

ANNUAL R E P O R T 2015/2016

DRIVING SUCCESS



ADAM CAPITAL PLC



DRIVING SUCCESS

At Adam Capital PLC, we are pleased that the decisive actions and proactive strategies adopted in the face of many uncertainties, have strongly positioned us to capitalize on the opportunities now presented by an emerging economy.

In this significant moment when all eyes are on Sri Lanka, Adam Capital PLC is ready to set the pace and lead the way to success.

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CORPORATE INFORMATION



NAME:	Adam Capital PLC (Former PCH Holdings PLC)	
REGISTRATION NO:	PV 10527 PB/PQ	
REGISTERED ADDRESS:	264, Grandpass Road, Colombo 14	
LEGAL FORM:	A Public Quoted Company with Limited Liability, Listed with the Colombo Stock Exchange in June 2012	
NAME AND ADDRESS OF BANKERS:	Pan Asia Bank PLC	
AUDITORS OF THE ENTITY	A.I. Macan Markar & Co. Chartered Accountants NO : 46-2/1, 2nd Floor, Lauries Road, Colombo 04	
SECRETARY TO THE ENTITY	Adam Corporate Secretarial (Pvt) Ltd, 264, Grandpass Road, Colombo 14.	
COMPANY LAWYERS	Island Law House 196/1, Aluthkade Street, Colombo 12	
BOARD OF DIRECTORS	Mr. A M Pasqual	Executive Chairman
	Dr. A A S Gulamhusein	Executive Director
	Mrs. D C M Gulamhusein	Executive Director
	Dr. L M F Adams	Executive Director
	Mr. D P Galabodage	Non-Executive Director
	Mr. I Shabbir	Non-Executive Director
	Mr. I Zahir	Non-Executive Independent Director
	Mr. D P Renganathan	Non-Executive Independent Director
	Mr. E H Tayabally	Non-Executive Independent Director
	Mr. W A Adrian Perera	Non-Executive Independent Director
AUDIT COMMITTEE MEMBERS	Mr. D P Renganathan	Chairman
	Mr. I Zahir	Non-Executive Independent Director
	Mr. I Shabbir	Non-Executive Director
REMUNERATION COMMITTEE MEMBERS	Mr. I Shabbir	Chairman
	Mr. D P Renganathan	Non-Executive Independent Director
	Mr. E H Tayabally	Non-Executive Independent Director
RELATED PARTY TRANSACTION REVIEW COMMITTEE MEMBERS	Mr. E H Tayabally	Chairman
	Mr. D P Galabodage	Non-Executive Director
	Mr. I Shabbir	Non-Executive Director

GROUP HIGHLIGHTS

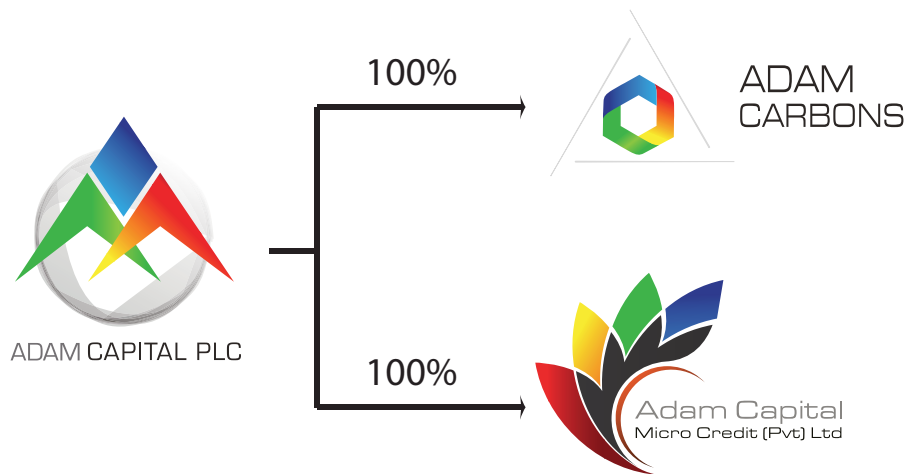


ABOUT US

Adam Capital PLC (Former PCH Holdings PLC) was incorporated in Sri Lanka on 30th November 2006 as a private limited company under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007 on 31st December 2008. Subsequently it was converted to a public limited liability company on 20th October 2011.

Adam Capital PLC, is the sole owner of Adam Carbons (Pvt) Ltd (Former Bieco Link Carbons (Pvt) Ltd), a premier manufacturer of Activated Carbon in Sri Lanka and Adam Capital Micro Credit (Pvt) Ltd, one of the few Sharia Compliant Micro Finance Companies in the island.

On 02nd July 2014, Adam Investments PLC increased its stake in PCH Holdings PLC up to 42.9%, and announced a mandatory offer to acquire the balance issued voting shares of the company. Currently Adam Investments PLC holds 53.5% of the company resulting PCH Holdings PLC being absorbed to the Adam Investments Group as a subsidiary. Adam Investments had obtained full board and management control of PCH Holdings in November 2014.



ADAM CARBONS (PVT) LTD

Adam Carbons (Pvt) Ltd, is a manufacturer of Granular Activated Carbon, Powdered Activated Carbon and its solutions from coconut shell and coconut charcoal in Sri Lanka, and has been in operation since the year 1989.

Adam Carbons (Pvt) Ltd, is a limited liability company that was incorporated in the year 1987. The Company was formerly known as Bieco Link Carbons (Pvt) Ltd, which was established as a joint venture partnership with the China Beijing Corporation for International Economic Co-operation in China.

The Adam Carbon's manufacturing plant is located in Giriulla, 65 kilometres from Colombo, in the North Western Province, and at the southern end of the coconut triangle. It is also the only plant in Sri Lanka, which has a river (Maha Oya) as a boundary providing non restricted supply of water throughout the year.

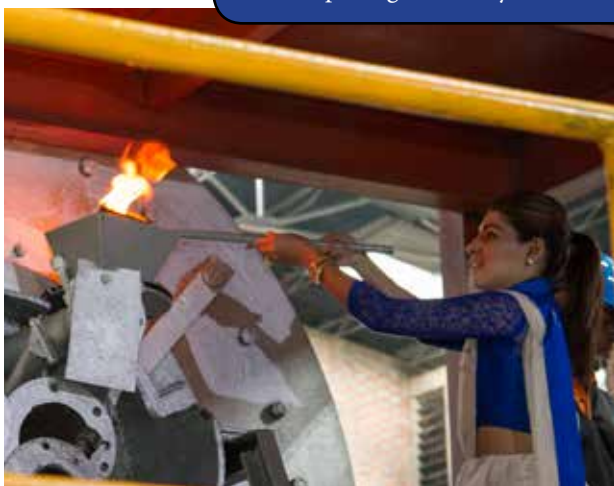
The Adam Carbons manufacturing plant consists of two (2) Rotary Kilns and two (2) Vertical Kilns. Both these facilities of vertical and rotary kiln technology together with our unique carbonizers make the plant unique and is one of only a few in the world with the ability to manufacture coconut shell carbon with full range pore structure.

Adam Carbons is the only Activated Carbon manufacturer in Sri Lanka who has the infrastructure to manufacture Activated Carbon using both Rotary and Vertical Kilns.

The Company manufactures steam processed coconut shell activated carbon in Sri Lanka using a 100% green and pollution free process, leaving a zero carbon footprint and a zero direct cost for firing the Activation Process.



Opening ceremony of the Giriulla factory after refurbishments



In its numerous applications, activated carbon represents a number of different functionalities;

1. Adsorption: the most well-known mechanism, through physical adsorption or chemisorptions
2. Reduction: e.g. removal of chlorine from water is based on chemical reduction reactions
3. Catalysis: activated carbon can catalyze a number of chemical conversions, or can be a carrier of catalytic agents (e.g. precious metals)
4. Carrier of biomass: support material in biological filters
5. Carrier of chemicals:



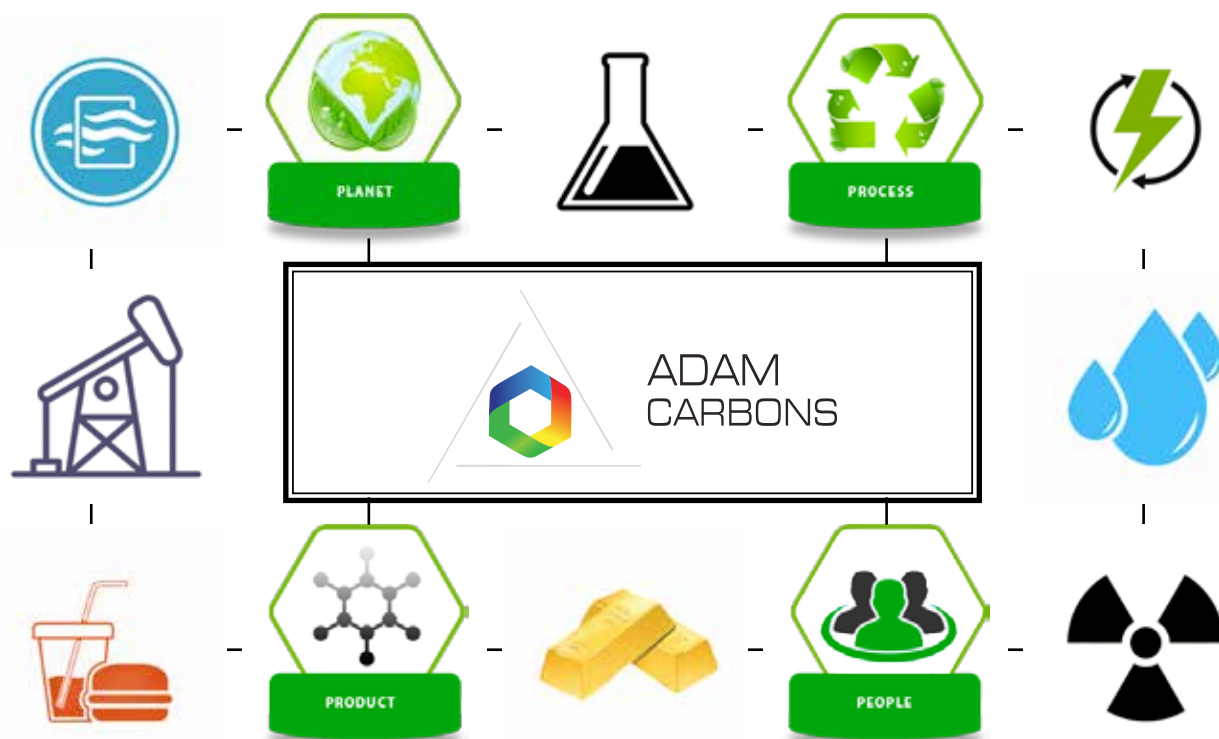
R & D labs at Adam Carbons



Every load of coconut shell is tested prior to unloading

Activated Carbon produced in our facilities are used in a variety of industries such as,

