beginning of the year	**160,360**	160,829	**160,360**	160,829
Depreciation on Revaluation Surplus	**(469)**	(469)	**(469)**	(469)
Balance at the end of the year	**159,891**	160,360	**159,891**	160,360

20. Capital Redemption Reserve

As at 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
A sum equivalent to the par value of the 12% Convertible Unsecured Debentures were transferred to the Capital Redemption Reserve on redemption of the unconverted debentures in the financial year 1997/98	**35,814**	35,814	**35,814**	35,814

21. Deferred Taxation

As at 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Deferred Tax Liabilities [Note 21 (a)]	**30,264**	36,546	**30,264**	36,533
Deferred Tax Assets [Note 21 (b)]	**(7,392)**	(8,287)	**(7,392)**	(8,287)
	22,872	28,259	**22,872**	28,246

21. (a) Deferred Tax Liabilities

As at 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Balance at the beginning of the year	**36,546**	35,274	**36,533**	35,966
Impact of change in income tax rate	**(7,566)**	-	**(7,566)**	-
Originating during the year	**1,284**	1,272	**1,297**	567
Total Deferred Tax Liability charged/ reversed during the year (Note 9)	**(6,282)**	1,272	**(6,269)**	567
Balance at the end of the year	**30,264**	36,546	**30,264**	36,533

21. (b) Deferred Tax Asset

As at 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Balance at the beginning of the year	**8,287**	7,214	**8,287**	7,214
Impact of change in income tax rate	**(1,848)**	-	**(1,848)**	-
Deferred tax asset recognized/(reversed)	**953**	1,073	**953**	1,073
Total Deferred Tax Asset originated/ (reversed) during the year (Note 9)	**(895)**	1,073	**(895)**	1,073
Balance at the end of the year	**7,392**	8,287	**7,392**	8,287

Notes to the
Financial Statements (Contd.)

21. (c) Impact Due to Corporate Income Tax Rate Change

As provided for in SLAS 14-Income taxes, deferred tax assets and liabilities should be measured at the tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. Accordingly new tax rate of 28% has been used (previously 35%).

22. Retirement Benefit Obligations

Provision for Retiring Gratuity

For the year ended 31st March,	Group		Company	
	2011	2010	**2011**	2010
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Balance at the beginning of the year	**23,676**	20,611	**23,676**	18,591
Current Service Cost	**1,332**	1,360	**1,332**	1,076
Transfers from Central Industries Marketing (Pvt) Ltd	**-**	-	**-**	2,194
Interest cost	**2,526**	2,759	**2,526**	2,759
Actuarial (Gain)/Loss Arising from Changes in Assumptions or due to (Over)/Under Provision in the Previous Year.	**(112)**	(65)	**(112)**	(65)
	27,422	24,665	**27,422**	24,555
Payments during the year	**(1,022)**	(989)	**(1,022)**	(879)
Balance at the end of the year	**26,400**	23,676	**26,400**	23,676

22.1 An actuarial valuation was carried out as at 31st March 2011 by Mr. Piyal S. Goonetilleke, a fellow the Society of Actuaries (USA), Member of the American Academy of Actuaries, Consulting Actuary.

22.2 Principal assumptions used

As at 31st March,	**2011**	2010
Discount rate	**10%**	12%
Expected Future salary increases	**9%**	9%

Assumptions regarding future mortality are based on A49-52 (Ultimate) UK Assured Lives Table.
The gratuity liability is not externally funded.

23. Short Term Loans

As at 31st March,	Group		Company	
	2011	2010	**2011**	2010
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Balance at the beginning of the year	**10,000**	19,869	**10,000**	19,869
Obtained during the Year	**381,241**	94,856	**381,241**	94,856
	391,241	114,725	**391,241**	114,725
Repayments during the Year	**(391,241)**	(104,725)	**(391,241)**	(104,725)
Balance at the end of the year	**-**	10,000	**-**	10,000

24. Other Creditors

As at 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Accrued Expenses	**30,247**	26,491	**30,034**	26,185
Distributor Security Deposits	**7,405**	4,413	**7,405**	4,413
Other Liabilities	**13,892**	10,084	**12,505**	8,779
	51,544	40,988	**49,944**	39,377

25. Due to Related Parties

As at 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Central Transport and Travels (Pvt) Ltd	**96**	96	**96**	96
Tivoli Plastics (Pvt) Ltd	**3,172**	3,605	**3,172**	3,605
	3,268	3,701	**3,268**	3,701

26. Due to Subsidiaries

As at 31st March,	Group 2011 Rs.'000	Group 2010 Rs.'000	Company 2011 Rs.'000	Company 2010 Rs.'000
Central Industries Marketing (Pvt) Ltd.	**-**	-	**28,179**	33,444
Polymer Technologies (Pvt) Ltd.	**-**	-	**413**	517
	-	-	**28,592**	33,961

The above balances represent funds advanced by the subsidiary to Central Industries PLC

27. Capital Commitments and Contingent Liabilities

27.1 Capital Commitments

The Board of Directors had approved to purchase capital assets totaling Rs. 9.2 Million of which Rs. 1.5 Million has been paid as advances during the current financial year. The Company had no capital commitments as at the balance sheet date, except for matter stated above.

27.2 Contingent Liabilities

The Company had no significant contingent liabilities accruing as at 31st March 2011.

28. Transactions with the Related Parties

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 30 "Related Party Disclosures (revised 2005)", the details of which are reported below. The consideration for the goods and services provided has been paid or accrued at prices offered to unrelated customers prevailing at that time.

Notes to the Financial Statements (Contd.)

28.1 Transactions with Group Entities

Name of the Company	Nature of Relationship	Nature of Transactions	Transaction Value 2010/11	2009/10
Central Finance Co. PLC	Parent Company	Hire charges on vehicles	Rs. 391,859	–
		Saving account balance	Rs. 128,508	Rs. 129,735
		Interest earned from savings account	Rs. 11,000	Rs. 449,722
		Interest earned from short term deposits	Nil	Rs. 3 Million
CF Insurance Brokers (Pvt) Ltd.	Fellow Subsidiary	Entitled to Brokerage Commission on Premia Paid to Insurance Companies.		
		Value of Insurance Premia paid	Rs. 1.1 Million	Rs. 1.6 Million
Central Transport and Travels (Pvt) Ltd.	Fellow Subsidiary	Amount Due to Central Transport & Travels (Pvt) Ltd.on hire of vehicles	Rs. 95,547	Rs. 95,547
Nations Trust Bank PLC.	An Associate of the Parent Company	Banking facilities in the normal course of business.		
		- Limit	Rs. 140 Million	Rs. 140 Million
		- Interest received	Rs. 448,212	Rs. 1,278,524
		- Interest & Charges Paid	Rs. 2.7 Million	Rs. 1.2 Million
Central Industries Marketing (Pvt) Ltd	A wholly owned subsidiary	Distribution of products manufactured by the Company	Nil	Rs. 217 Million
		Funds Advanced to the Company	Rs. 28 Million	33.4 Million

28.2 Transactions with Other Related Entities

The following Director is in the directorate of those companies, with which Central Industries PLC has carried out business during the year. All transactions were negotiated and carried out in the ordinary course of business.

		2010/11	2009/10
Mr. C.S.W.De Costa			
-Tivoli Plastics (Pvt) Ltd	Subcontract Manufacture of PVC Pipe Fittings Value of Processing Charges Paid	Rs. 27.8 Million	Rs. 21.1 Million

Also refer Note 25 to the financial statements.

28.3 Transactions with Key Management Personnel

The Company being the ultimate parent of its subsidiaries listed out in Note No.14.2, and the Board of Directors of the Company have the authority and responsibility of planning, directing and controlling the activities of the Group. Accordingly, the Board of directors of the Company have been identified as the key management personnel ("KMP") of the Company and Group The ultimate holding company is Central Finance Co. PLC (CFC). The Board of Directors of CFC are also identified as the KMP of the Company and its subsidiaries. The emoluments paid to the KMP have been disclosed in Note 8. No emoluments have been paid to the KMP of CFC except in their capacity as director of this Company.

Notes to the
Financial Statements (Contd.)

29. Post Balance Sheet Events

Subsequent to the date of the Balance Sheet, no circumstances have arisen which would require adjustments to or disclosure in the financial statements other than those disclosed in note 11 in respect of the proposed dividend.

30. Segment Information

	Group	
For the year ended 31 March	**2011 Rs.'000**	2010 Rs.'000
Segment Results		
Revenue		
Water Management Products	**1,169,782**	1,034,609
Electrical Products	**116,273**	79,097
	1,286,055	1,113,706
Profit Before Taxation		
Water Management Products	**110,017**	133,106
Electrical Products	**11,797**	8,130
	121,814	141,236
Segment Assets & Liabilities		
Total Assets		
Water Management Products	**824,144**	826,471
Electrical Products	**95,730**	51,108
	919,874	877,579
Total Liabilities		
Water Management Products	**113,519**	124,041
Electrical Products	**11,331**	9,483
	124,850	133,524

31. Litigations and Claims

As at the Balance Sheet date there were no litigations or claims against the Company on which liabilities may arise in the future.

32. Comparative Figures

Where necessary, information has been rearranged to conform to the current year's presentation and classification.