• Potable Water Treatment	• Pharmaceutical
• Industrial Water & Waste Water Treatment	• Food & Beverage
• Air Purification	• Gold Recovery
• Respirators and Filters	• Mining
• Gas scrubbers	• Petroleum Oil Refineries
• Natural gas production and purification	• Metal Refineries
• Adsorbed Natural Gas	• Edible Oil & Sugar Refineries
• Automobile Cabin Air Filtration	• Radioactive Iodine Removal



For the following mesh sizes:

• 4 x 8	• 12 x 40	• 30 x 140
• 6 x 12	• 18 x 35	• 40 x 80
• 8 x 16	• 20 x 40	• 40 x 100
• 8 x 20	• 20 x 50	• 40 X 120
• 8 x 30	• 30 x 60	• 50 x 90
• 10 x 20	• 30 x 70	• 50 x 200
• 12 x 30	• 30 x 80	• 80 x 325

CTC level ranging between 20 – 100

Iodine level ranging between 800 – 1400



Further, special products on request produced at our own In-house value addition plant.

- **VIRGIN SERIES (ADM®CS)**

ADM®CS Series is a virgin activated carbon. Produced from coconut shell. It is granular in form. This grade of material meets the requirement of international standards for Potable Water Treatments

- **WATER WASHED SERIES (ADM®CSW)**

ADM®CSW Series is a virgin water washed activated carbon. Produced from coconut shell. It is granular in form. This grade of material meets the requirement of international standards for Potable Water Treatments.

- **ACID WASHED SERIES (ADM®CSAW)**

ADM®CSAW Series is a virgin acid washed neutralized and water washed activated carbon. Produced from coconut shell. It is granular in form. This grade of material meets the requirement of international standards for Potable Water Treatments.

- **ACID WASHED LOW SILICA SERIES (ADM®CSLX)**

ADM®CSLX Series is an especially acid washed neutralized and contains lower Silica percentage than standard AW Series virgin activated carbon. Produced from coconut shell. It is granular in form. This grade of material meets the requirement of international standards for Potable Water Treatments.

- **CATALYTIC ENHANCED SERIES (ADM®CS-CT)**

ADM®CS-CT Series is virgin coconut shell activated carbon with low ash, caustic washed and neutralized to a customized pH as per client requirements. Produced from coconut shell. It is granular in form. This grade of material meets the requirement of international standards for Potable Water and Waste Water Treatment and is especially used in Chemical and Petroleum filtration.

- **CATALYTIC ENHANCED ACID WASH SERIES (ADM®CS-XCT)**

ADM®CS-XCT Series is virgin coconut shell activated carbon with low ash, acid washed and neutralized to a customized pH as per client requirements. Produced from coconut shell. It is granular in form. This grade of material meets the requirement of international standards for Potable Water Treatments.

- **SILVER IMPREGNATED SERIES (ADM®CS-SIM)**

ADM®CS-SIM Series is virgin coconut shell activated carbon an especially impregnated with Silver to kill bacteria in water enhancing the quality of water. Can be used in filter block manufacture. It is in granular and powder form. This grade of material meets the requirement of international standards for Potable Water Treatments.

- **SILVER IMPREGNATED ACID WASH SERIES (ADM®CS-XSIM)**

ADM®CS-XSIM Series is virgin coconut shell activated carbon with low ash and especially impregnated with Silver to kill bacteria in water enhancing the quality of water. Can be used in filter block manufacture. It is in granular and powder form. This grade of material meets the requirement of international standards for Potable Water Treatments.

- **CHEMICAL IMPREGNATION SERIES (ADM®CS-CI)**

ADM®CS-CI Series is a designer virgin coconut shell activated carbon customized to the filtration requirements of the client and impregnated with chemical(s) of their choice. It is in granular in form.

- **GOLD SERIES (ADM®AU)**

ADM®AU Series is a virgin activated carbon produced from Sri Lankan coconut shell charcoal in carefully controlled steam activation process conditions to achieve the optimum results for the gold mining industry. The synergy of these two combinations produces our superior grade of Gold Carbon that meets the industry expectations and stringent standards and of Gold mining industry throughout the world.

- **CLEAN AIR SERIES (ADM®SORB-A)**

ADM®SORB-A Series is a virgin activated carbon specially processed in high activity range. Produced from coconut shell for critical filtration use such as breathing air respirators. It is granular in form. This grade of material meets the criteria for maximum adsorption of organic vapours and comes dust free due to high hardness.



Activated Carbon Manufacturing Facility and Machinery



Adam Carbons (Pvt) Ltd is expanding its reach worldwide introducing its product to various global markets. Participating in International Trade Fairs has unlocked the potential demand for Adam Carbons. Collaborating with international partners has given an opportunity for Adam Carbons to improve its customer base, gain knowledge on better technologies and to have more insight to the industry and market.



With representatives of Kooks E&C Ltd.,
Seoul Republic of South Korea



With Mr. Jurgen Ries, the Managing Director of
Aktivkohle Activated Carbon, Germany

Financial performance of Adam Carbons is providing a positive contribution to the group with gradually increasing sales and production.

ADAM CAPITAL MICRO CREDIT (PVT) LTD

Adam Capital Micro Credit (Pvt) Ltd is an organization built to provide micro credit facilities to the members of the under-served communities in the urban and the semi-urban areas of Colombo and throughout the Island in the near future. It commenced operations in July 2015.

Though the products and services will comply with Sharia requirements, the services are for all Sri Lankan communities irrespective of any religious considerations or gender discrimination.

The target population will be the members of the underserved communities involved in any income generating activities and others below the SME level small businesses; priorities will be given to women entrepreneurs to bring them out of poverty enabling them to contribute to their families' betterment and livelihood.

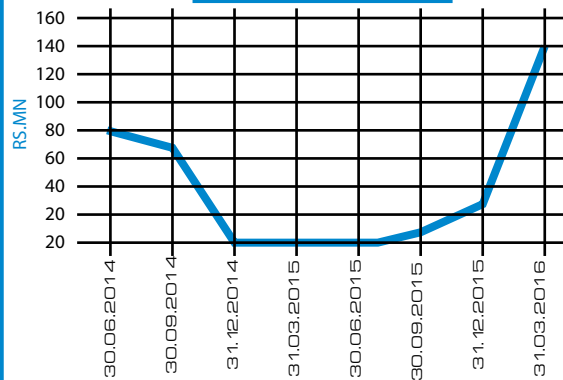


Successful Clients of Micro Credit

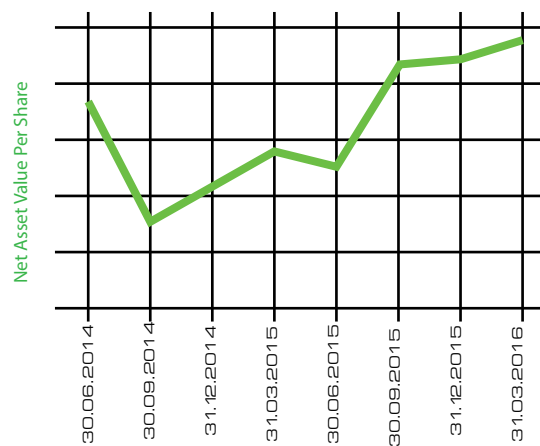


Financial Achievements

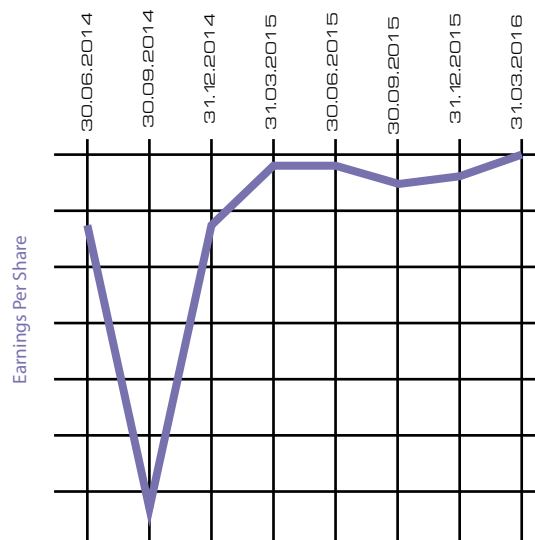
Turnover



NAVPS



EPS





CHAIRMAN'S MESSAGE

It is my pleasure to present to you the Annual report and Audited Financial Statements for Adam Capital PLC for the year of 2016.

The year of 2016 could be defined as a year of consolidation, after obtaining management & board control of Adam capital PLC (Former PCH Holdings PLC). Adam Capital PLC is now a subsidiary of Adam Investments PLC.

Adam Carbons (Pvt) Ltd is now a wholly owned subsidiary of Adam Capital PLC. Adam Carbons is a premier manufacturer of Activated carbon in Sri Lanka. The factory & machinery has been upgraded & exports commenced in September, 2015 to global markets such as Sweden, U.S.A, Taiwan, Thailand and South Africa. We are constantly seeking new markets, while expanding our capacity & product range. The company is constantly developing new products plus value additions to the existing product lines.

The Sharia Compliant Micro- Credit unit managed by professionals is being run competently, with a less than 2% pct non-performing portfolio & plans afoot are to expand gradually & cautiously, with quality as the benchmark.

Your company has also declared a dividend of Rs. 0.10 per share for share holders of the company as at 31st March 2016 & this positive step is a further sign of the management & the Boards growing confidence in the operations .

I would like to express my gratitude towards our share holders for their continuous confidence in us, to the directors for their esteemed contribution, to our staff for their hard work and commitment, and to our financial partners for their unwavering support.



A M Pasqual
Chairman



PEOPLE, PROCESSES AND GOVERNANCE



Board of Directors

MR. AJITA MAHES PASQUAL
Executive Chairman

Mr. Ajita Mahes Pasqual possesses 31 years of experience in the Banking Sector with 22 ½ years in Senior Management positions with HSBC in Corporate Banking, Trade Finance & Treasury. He held the position of Director/ General Manager/ CEO of Seylan Bank PLC from January 2004 to December 2012. Mr. Pasqual holds a BSc. Degree in Business Administration & Economics from Manchester College USA.

He is a passionate sportsman having captained his alma mater Royal College in Cricket and being a Rugby Colours man. He also served as a member of the Sri Lanka Cricket Board as Assistant Treasurer from 2012 to 2015. He also served as a committee member of the Sri Lanka Forex Club, The Institute of Bankers and as a Director of Seylan Bank PLC and Millennium Housing PLC. At present he is a Director of Softlogic Holdings PLC.

He serves as Chairman of Adam Investments PLC, Adam Carbons (Pvt) Ltd and Adam Capital Micro Credit (Pvt) Ltd.



DESHABANDHU DR. ALI ASGER SHABBIR GULAMHUSEIN
Executive Director



Deshabandhu Dr. Ali Asger Shabbir Gulamhusein holds a PhD from Tokyo, Japan and a Degree from King's College London, UK. Dr. Gulamhusein has been bestowed with the prestigious title of “Deshabandhu Manawahithawadhi, Lankaputhra” and also serves as a director of the Insurance Board of Sri Lanka and The Sri Lanka Institute of Textile and Apparel and as a Justice of Peace (all island).

Dr. Gulamhusein also serves as a director of, Adam Carbons (Pvt) Ltd, People's Leasing and Finance PLC, Ceylon and Foreign Trades PLC, Adamexpo (Pvt) Ltd, Spice of Life (Pvt) Ltd, Network Communications (Pvt) Ltd, Adam Metals (Pvt) Ltd, Adam Air conditioners (Pvt) Ltd, Adam Automobiles (Pvt) Ltd, Colombo Apothecaries Company Ltd, Business Chamber of Commerce, Hamilton Resorts (Pvt) Ltd, Ceylon & Foreign Trade Surgi-Tech (Pvt) Ltd, Colombo Freight and Transport Ltd, and Dodwell& Company Ltd.

MRS. DANUSHYA MEDIWAKE GULAMHUSEIN
Executive Director

Mrs. Danushya Gulamhusein is the great granddaughter of Sir William Gopallawa, Sri Lanka's first President and last Governor General. She holds a degree in Psychology and Business Management (UK).

She also serves as a director of Adam Investments PLC, Adam Carbons (Pvt) Ltd, Sonakshi Trust (Pvt) Ltd, Adam Trust (Pvt) Ltd, Adam Air conditioners (Pvt) Ltd, and Adam Automobiles (Pvt) Ltd.



DR. LAWRENCE MERVYN FRITSGERALD ADAMS
Executive Director

Dr. Adams holds numerous qualifications such as PhD, MBA, MTh, BTh, DIP TH, DIP HR, DIP Networking, and DIP Hardware, which he has obtained in Japan, Canada, UK and Sri Lanka. Dr. Adams also serves as the Chairman of distributions of Gideon's International, Chairman of Healed by His stripes Ministries Sri Lanka, Dr. Adams is also a prominent public speaker and has been the keynote speaker at prestigious international events such as the CEO forum ASEAN and the CIO/CTO forum of SAARC. Dr. Adams is a former director of Tec Sri Lanka and accounts for over 25 years' experience in top management in Sri Lanka and overseas. He also serves as director of Adam Investments PLC, Adam Carbons (Pvt) Ltd, Adam Air conditioners (Pvt) Ltd and Adam Automobiles (Pvt) Ltd.



MR. DARSHANA PADMAL GALABODAGE
Non Executive Director

Mr. Galabodage has over 16 year of experience in the Information Communication Technology field as a lecturer, assistant registrar and a marketer. He holds several diplomas in ICT, Software & Hardware Engineering and legal studies. He also serves as a director of Adam Carbons (Pvt) Ltd.

MR. IDRIS SHABBIR
Non-Executive Director

Mr. Shabbir holds a Master's degree in the field of Information System Management from the University of Aberdeen, Scotland. Mr. Shabbir accounts for over 17 years' experience in top management in Sri Lanka and overseas. He also serves as a director of Business Chamber of Commerce, Ceylon and Foreign Trades PLC, Adam Investments PLC, Adamexpo (Pvt) Ltd, Spice of Life (Pvt) Ltd, Network Communications (Pvt) Ltd, Adam Carbons (Pvt) Ltd, Adam Metals (Pvt) Ltd, Hamilton Resorts (Pvt) Ltd, Ceylon and Foreign Surgi-tech (Pvt) Ltd, Dodwell & Company Ltd and Colombo Apothecaries Company Ltd.



MR. IMRAN ZAHIR
Non-Executive Independent Director

Imran Zahir is a professional with experience in Islamic Banking, Asset Management, Venture Capital and Business. Presently he is a Director of Biotech Group Germany, Orchard Capital Sri Lanka and Orchard Consultancy Germany. Prior to which he was the Founder-Head of Islamic Banking of HBL Bank and NDB Bank Sri Lanka. He serves on the boards of several public and private companies in Sri Lanka and Europe, as well as functioning as a consultant on Islamic banking, business and corporate governance to several companies in Europe and Sri Lanka.

MR. DINESH P. RENGANATHAN
Non-Executive Independent Director



Dinesh Renganathan is a career banker with over 40 years of experience, including 25 years of middle/senior management experience with one of the top 25 banks in the world, the National Bank of Abu Dhabi, rated AA and AA3 by S&P and Moody's.

He possesses considerable exposure in all aspects of banking and in financial markets at a Senior Management level and has specialised skills in Risk Management, Corporate and International Banking with 25 years of experience in Advances/Risk Management in the domestic and in international arenas. As SVP - Head of International Advances and Credit Risk, overseeing a portfolio of international/domestic assets, encompassing 14 overseas jurisdictions, International and Financial Institutional Groups and overseas companies in the U.A.E. During his career he has been locum for Senior General Manager – Chief Risk Officer and a Member of many Senior Management Committees. Whilst being retired, he continues to be retained by the National Bank of Abudabi in a consultative capacity.

MR. ENAYATH HUSSAIN TAYABALLY
Non-Executive Independent Director

Mr. Tayabally is an independent advisor and a consultant in the coconut industry with domestic and international exposure. He holds a Bachelor's Degree in Computer Sciences with Management and also serves as Justice of Peace (all Island). He also serves as a director of Adam Carbons (Pvt) Ltd.



MR. W A ADRIAN PERERA
Non-Executive Independent Director

W A Adrian Perera is a Fellow Member of the Chartered Institute of Certified Accountants (ACCA-UK), a Fellow member of the Chartered Institute of Management Accountants (CIMA-UK), Fellow Member of the Certified Management Accountants of Sri Lanka, Associate member of the Institute of Bankers of Sri Lanka, Fellow member of the Certified Professional Managers Sri Lanka and he has a Master degree in Business Administration from the Post Graduate Institute of Management University of Sri Jayawardenapura.

Currently he is working as the Chief Operating Officer at equiCapital Investments Ltd a boutique Investment house. Adrian was a past council member of the CIMA (UK) Sri Lanka division and he is also a governing council Member of the Certified Management Accountants of Sri Lanka the national management accounting body and the Vice President of the Member Network panel of ACCA Sri Lanka and Vice President of the organization of Professional Association of Sri Lanka. Also Adrian is chairman of the ACCA sustainability awards committee, Chairman of CMA Sri Lanka IT and Journal committee and member of the Board of Management of the Integrated Reporting Council of Sri Lanka. He has been a paper presenter at the South Asia Federation



Corporate Governance

The Board of Directors are committed to the highest standards of governance designed to protect the interest of the shareholders while promoting integrity, transparency and accountability. The Board ensures that the Company is in compliance with applicable legal and regulatory requirements including meeting the requirements of the listing rules of the Colombo Stock Exchange, (CSE), The Companies Act no. 7 of 2007 and all other applicable laws and regulations.

COMPOSITION OF THE BOARD OF DIRECTORS

The Board consists of Ten Directors, comprising of Four Executive Directors, Six Non-Executive Directors, Four of whom are Non Executive independent Directors.

The profiles of all the Directors detailing their areas of expertise, is included separately in the Annual Report.

INDEPENDENCE OF DIRECTORS

The Independence of the Non-Executive Directors was determined according to the CSE Listing rules and each of the Directors has declared their independence and submitted signed confirmations to that effect.

DUTIES OF THE BOARD

The Board is responsible for the formulation and implementation of the Company's short term, medium term and long term strategies. The Board also ensures that the Senior Management team has the requisite skills, expertise and knowledge to implement these strategies.

The Board has the ultimate responsibility to ensure that controls are in place for the following;

The Board ensures that all Company decisions are in compliance with laws and regulations of the Country and that each decision meets the ethical standards. The Board through the Audit Committee ensures that the Company follows accounting standards as set out by the Sri Lanka Financial Reporting Standards (SLFRS) and all financial statements are in compliance with the financial regulations.

The Board, in addition to keeping all shareholder interests a priority when considering corporate decisions, also keeps the CSE and the public informed of all significant decisions.

DELEGATION OF AUTHORITY

The Board has delegated the authority of the day to day management of the Company to the Chairman and he is responsible for delivering services according to the strategic plan, within the policies and budgets approved by the Board.

DELEGATION TO BOARD MEMBERS

The Board has delegated certain functions and duties to sub committees that comprise of Board Members and others as necessary. The functions and duties of each subcommittee namely, the Audit Committee, Remuneration Committee and Related Party Transaction Review Committee are detailed in the respective reports.

The Board is also encouraged to seek independent professional advice when necessary, at the Company's expense and also have access to the Company Secretary to obtain advice and services as necessary.

MEETING ATTENDANCE

Directors' attendance at Board Meetings for the period under Review.