33. Directors' Responsibilities

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

Five Year
Summary

Year ended 31st March	2011 Rs'000	2010 Rs'000	2009 Rs'000	2008 Rs'000	2007 Rs'000
Income Statement					
Gross Revenue	**1,320,980**	1,145,176	1,117,535	950,137	1,067,234
Profit Before Taxation	**121,814**	141,236	93,201	86,231	91,250
Income Tax Expenses	**(47,781)**	(55,695)	(37,214)	(32,371)	(34,159)
Profit for the Year	**74,033**	85,541	55,987	53,860	57,091
Balance Sheet					
Assets					
Property, Plant and Equipment *1	**384,333**	369,458	360,338	192,007	141,690
Capital Work-In-Progress	**-**	618	207	642	42,290
Intangible Assets	**2,481**	457	576	-	-
Investments	**30**	30	30	30	30
Total Current Assets	**533,030**	507,016	430,989	383,090	469,574
Total Assets	**919,874**	877,579	792,140	575,769	653,584
Equity and Liabilities					
Stated Capital	**121,320**	121,320	121,320	121,320	121,320
Capital Reserves *1	**195,705**	196,174	196,643	37,116	37,116
Revenue Reserves	**477,999**	426,561	357,848	316,687	277,723
Total Equity	**795,024**	744,055	675,811	475,123	436,159
Deferred Taxation	**22,872**	28,259	28,060	20,576	23,298
Retirement Benefit obligations	**26,400**	23,676	20,611	17,621	16,014
Total Current Liabilities	**75,578**	81,589	67,658	62,449	178,113
Total Equity and Liabilities	**919,874**	877,579	792,140	575,769	653,584
Earnings Per Share (Rs.) *2	**7.49**	8.65	5.66	5.45	5.78
Dividend Per Share (Rs.)	**2.50**	7.00	5.25	4.50	4.50
Net Asset Per Share (Rs.) *2	**80.43**	75.28	68.37	48.07	44.13

*1 From 31st March 2009, includes a surplus on revaluation of property, plant and equipment of Rs. 160 million.

*2 The ordinary shares of the company were subdivided in the ratio of three shares for every one share previously held, on 21st October 2010. Earnings per share and Net Assets per share are based on the number of shares in issue as at 31st March 2011.

Form of Proxy

*I/We ....

of ....

being *a member/members of CENTRAL INDUSTRIES PLC do hereby appoint

1.	Mr. Stanley Vincent Wanigasekera	or failing him,
2.	Mr. Eranjith Harendra Wijenaike	or failing him,
3.	Mr. A. N. P. Wickramasuriya	or failing him,
4.	Mr. Gerard Shamil Niranjan Peiris	or failing him,
5.	Mr. C. S. W. De Costa	or failing him,
6.	Mr. Ravindra Erle Rambukwelle	or failing him
7.	Mr. Arjuna Kapila Gunaratne	or failing him,
8.	Mr. N. J. Abeysekere	or failing him,
9.	Mr. L. R. de Lanerolle	or failing him,

....

of ....

as *my/our Proxy to vote/speak for me/us on *my/our behalf at the Twenty Ninth Annual General Meeting of the Company to be held at No.270, Vauxhall Street, Colombo 02 on the 26th day of July 2011 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 together with the Financial Statements of the Company	☐	☐
2.	To approve a final dividend of Rs.2.50 per share as authorized by the Directors	☐	☐
3.	To reappoint as a Director Mr. S.V. Wanigasekera in terms of section 210 of the Companies Act No.07 of 2007	☐	☐
4.	To reappoint as a Director Mr. N.J. Abeysekere in terms of section 210 of the Companies Act No.07 of 2007	☐	☐
5.	To re-elect Mr. G.S.N. Peiris in terms of Article 85 of the Articles of Association	☐	☐
6.	To re-elect Mr. C.S.W. De Costa in terms of Article 85 of the Articles of Association	☐	☐
7.	To re-elect Mr. L. R. de Lanerolle a director in terms of Article 91 of the Articles of Association	☐	☐
8.	To re-appoint KPMG Ford Rhodes Thornton and Company as Auditors of the Company and authorize the Directors to fix their remuneration	☐	☐
9.	To authorize the Directors to determine contributions to charities	☐	☐

Signed this ...... day of .... Two Thousand and Eleven.

....
*Signature/s

*Note:
1. Please delete the inappropriate words
   Instructions as to completion are noted on the reverse hereof.

Instructions for completion of the Form of Proxy

1. Kindly perfect the Form of Proxy after filling in legibly your full name and address and by signing in the space provided. Please fill in the date of signature.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself.
3. In the case of Corporate Members, the Form of Proxy must be completed under the Common Seal, which should be affixed and attested in the manner prescribed by the Articles of Association / Statutes.
4. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy.
5. The completed Form of Proxy should be deposited at No. 312, Nawala Road, Rajagiriya not less than Forty Eight (48) hours before the time appointed for the meeting.

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