Name	Date of Meeting from 1st April 2015 to 31st March 2016				
	24/04/2015	19/06/2015	28/08/2015	01/10/2015	26/02/2016
Mr C D Banduthilake (Resigned on 30/09/2015)	√	√	√	×	×
Mr D P Galabodage	√	√	√	√	√
Dr L M F Adams	√	-	√	√	√
Mrs D C M Gulamhusein	√	√	√	√	√
Mr I Shabbir	√	√	√	√	-
Mr M I R Zahir	-	-	-	-	-
Mr E H Tayabally	√	√	√	√	√
Dr. Ali Asger Shabbir Gulamhusein (Appointed on 24/04/2015)	√	√	√	√	√
Mr. Ajita Mahes Pasqual (Appointed on 24/04/2015)	√	√	√	√	√
Mr. Dinesh Prabakaran Renganathan (Appointed on 24/04/2015)	√	√	-	-	√
Mr I Cassim Alternate Director to Mr M I R Zahir (Resigned on 15/06/2015)	-	×	×	×	×
Mr. W A Adrian Perera (Appointed on 26/08/2016)	×	×	×	×	×

APPRAISAL OF BOARD PERFORMANCE

The Board is aware that appraising their own performance periodically would enhance the understanding of individual performance and the Board as a whole. However, though there is no formal system in place, the Board members ensure that Board responsibilities are satisfactorily discharged.

REMUNERATION COMMITTEE (RC)

The Remuneration Committee is responsible to ensure that the Company's remuneration policies are adequate to attract and retain top talent. The aggregated remuneration of the Board of Directors is disclosed in the notes to the financial statement.

AUDIT COMMITTEE (AC)

The Audit Committee consists of Three Non-Executive Directors out of which two are independent non-executive directors;

The Report of the Audit Committee is given separately in the Annual Report detailing the functions and duties of the Committee and the specific objectives met in the current financial year.

RELATED PARTY TRANSACTION REVIEW COMMITTEE (RPTRC)

The Related Party Transaction Review Committee consists of one Non-Executive Independent director and two Non-Executive Directors.

The report of the Related Party Transaction Review Committee is given separately in the Annual Report detailing the functions and duties of the Committee and the specific objectives met in the current financial year.

INTERNAL CONTROLS

The Board through delegation to the Audit Committee ensures that the Company maintains a sound system of internal controls to safeguard investments and Company assets. Therefore, the Audit Committee conducts a review of the effectiveness of the Company's system of internal controls.

INVESTOR RELATIONS AND COMMUNICATION TO SHAREHOLDERS

The Board of Directors uses the AGM and releases to the CSE, to communicate to its shareholders. The Company ensures that the notice of the AGM along with the Annual Report containing the performance of the Company are delivered to the shareholders at least 15 working days prior to the scheduled meeting.

COMPANY SECRETARY

The Company Secretary ensures that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary also liaises with the CSE on all of the Company's communications. The Company Secretary is also responsible for informing of the AGM and EGMs to the Shareholders and for accurate recording of proxy voting. Any decision on the removal of the Company Secretary lies with the Board of Directors.

MAJOR TRANSACTIONS

The Board of Directors is required by the Company's Act to disclose to shareholders all proposed corporate transactions that are of any material value to the Company. There were no major transactions entered into by the Company, during the year.

DECLARATIONS OF INTERESTS

The Directors have declared their interests in contracts as Directors and their relevant interests in shares, at a meeting of the Directors

CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE

CODE REF.	ITEM	REQUIREMENT	COMPLIANCE STATUS	PAGE IN ANNUAL REP.
A.1.1	Frequency of Board Meetings	<ul style="list-style-type: none"> Board should meet regularly, at least once every quarter 	✓	Corporate Governance/ Annual Report of the Board of Directors
A.1.2	Responsibilities of the Board	Formulation and implementation of strategy, <ul style="list-style-type: none"> Skill adequacy of management and succession Integrity of information, internal controls and risk management Compliance with laws, regulations and ethical standards Code of conduct Adoption of appropriate accounting policies 	✓	Corporate Governance
A.1.3	Access to Professional Advice	Procedures to obtain independent professional advice	✓	Corporate Governance
A.1.4	Company Secretary	<ul style="list-style-type: none"> Ensure adherence to board procedures and applicable rules and regulations Procedure for Directors to access services of Company Secretary 	✓	Corporate Governance
A.1.5	Independent Judgment	Directors should exercise independent judgment on issues of strategy, resources, performance and standards of business judgment	✓	Corporate Governance
A.1.6	Dedication of adequate time and effort by Directors	Directors should devote adequate time and effort to discharge their responsibilities to the Company satisfactorily.	✓	Corporate Governance
A.1.7	Training for Directors	Directors should receive appropriate training on skills and expand knowledge to more effectively perform duties	✓	Corporate Governance
A.2	DIRECTORS – CHAIRMAN & CHIEF EXECUTIVE OFFICER			
A.2 Old	Division of responsibilities to ensure no individual has unfettered powers of decision	A balance of power and authority to be maintained by separating responsibility for conducting Board business from that of executive decision making	✓	Corporate Governance
A.3	DIRECTORS – ROLE OF CHAIRMAN			
A.3	Ensure good corporate governance	Chairman to preserve order and facilitate effective discharge of Board functions by proper conduct of Board meetings.	✓	Corporate Governance

CODE REF.	ITEM	REQUIREMENT	COMPLIANCE STATUS	PAGE IN ANNUAL REP.
A.4	DIRECTORS – FINANCIAL ACUMEN			
A.4	Possession of adequate financial acumen	Board to ensure adequacy of financial acumen and knowledge	√	Corporate Governance
A.5	DIRECTORS – BOARD BALANCE			
A.5.1	Composition of Board	The Board should include a sufficient number of Non-Executive Independent Directors	√	Corporate Governance
A.5.2	Proportion of independent directors	Two or one third of the Non-Executive Directors should be independent	√	Corporate Governance
A.5.3	Test of Independence	Independent Directors should be independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgment	√	Corporate Governance
A.5.4	Declaration of Independence	Non-Executive Directors should submit a signed and dated declaration of their independence/ non-independence	√	Corporate Governance
A.5.5	Annual determination of criteria of independence and declaration of same by Board	The Board should annually determine and disclose the names of Directors deemed to be 'independent'.	√	Corporate Governance
A.5.6	Appointment of Senior Independent Director (SID)	If the roles of Chairman/CEO are combined, a Non-Executive Director should be appointed as a Senior Independent Director (SID)	N/A	
A.5.7	Availability of Senior Independent Director (SID) to other Directors	If warranted, the SID should be available to the other directors for confidential discussions	N/A	
A.5.8	Interaction between Chairman and Non-Executive, Independent Directors	The Chairman should meet the Non-Executive Independent Directors at least once a year.	√	Corporate Governance
A.5.9	Directors concerns to be recorded	When matters are not unanimously resolved, Directors to ensure their concerns are recorded in Board minutes.	N/A	
A.6	SUPPLY OF INFORMATION			
A.6.1	Provision of adequate information to Board	<ul style="list-style-type: none"> Management to ensure the board is provided with timely and appropriate information 	√	Corporate Governance
A.6.2	Adequacy of Notice and formal agenda to be discussed at Board meetings	Board minutes, agenda and papers should be circulated at least seven days before the Board meeting.	√	Corporate Governance

CODE REF.	ITEM	REQUIREMENT	COMPLIANCE STATUS	PAGE IN ANNUAL REP.
A.7	APPOINTMENT TO THE BOARD			
A.7.1	Nomination Committee	Nomination Committee of parent may function as such for the Company and make recommendations to the Board on new Board appointments.	√	Corporate Governance
A.7.2	Annual assessment of Board composition	Nomination Committee or Board should annually assess the composition of the Board	√	Corporate Governance
A.7.3	Disclosure of new Board appointments	Profiles of new Board appointments to be communicated to Shareholders	√	Corporate Governance/Notice of Meeting
A.8	DIRECTORS – RE-ELECTION			
Principle A.8 – ALL Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years.				
A.8.1	Appointment of Non-Executive Directors	Appointment of Non-Executive Directors should be for specified terms and re-election should not be automatic.	√	Corporate Governance/ Annual Report of the Board of Directors
A.8.2	Shareholder approval of appointment of all Directors	The appointment of all Directors should be subject to election by shareholders at the first opportunity	√	Corporate Governance/ Annual Report of the Board of Directors
A.9	DIRECTORS – APPRAISAL OF BOARD PERFORMANCE			
A.9.1	Annual appraisal of Board performance	The Board should annually appraise how effectively it has discharged its key responsibilities.	√	Corporate Governance
A.9.2	Self-evaluation of Board and Board Committee	The Board should evaluate its performance and that of its committee annually	√	Corporate Governance
A.9.2	Declaration of basis of performance	The Board should disclose in the Annual Report how performance evaluation have been carried out	√	Corporate Governance
A.10	DIRECTORS – DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS			
A.10.1	Biographical profiles and relevant details of Directors to be disclosed.	Annual Report should disclose the biographical details of Directors and attendance at board/committee meetings	√	Board of Directors/ Corporate Governance/ Audit Committee Report
A.11	DIRECTORS – APPRAISAL OF CHIEF EXECUTIVE OFFICER (CEO)			
A.11.1	Short, medium, long-term objectives with financial and non-financial objectives to be set	The Board should set out the short, medium and long-term objectives, financial and non-financial objectives at the commencement of each year	N/A	Corporate Governance
A.11.2	Evaluation of CEO's performance evaluation	The performance of the CEO should be evaluated by the Board at the end of the year.	N/A	Corporate Governance

CODE REF.	ITEM	REQUIREMENT	COMPLIANCE STATUS	PAGE IN ANNUAL REP.
B.1	REMUNERATION PROCEDURE			
B.1.1	Appointment of Remuneration Committee	Remuneration Committee of parent may function as such for the Company to make recommendations on Directors remuneration	✓	Corporate Governance
B.1.2	Composition of Remuneration Committee	Board to appoint only Non-Executive Directors to serve on Remuneration Committee	✓	Corporate Governance
B.1.3	Disclosure of members of Remuneration Committee	The Annual Report should disclose the Chairman and Directors who serve on the Remuneration Committee	✓	Corporate Governance
B.1.4	Remuneration of Non-Executive Directors	Board to determine the level of remuneration of Non-Executive Directors	✓	Corporate Governance
B.1.5	Access to professional advice	Remuneration Committee should have access to professional advice in order to determine appropriate remuneration for Executive Directors	✓	Corporate Governance
B.2	DIRECTORS REMUNERATION – LEVEL AND MAKE UP OF REMUNERATION			
B.2.1	Remuneration Packages for Executive Directors	Packages should be structured to attract, retain and motivate Executive Directors	✓	Corporate Governance
B.2.2	Remuneration Packages to be appropriately positioned	Packages to be comparable and relative to that of other companies as well as the relative performance of the company	✓	Corporate Governance
B.2.3	Appropriateness of remuneration and conditions in relation to other Group Companies	When determining annual increases, Remuneration Committee should be sensitive to that of other Group companies	✓	Corporate Governance
B.2.4	Performance related elements of remuneration	Performance related elements of remuneration should be aligned with interests of Company	✓	Corporate Governance
B.2.5	Share options	Executive share options should not be offered at a discount	✓	Corporate Governance
B.2.9	Remuneration packages for Non-Executive Directors	Should reflect time commitment and responsibilities of role and in line with existing market practice	✓	Corporate Governance
B.3	DIRECTORS REMUNERATION – Disclosure of Remuneration			
B.3.1	Disclosure of details of remuneration	The Annual Report should disclose the remuneration paid to Directors	✓	Corporate Governance
C.1 RELATIONS WITH SHAREHOLDERS - CONSTRUCTIVE USE AND CONDUCT OF ANNUAL GENERAL MEETING (AGM)				
C.1.1	Proxy Votes to be counted	The Company should count and indicate the level of proxies lodged for and against in respect of each resolution	✓	Corporate Governance
C.1.2	Separate resolution	Separate resolutions should be proposed for substantially separate issues	✓	Corporate Governance

CODE REF.	ITEM	REQUIREMENT	COMPLIANCE STATUS	PAGE IN ANNUAL REP.
C.1.3	Availability of Committee Chairmen @ AGM	The Chairmen of Board Committees should be available to answer any queries at AGM	✓	Corporate Governance
C.1.4	Notice of AGM	15 calendar days notice to be given to shareholders	✓	Corporate Governance
C.1.5	Procedure for voting at meetings	Company to circulate the procedure for voting with Notice of Meeting	✓	Corporate Governance
C.2	MAJOR TRANSACTIONS			
C.2.1	Disclosure of Major Transactions	Transactions that have a value which are greater than half of the net assets of the Company should be disclosed	N/A	Corporate Governance
D.1	ACCOUNTABILITY AND AUDIT - FINANCIAL REPORTING			
D.1.1	Presentation of Public Reports	Should be balanced, understandable and comply with statutory and regulatory requirements	✓	Management Discussion and Analysis, Corporate Governance, Risk Management, Financial Statements
D.1.2	Directors' Report	<p>The Director's Report should be included in the Annual Report and confirm that :</p> <ul style="list-style-type: none"> - the Company has not contravened laws or regulations in concluding its activities - Material interests in contracts have been declared by Directors - the Company has endeavoured to ensure equitable treatment of shareholders - that the business is a "going concern" - that there is reasonable assurance of the effectiveness of the existing business systems following a review of the internal controls covering financial, operational and compliance 	✓	<p>Annual Report of the Board of Directors</p> <p>Audit Committee Report</p> <p>Annual Report of the Board of Directors/Financial Statements/ Corporate Governance</p> <p>Annual Report of the Board of Directors/Audit Committee Report/ Risk Management</p>
D.1.3	Respective responsibilities of Directors and Auditors	The Annual Report should contain separate statements setting out the responsibilities of the Directors for the preparation and presentation of the Financial Statements and the reporting responsibilities of the Auditors.	✓	Respective responsibilities of Directors and Auditors
D.1.4	Management Discussion and Analysis	Annual Report to include section on Management Discussion and Analysis	✓	Management Discussion and Analysis
D.1.5	Going Concern	Directors to substantiate and report that the business is a going concern or qualify accordingly.	✓	Annual Report of the Board of Directors

CODE REF.	ITEM	REQUIREMENT	COMPLIANCE STATUS	PAGE IN ANNUAL REP.
D.1.6	Serious Loss of Capital	Directors to summon an Extraordinary General Meeting in the event that the net assets of the Company fall below 50% of the value of Shareholder Funds.	N/A	
D.2	ACCOUNTABILITY AND AUDIT – INTERNAL CONTROL			
D.2.1	Effectiveness of system of Internal Controls	Directors to annually conduct a review of the effectiveness of the system of internal controls. This responsibility may be delegated to the Audit Committee	√	Audit Committee Report Risk Management
D.3	AUDIT COMMITTEE			
D.3.1	Chairman and Composition of Audit Committee	<ul style="list-style-type: none"> - Should comprise of a minimum of two Independent, Non-Executive Directors - Audit Committee Chairman should be appointed by the Board 	√	Audit Committee Report
D.3.2	Duties of Audit Committee	<ul style="list-style-type: none"> - Should include - Review of scope and results of audit and its effectiveness - Independence and objectivity of the Auditors 	√	Corporate Governance
D.3.3	Terms of Reference/ Charter	<ul style="list-style-type: none"> - The Audit Committee should have a written Term of Reference, which define the purpose of the Committee and its duties and responsibilities 	√	Corporate Governance
D.3.4	Disclosures	<ul style="list-style-type: none"> - The Annual Report should disclose the names of Directors serving on the Audit Committee - The Audit Committee should determine the independence of the Auditors and disclose the basis of such determination - The Annual Report should contain a report by the Audit Committee setting out the manner of the compliance of the Company during the period to which the Report relates 	√	Corporate Governance/Audit Committee Report
D.4	CODE OF BUSINESS CONDUCT AND ETHICS			
D.4.1	Adoption of Code of Business Conduct and Ethics and Disclosure in Annual Report	The Company must adopt a Code of Business Conduct and Ethics for directors and members of the senior management team and promptly disclose any violation of the Code	√	Corporate Governance
D.4.2	Chairman's affirmation	The Annual Report must include an affirmation by the Chairman that he is not aware of any violation of the Code of Business Conduct and Ethics	√	Chairman's Statement / Director's Report

CODE REF.	ITEM	REQUIREMENT	COMPLIANCE STATUS	PAGE IN ANNUAL REP.
D.5	CORPORATE GOVERNANCE DISCLOSURES			
D.5.1	Corporate Governance Report	The Annual Report should include a report setting out the manner and extent to which the Company has adopted the principles and provisions of the Code of Best Practice on Corporate Governance	✓	Corporate Governance
E.	INSTITUTIONAL INVESTORS – STRUCTURED DIALOGUE			
E.1.1	Structured Dialogue with Shareholders	A regular and structured dialogue should be conducted with shareholders and the outcome of such dialogue should be communicated to the Board by the Chairman.	✓	Corporate Governance
E.2	Evaluation of Governance Disclosures by Institutional Investors	Institutional investors should be encouraged to consider the relevant factors drawn to their attention with regard to Board structure and composition	✓	Corporate Governance
F.	OTHER INVESTORS – INVESTING/DIVESTING DECISION			
F.1	Individual Investors	Individual shareholders should be encouraged to carry out adequate analysis and seek professional advice when making their investment/ divestment decisions	✓	Corporate Governance
F.2	Shareholder Voting	Individual shareholders should be encouraged to participate and exercise their voting rights	✓	Corporate Governance

Statement of Directors' Responsibility

The Companies Act 07 of 2007 stipulates that Directors are responsible for the preparation of financial statements for each financial year and place before a general meeting. The Financial statements comprising a Profit and Loss Account and a Balance Sheet which presents a true and fair view of the state of affairs of the Company as at the end of the financial year and which comply with the requirements of the above Act.

The financial statements have been prepared and presented in accordance with Sri Lanka Accounting Standards. In preparing the financial statements, appropriate accounting policies have been selected and applied consistently, whilst reasonable and prudent judgments and estimates have been made.

As per Section 148 of the Act, the Directors are required to maintain sufficient accounting records to disclose with reasonable accuracy the financial position of the Company and to ensure that the financial statements presented comply with the requirements of the Companies Act.

The Directors are also responsible for devising proper internal controls for safeguarding the assets of the Company against unauthorized use or disposition, prevention and detection of fraud and for reliability of financial information used within the business or publication.

The Directors continue to adopt the going concern basis in preparing accounts and after making inquiries and following a review of the Company's budget for the financial year 2016/2017, including cash flows and borrowing facilities, consider that the Company has adequate resources to continue in operation.

The Board of Directors is of the opinion that Board has discharged its responsibilities as set out above.

By order of the Board of
Adam Capital PLC



Adam Corporate Secretarial (Pvt) Ltd
Secretaries
Colombo

30th August 2016

Annual Report of the Board of Directors

The Board of Directors of Adam Capital PLC ('the Company') has pleasure in presenting to the Shareholders their Report together with the Audited Consolidated Financial Statements of the Company and its Subsidiaries (the Group) for the financial year ended 31st March 2016.

The details set out herein provide the pertinent information required by the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and are guided by recommended best Accounting Practices.

GENERAL

Adam Capital PLC is public limited liability company listed on the Diri Savi Board of the Colombo Stock Exchange. Adam Capital PLC operates as an investment holding company.

PRINCIPAL ACTIVITIES OF THE COMPANY AND REVIEW OF PERFORMANCE DURING THE YEAR

A review of the business of the company, its performance during the year and the future prospects are contained in the Chairman's review.

This report and financial statements reflect the state of affairs of the company.

FINANCIAL STATEMENT

The consolidated financial statement of the company and its fully owned subsidiaries, duly signed by two Directors and the auditors are given on page 44 to 71.

AUDITORS REPORT

The report of the Auditors on the consolidated Financial Statements is given on Page 44 to 45.

ACCOUNTING POLICIES

The accounting policies adopted by the company in preparation of the Financial Statement are given on pages 50 to 59.

DIRECTORS OF THE COMPANY

The name of the directors who held office as at end of the accounting period and their profiles are given on page 17 to 19 of the annual report.

INTEREST REGISTER

The company maintains an interest register in terms of the Companies Act No. 7 of 2007, which is available for inspection.

All related party transactions, which encompass the transactions of directors who were directly or indirectly interested in a contract or a related party transaction with the company during the accounting period, are recorded in the interest register. The relevant interest of Directors in the shares of the company as at 31st March 2016 are given under the caption "Directors Shareholdings".

DIRECTORS' REMUNERATION

The total remuneration of Directors during the year under review is NIL.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statement of the company to reflect a true and fair view of the state of its affairs. A further statement in this regard is included on page 30.

DIRECTORS' SHAREHOLDINGS

The relevant interest of the directors in the shares of the company as at 31st March 2016 is as follows.

Name of the Director	Shareholdings as at 31st March 2016
Mr. A M Pasqual	447,000
Dr. A A S Gulamhusein	8,928,571
Dr L M F Adams	15,000
Mrs D C M Gulamhusein	Nil
Mr. D P Galabodage	Nil
Mr I Shabbir	Nil
Mr. E H Tayabally	70,000
Mr. D P Renganathan	Nil
Mr I Zahir	Nil
Mr. W A Adrian Perera	Nil

AUDITORS

Messrs. SJMS Associates, Chartered Accountants resigned with effect from 8th April 2016 and Messrs. A I Macan Markar & Co, Chartered Accountants was appointed as the auditors of the company with effective from the same date. Messrs. A I Macan Markar & Co, Chartered Accountants served as the auditor during the year under review and being eligible is recommended for re-appointment as the Auditors of the Company, at the Annual General Meeting. The Auditors do not have any other relationship with the Company other than as Auditors of the Company.

A total amount of Rs. 110,650/- was paid by the company (Rs. 303,400/- paid by the group) to the auditors for the year under review.

The Auditors do not have any interest in the Company or in any Subsidiary Companies other than that of functioning as the Auditors of the Company.

STATED CAPITAL

The stated Capital of the company as at 31st March 2016 was Rs 252,000,260. The number of shares issued by the company stood at 252,000,242 fully paid ordinary shares as at 31st March 2016

SHAREHOLDERS

There were 1,236 shareholders registered as at 31st March 2016.

MAJOR SHAREHOLDER, DISTRIBUTION SCHEDULE AND OTHER INFORMATION

Information to investors on the distribution of shareholding, the twenty largest shareholders of the company, percentage of shares held by the public as per the listing rules of the Colombo Stock Exchange and Net Assets per share, is given on page 73 under the caption "Shareholders' Information". Translation differences related to changes in amortized cost are recognized in the statement of comprehensive income.

RESERVES

The reserves of the company, with the movements during the year, are given in the statement of changes in equity in the financial statements on page 48.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in Property, Plant and Equipment are given on note 8 to the financial statements on Page 63 to 64.

DONATIONS

The company has not made any donation during the year under review.

MATERIAL ISSUES PERTAINING TO EMPLOYEES

There were no material issues relating to employees during the year ended 31st March 2016.

GOING CONCERN

The Board of Directors is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, these Financial Statements are prepared based on the Going Concern concept.

MATERIAL FORESEEABLE RISK FACTOR

The risk statement on page 71 deals with the risk that affect the company.

STATUTORY PAYMENTS

The Directors confirm that, to the best of their knowledge, all taxes, duties and levies payable by the company, all contribution, levies and taxes payable on behalf of and in respect of the employees of the company and all other known statutory dues as at the reporting period have been paid or, where relevant provided for.

CONTINGENT LIABILITIES

There were no material contingent liabilities as at the reporting period except as disclosed under note 20 to the financial statement.

EVENT OCCURRING AFTER THE REPORTING PERIOD

Mr. W A Adrian Perera was appointed to the board of directors of the company as an Independent Non-Executive Director on 26th August 2016.

No other event has occurred since the balance sheet date which would require adjustment to, or disclosure in the financial statements.

ANNUAL GENERAL MEETING

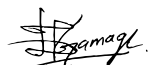
The annual general meeting of the company will be held at "Olympic House", 100/9F, Independence Avenue, Colombo 7 on the 30th September 2016 at 2.30 p.m. The notice of the annual general meeting appears on page 76.



Mr. A M Pasqual
Chairman



Dr. A A S Gulamhusein
Director



Adam Corporate Secretarial (Pvt) Ltd.,
Secretaries

30th August 2016

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Company is responsible to the Board of directors. The Audit committee comprises of the following;

Mr. D P Renganathan	Chairman
Mr. I Zahir	Non-Executive Independent Director
Mr. I Shabbir	Non-Executive Director

The Chairman together with the Chief Financial Officer attend meetings of the Committee by invitation. The Internal and External Auditors are requested to be present when required.

FINANCIAL REPORTING

The committee oversees the Company's financial reporting on behalf of the Board of Directors as part of its responsibility and have reviewed the Annual Financial Statements and recommended them to the Board prior to their issuance. The management checks on the compliance with relevant accounting standards when preparing the Financial Statements.

COMPLIANCE WITH LAWS & REGULATIONS

The committee has checked the reports submitted by the management on the state of Compliance with applicable laws and regulations. The committee has also checks on the statutory payment made by the company and ensured that all regulations are adhered to.

EXTERNAL AUDITORS

The committee has held meetings with the external auditors to discuss the nature, scope and the approach of the audit of the company. The committee has also held discussions on matters raised on management letters issued by the Auditors. Necessary actions have been taken by the company in response to the issues raised by the Auditors. The committee has also reviewed the other services provided by the auditors to ensure that the independence of the Auditors has not been impaired.

INTERNAL AUDITORS

The committee has done a review on findings by the Internal Auditors to ensure that an effective system of internal control is in place. Wherever necessary the committee has given recommendations to improve internal controls.

RISK MANAGEMENT

The committee has held discussions with the Sectional Heads to discuss the policies and practices related to risk management. The committee has also reviewed different types of risks attached to the company's business and its operations during the year under consideration with a view to taking appropriate corrective action.



Mr. D P Renganathan
Chairman – Audit Committee
30th August 2016

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee consists of the following members;

Mr. Idris Shabbir (Chairman)
Mr. Dinesh Renganathan
Mr. Enayath Tayabally

The Company's remuneration policy is an indiscriminative policy irrespective of race, religion or gender which has been developed to attract, motivate and retain professional staff to achieve the goals and objectives of the company.

Scope

- Reviewing and agreeing on the remuneration in the Executive and, Non-Executive Directors and Consultants.
- Evaluating the performance of key positions of the senior management against set goals and determining the basis for revising remuneration and other benefits.
- Recommending the policy governing annual increments to staff.



Mr. I Shabbir
Chairman – Remuneration Committee
30th August 2016

REPORT OF THE RELATED PARTY TRANSACTION REVIEW COMMITTEE

The Board established the Related Party Transaction Review Committee with effect from 26th February 2016 in terms of the Code of Best practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and the Section 9 of the Listing Rules of the Colombo Stock Exchange

The Related Party Transactions Review Committee comprises of one Independent Non-Executive Director and two Non-Executive Directors. The Committee comprised of the Following members;

The Related Party Transaction Review Committee consists of the following members;

Mr. Enayath Tayabally (Chairman)
Mr. D P Galabodage
Mr. I Shabbir

THE DUTIES OF THE COMMITTEE

- To review in advance all proposed related party transactions of the group either prior to the transaction being entered into or, if the transaction is expressed to be Conditional on such review, prior to the completion of the transaction.
- Seek any information the Committee requires from management, employees or external parties to with regard to any transaction entered into with a related party.
- Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary including obtaining appropriate professional and expert advice from suitably qualified persons.
- To recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- To monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
- Meet with the management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.
- To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- To review the economic and commercial substance of both recurrent/ non recurrent related party transactions.
- To monitor and recommend the acquisition or disposal of substantial The assets between related parties, including obtaining 'competent independent advice' from independent professional experts with regard to the value of the substantial asset of the related party transaction.



Mr. Enayath Tayabally
Chairman – Related Party Transaction Review Committee
30th August 2016

SUSTAINABILITY REPORT



Being a responsible corporate citizen in Sri Lanka, Adam Capital PLC takes great pride in ensuring that any impact our company may have in the community, environment and economy is positive and we have taken adequate measures to prevent any negative impact.

We constantly endeavor to take initiatives to foster and add value to the community with the motive that it would in return benefit the environment and the company. These values are embedded in Adam Capital PLC's corporate culture.

The management of the company evaluates the sustainability focus of group companies wherein Adam Capital PLC has formulated strategies to address the interest of our stakeholders while creating a better, cleaner and eco-friendly environment.

Adam Capital PLC ensures the visionary leadership; policy formulation and best practices will be put in action along with the practical contribution of the Chairman and corporate management. As a result during the last year of operation Adam Capital PLC has put in place a sound set of best practices in each company under management while emphasizing the community, environment and economy.

ECONOMIC SUSTAINABILITY

Adam Capital PLC holds a diversified investment portfolio where its group comprises of a export oriented business as well as a micro finance company. This creates a perfect mix for Adam Capital PLC which will ensure sustainability through any kind of economic background. It is important to note that all the strategic investments of Adam Capital PLC focus on growing industries of the country which intern gives a promising sustainability.

Within the last year Adam Capital PLC ensured its inorganic growth via investing in to the Activated Carbon Manufacturing business while adding a substantial asset value to the group. This business sector has a great potential which can flourish under the wings of Adam Capital PLC in the near future.

To ensure effective operation and enhanced performance Adam Capital PLC has placed policies and business plans in each company under management.

Adam Capital PLC has established high standards of corporate governance and transparency policies in every business under management. To increase it's commitment to investors the company has assigned an authorized person to improve investor relationships.

During the past year Adam Capital PLC ensured of timely accurate disclosures through the Colombo Stock Exchange web site, company web site and through public media together with timely accurate quarterly financial statements and annual report with adequate notice, giving our shareholders sufficient time for advance preparation.

ENVIRONMENTAL SUSTAINABILITY

Adam Capital PLC pledges to protect and preserve environmental resources with an effort to contribute towards sustaining natural resources and the environment for future generations. During the year under review Adam Capital PLC has taken the following initiatives to enhance environmentally friendly practices.

- Reduction and management of hazardous factory waste in all manufacturing plants
- Efficient utilization of raw material, energy and water
- Maintaining clean and safe working environment in each group company
- Adopting environmentally friendly production approaches
- Standardizing, reducing and re-using and recycling where possible.,

In commitment to sustaining our environment, the AINV Group organized an environment day and planted coconut trees in the Adam Carbons manufacturing facility located in Giriulla. In Adam Group we believe preserving nature is what will ensure long term sustainability



Dr. Ali Asger Shabbir Gulamhusein and Mrs. Danushya Gulamhusein planting trees on environment day

CORPORATE SOCIAL RESPONSIBILITY

“Investing in Children Ensures a Strong Future”

Children are the future of our country. In our attempt to make a lasting impact on the country, we believe children are the most important segment. A happy child will be the foundation for a disciplined and peaceful society in future. Our group has always given priority for the wellbeing of under privileged children in our country.



Distributing school stationery to children

“We Take Care of our Employees. They Take Care of our Client”

Organizing events for our employees to enjoy, creates a positive and supportive organizational environment. Or employees deliver more than we expect. It is our responsibility to make sure they are motivated to do their part in the company. We organized several programs for our employees and their families in the past year.



New Year celebration with employees and their families



Annual Pirith Ceremony at Giriulla Factory



Chairman Leading the team on a white water rafting team building exercise



Dr. Ali Asger Shabbir, and Mrs. Danushya Gulamhusein, Executive Directors of Adam Capital donated to the President's Kidney Relief Fund

FINANCIAL INFORMATION



INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ADAM CAPITAL PLC

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Adam Capital PLC, ("the Company"), and the consolidated financial statements of the Company and its subsidiaries ("Group"), which comprise the statement of financial position as at 31st March 2016, and the statement of comprehensive income, statements of changes in equity and cash flows for the year then ended, together with a summary of Significant Accounting Policies and other explanatory Notes as set out on pages 46 to 71 of the Annual Report.

Board's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

- (a) The basis of opinion and scope and limitations of the audit are as stated above.
- (b) In our opinion:
 - we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.
 - The financial statements of the Company give a true and fair view of its financial position as at 31st March 2016, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.
 - The financial statements of the Company, and the Group comply with the requirements of Sections 151 and 153 of the Companies Act No. 07 of 2007.

A. I. Macan Markar & Co.

CHARTERED ACCOUNTANTS

Colombo.
30th August 2016
RN/ydw



ADAM CAPITAL PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2016

	NOTE	GROUP		COMPANY	
		31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
		Rs	Rs	Rs	Rs
Revenue	1	137,222,246	-	-	-
Cost of Sales		(108,967,444)	-	-	-
GROSS PROFIT		28,254,803	-	-	-
Investment Income	2	6,730,705	17,058,467	6,730,705	17,058,467
Other Income	3	7,647,726	84,342,360	3,081,257	84,342,360
Administration Expenses		(24,289,980)	(111,324,879)	(6,452,803)	(3,343,366)
Selling & Distribution Expenses		(2,166,381)	(361,858)	-	-
PROFIT/(LOSS) FROM OPERATIONS	4	16,176,873	(10,285,910)	3,359,159	98,057,461
Finance Expenses	5	(11,345,848)	(15,407,540)	(1,687,498)	(2,259,787)
Profit /(Loss) before Tax		4,831,025	(25,693,450)	1,671,661	95,797,674
Current Taxation	6	(2,917,954)	-	(572,766)	-
PROFIT/(LOSS) AFTER TAX		1,913,071	(25,693,450)	1,098,896	95,797,674
Other Comprehensive Income					
Surplus on revaluation of Property, Plant & Equipment		226,816,217	89,328,324	-	-
Total Comprehensive Income/ (Loss) for the year, net of tax		228,729,287	63,634,874	1,098,896	95,797,674
Profit/(Loss) attributable to :		1,913,071	(25,693,450)	1,098,896	95,797,674
Non Controlling Interest		-	-	-	-
		1,913,071	(25,693,450)	1,098,896	95,797,674
Total Comprehensive Income/ (Expenses) attributable to					
Equity holders of the Parent		228,729,287	63,634,874	1,098,896	95,797,674
Non Controlling Interest		-	-	-	-
		228,729,287	63,634,874	1,098,896	95,797,674
Earnings/(Loss) Per Ordinary Share	7	0.01	(0.10)	0.01	0.38

The Accounting Policies and Notes from 1 - 24 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

ADAM CAPITAL PLC
STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2016

	Notes	Group		Company	
		31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
		Rs.	Rs.	Rs.	Rs.
ASSETS					
<u>Non Current Assets</u>					
Property, Plant and Equipment	8	773,803,495	535,020,862	-	-
Capital Work-in-Progress	9	63,267,530	4,678,210	-	-
Investment in Subsidiaries	10	-	-	75,001,000	75,000,000
Deferred Tax Asset	6	7,068,271	7,068,271	-	-
		844,139,296	546,767,343	75,001,000	75,000,000
<u>Current Assets</u>					
Inventories		51,028,546	1,244,272	-	-
Investments		57,300,000	58,059,701	57,300,000	56,800,000
Advances, Deposits & Other Receivables	11	86,042,112	40,347,581	39,865,449	36,971,791
Due from Related Parties	12	15,366,599	15,366,608	203,626,399	211,172,593
Cash & Cash Equivalents	13	10,653,148	331,575	2,386,210	32,834
		220,390,405	115,349,736	303,178,058	304,977,218
TOTAL ASSETS		1,064,529,702	662,117,079	378,179,058	379,977,218
EQUITY & LIABILITIES					
<u>Capital & Reserves</u>					
Stated Capital	14	252,000,260	252,000,260	252,000,260	252,000,260
Revaluation Reserve		737,912,513	511,096,296	-	-
Retained Profit/(Loss)		(400,727,013)	(401,610,284)	38,346,785	37,247,889
Total		589,185,760	361,486,272	290,347,045	289,248,149
<u>Non-Current Liabilities</u>					
Retirement Benefit Obligations	15	3,666,439	8,159,830	-	349,520
Long Term Borrowings	16	365,442,396	173,535,961	51,489,705	51,184,942
		369,108,834	181,695,791	51,489,705	51,534,462
<u>Current Liabilities</u>					
Short Term Borrowings	16	19,561,455	1,601,840	1,204,191	1,065,666
Due to Related Parties	17	-	40,930,880	1,000	778,001
Trade & Other Payables	18	64,261,152	67,757,945	30,755,182	33,527,006
Income Tax Payable	19	10,958,638	8,052,783	4,381,936	3,809,170
Bank Overdraft	13	11,453,862	591,569	-	14,764
Total		106,235,107	118,935,017	36,342,309	39,194,607
TOTAL EQUITY & LIABILITIES		1,064,529,702	662,117,079	378,179,058	379,977,218
Net Assets per Share		2.34	1.43	1.15	1.15

The Accounting Policies and Notes from 1 - 24 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

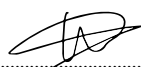
I certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.



Chief Financial Officer

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

Signed for and on behalf of the Board by:-



Director
30th August 2016
RN/ydw



Director

ADAM CAPITAL PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2016

	GROUP				COMPANY		
	STATED CAPITAL Rs	Revaluation Reserve Rs	RETAINED PROFIT/ (LOSS) Rs	TOTAL Rs	STATED CAPITAL Rs	RETAINED PROFIT/ (LOSS) Rs	TOTAL Rs
Balance as at 1st April 2014	252,000,260	421,767,972	(342,356,367)	331,411,865	252,000,260	(58,549,785)	193,450,475
Prior Year Adjustments	-	-	(33,560,468)	(33,560,468)	-	-	-
Other Comprehensive Income	-	89,328,324	-	89,328,324	-	-	-
Net Profit/(Loss) for the year	-	-	(25,693,450)	(25,693,450)	-	95,797,674	95,797,674
Balance as at 31st March 2015	252,000,260	511,096,296	(401,610,284)	361,486,272	252,000,260	37,247,889	289,248,149
Other Consolidation Adjustments	-	-	(1,029,799)	(1,029,799)	-	-	-
Other Comprehensive Income	-	226,816,217	-	226,816,217	-	-	-
Net Profit/(Loss) for the year	-	-	1,913,071	1,913,071	-	1,098,896	1,098,896
BALANCE AS AT 31ST MARCH 2016	252,000,260	737,912,513	(400,727,013)	589,185,760	252,000,260	38,346,785	290,347,045

The Accounting Policies and Notes from 1 - 24 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

ADAM CAPITAL PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2016

	NOTE	GROUP		COMPANY	
		31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
		Rs	Rs	Rs	Rs
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(Loss) for the period before Taxation		4,831,025	(25,693,450)	1,671,661	95,797,674
<u>Adjustment for</u>					
Depreciation	8	19,182,433	-	-	-
Prior Year Adjustment		(1,029,799)	(33,560,467)	-	-
Operating Profit/(Loss) before working capital changes		22,983,659	(59,253,917)	1,671,661	95,797,674
(Increase)/Decrease in Inventories		(49,784,274)	-	-	-
(Increase)/Decrease in Investment		759,701	(58,059,701)	(500,000)	(56,800,000)
(Increase)/Decrease in Advances, Deposits & Other Receivables	11	(45,694,531)	(40,347,581)	(2,893,658)	(36,971,791)
(Increase)/Decrease in Trade Receivables		-	29,615,163	-	-
(Increase)/Decrease in Due from Related Parties	12	8	-	7,546,195	(230,000)
Increase/(Decrease) in Due to Related Parties	17	(40,930,880)	40,930,880	(777,001)	778,001
Increase/(Decrease) in Provision for Gratuity		(349,520)	-	(349,520)	-
Increase/(Decrease) in Trade & Other Payables	18	(4,324,208)	4,701,138	(2,771,824)	(1,051,873)
		(117,340,045)	(82,414,018)	1,925,852	1,522,011
Income Tax Paid		(12,099)	-	-	-
Gratuity Paid		(3,316,457)	(576,201)	-	-
Net Cash Flow/(Used) from operating activities		(120,668,601)	(82,990,219)	1,925,852	1,522,011
<u>Cash Flows from Investment Activities</u>					
Investment in Subsidiaries		-	-	(1,000)	-
Capital Work-in-Progress		(58,589,320)	-	-	-
Investment in Associates		-	119,921,901	-	56,800,000
Purchase of Property, Plant & Equipment		(31,148,850)	(4,780,710)	-	-
Net Cash Flow/(Used) from Investing Activities		(89,738,169)	115,141,191	(1,000)	56,800,000
<u>Cash Flows from Financing Activities</u>					
Borrowings from Related Parties		-	-	-	-
Long Term Borrowings	16	209,866,050	(22,878,111)	443,288	(58,383,504)
		209,866,050	(22,878,111)	443,288	(58,383,504)
Net Change in Cash & Cash Equivalents		(540,720)	9,272,861	2,368,140	(61,493)
<u>Cash & Cash Equivalents</u>	13				
Cash & Cash Equivalents at the beginning of the year		(259,994)	(9,532,855)	18,070	79,563
Net Change during the period		(540,720)	9,272,861	2,368,140	(61,493)
As at 31st March 2016		(800,714)	(259,994)	2,386,210	18,070

The Accounting Policies and Notes from 1 - 24 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

ADAM CAPITAL (PVT) LTD

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

1.1. General

Adam Capital PLC ("The Company") is a public limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company and the principal place of business are located at No.264, Grandpass Road, Colombo 14. The consolidated financial statements of Adam Capital PLC (formerly known as "PCH Holdings PLC") for the year ended 31st March 2016 comprises the company (parent company) and its subsidiaries (together referred to as the "group").

1.2. Principal activities and nature of operations of the company and its subsidiaries

Company – Adam Capital PLC

Engaged in the business of assembling and selling of all types of computers and electronic equipment and investing in quoted shares.

Subsidiary - Adam Carbons (Pvt) Ltd (Formerly known as "Bieco Link Carbons (Pvt) Ltd")

Manufacture and export of activated carbon

Subsidiary - Adam Capital Micro Credit (Pvt) Ltd

Provider of Micro Credit facilities to deserving communities

Consequent to the purchase of PCH Holdings PLC by Adam Investments PLC (AINV) on 2nd July 2014, the name of Bieco Link Carbons (Pvt) Ltd was changed to Adam Carbons (Pvt) Ltd on 18th February 2015.

As the old company had not maintained proper accounting records, the Auditors for the year ended 31st March 2015, issued a Disclaimer of Opinion on the relevant financial statements. However, since then the Company has improved its accounting system. It has also started to earn Revenue from September 2015 and has made Rs. 134.7Mn up to 31st March 2016.

1.3 Date of authorization for issue

The financial statements of the group for the year ended 31st March 2016 were

authorized for issue under a resolution of the board of directors on 30th August 2016.

2. Basis of preparation

2.1. Statement of compliance

The financial statements of the group (statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows together with accounting policies and notes) are prepared in accordance with Sri Lanka Accounting Standards commonly referred to as SLFRS as issued by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No.07 of 2007.

2.2. Basis of consolidation

The consolidated financial statements of all the companies in the group are prepared for a common financial year which ends on 31st of March and the consolidation is done based on audited financial statements.

The consolidated financial statements incorporate the financial statements of the company and its subsidiaries controlled by the group. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to benefit from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

2.3. Basis of measurement

The financial statements have been prepared on the historical cost basis except in respect of for the following material items in the statement of financial position:

- Property, plant and equipment at fair value

2.4. Functional & Presentation Currency

The financial statements are presented in Sri Lankan Rupees, which is the group's functional currency and presentational currency. All financial information presented in Sri Lanka Rupees and rounded to the nearest rupee unless otherwise stated.

2.5. Comparative Information

The accounting policies have been consistently applied by the group with those of the previous financial year in accordance with LKAS 01 - presentation of financial statements.

2.6. Materiality & Aggregation

In compliance with LKAS 01 on presentation of financial statements, each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or functions too are presented separately, if they are material.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the income statement unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies.

3. Significant Accounting Judgments, Estimates & Assumptions

The preparation of financial statements requires the application of certain critical accounting assumptions relating to the future. Further, it requires the management of the group to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods. Hence, actual experience and results may differ from these judgments and estimates.

In the process of applying the group's accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements:

a. Taxation

The group is subject to income taxes and other taxes including VAT. Significant judgment was required to determine the total provision for current, deferred and other taxes pending the issue of tax guidelines on the treatment of the adoption of SLFRS in the financial statements and the taxable profit for the purpose of imposition of taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these financial statements.

The group recognized assets and liabilities for current, deferred and other taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income, deferred and tax amounts in the period in which the determination is made.

b. Useful life-time of the Property, Plant & Equipment

The group reviews the residual values, useful lives and methods of depreciation of assets as at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

c. Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the board is not aware of any material uncertainties that may cast significant doubt upon the group's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the group. Therefore, the financial statements continue to be prepared on the going concern basis.

d. Impairment losses on Financial Assets

The group assesses at each reporting date or more frequently to determine whether there is any objective evidence whether an impairment loss should be recorded in the income statement.

e. Impairment of Financial Investments

The group reviews its financial investments at each reporting date to assess whether they are impaired. This requires similar judgment as applied on the individual assessment of loans and advances.

f. Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and tax credits to the extent it is probable that taxable profits will be available against which these losses/credits can be utilized. Significant management judgments are required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

g. Defined Benefit Plans

The carrying value of defined benefit plans is determined using a formula which considers the actuarial assumption. This involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates, etc. Due to the complexity of the valuation, the underlying assumptions and their long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the yield of Sri Lanka Government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future inflation rates and expected future salary increase rate of the Company.

4. Summary of Significant Accounting Policies

The significant accounting policies applied by the group in preparation of its financial statements are included below. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1. Revenue Recognition

4.1.1 Sale of Goods

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.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

(a) The group has transferred significant risks and rewards of ownership of the goods to the buyer.

(b) The group retaining, neither a continuing managerial involvement to the degree usually associated with ownership nor an effective control over the goods sold.

(c) The amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity; and

(d) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

4.1.2 Dividend Income

Dividend income is recognised in the statement of comprehensive income on an accrual basis when the Company's right to receive the dividend is established.

4.1.3 Interest income

Interest income is recognised using the Effective Interest Rate (EIR) method.

4.1.4 Profit or Loss on Sale of Securities

Profit or Loss arising from the sale of marketable securities is accounted for in the statement of comprehensive income on the date of the transaction.

4.1.5 Other income

Other income is recognized on an accrual basis.

4.2. Expenditure Recognition

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 running the business and in maintaining property, plant and equipment in a state of efficiency has been charged to the income statement.

For the purpose of presentation of the

income statement, the “function of expenses” method has been adopted, on the basis that it presents fairly the elements of the Company’s performance.

4.3 Borrowing Cost

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.4 Operating Leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership over the leased term are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term or on a basis which is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4.5 Taxation

4.5.1 Current Tax

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to the Commissioner General of Inland Revenue in respect of the current year and any adjustment to tax payable in respect of prior years. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date.

4.5.2 Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting period date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose.

Deferred tax assets are recognised for all deductible differences. Carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply in the year when the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or subsequently enacted at the reporting date.

4.6 Non-financial Asset

4.6.1 Property, Plant and Equipment

Recognition and Measurement

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 16 - property, plant and equipment. Initially property and equipment are measured at cost.

Cost Model

Property, plant and equipment are initially recognised at cost including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Land and buildings comprise mainly factories, retail outlets and offices. Land, buildings and plant and machinery are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings and plant and machinery. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. All other property, plant and equipment are stated at cost less depreciation.

Subsequent Cost

Subsequent expenditure incurred for the purpose of acquiring, extending, or improving assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business is treated as capital expenditure and such expenses are recognised in the carrying amount of an asset. The costs associated with day-to-day servicing of property and equipment are recognised in the income statement as incurred.

Depreciation

Depreciation is calculated using the straight-line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives. Full depreciation is charged during the month of purchase

and no depreciation is charged during the month of disposal. Land is not depreciated. The rates of depreciations based on the estimated useful lives are as follows:

Category of asset	Useful life (years)
Building	10-20
Plant and machinery	6-7
Motor Vehicle	4-7
Computer Equipment	4-5
Furniture & Fittings	5-10
Electrical & Equipment	4-10
Other Assets	4

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

De-recognition

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'Other Operating Income' in the statement of comprehensive income in the year the asset is derecognised.

4.6.2 Intangible Assets

The intangible assets include the value of computer software cost of purchased licenses. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is calculated using the straight-line method to write-down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Computer Software – 5 years

4.6.3 Capital Work in Progress

Capital expenses incurred during the year on value addition work that are not completed as at the statement of financial position date are shown as capital work in progress, whilst the capital assets which have been completed during the year and put to use are transferred to property, plant and equipment. Therefore, capital work-in-progress has not been depreciated.

4.6.4 Leasehold Property

Leasehold Lands

Land held under leases is initially measured at an amount equal to present value of the lease payments discounted using the incremental borrowing rate plus any initial direct costs incurred at the inception and subsequently the leasehold land is measured at amortised cost. The value of leasehold land is amortised over the lease period.

Leasehold Land – 25 to 50 years

Other Lease Assets

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

4.6.5 Impairment of Non-financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

4.7 Investment in Subsidiary

Subsidiaries are fully consolidated from the

date on which control is transferred to the company and continue to be consolidated until the date when such control ceases. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Non-controlling interests represent the portion of profit or loss and net assets of subsidiaries not

owned, directly or indirectly, by the company. Losses within a subsidiary are attributed to the non-controlling, a change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non-controlling interest.
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

Investment in subsidiaries is stated at cost in the Company's financial statements in accordance

with the Sri Lanka Accounting Standard LKAS 27 – Consolidated and separate financial statements.

4.8 Good will

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquire, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently

when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4.9 Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the actual cost and first in first out (FIFO) basis for finished goods and raw materials respectively. Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

4.10 Financial Assets – Recognition and Measurement

4.10.1 Initial recognition

All financial assets are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes 'regular way trades': purchases or sales of financial assets that require delivery of assets within the time-frame generally established by regulation or convention in the market place.

4.10.2 Initial measurement

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value including transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

4.10.3 Subsequent Measurement

The Company subsequently measures non-derivative financial assets categorising them in to the categories of financial assets at fair value through profit or loss, held-to maturity investments, loans and receivables and available-for-sale financial assets.

- (i) Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated at fair value through profit or loss.

- (ii) Held-to-maturity financial investments

Held-to-maturity financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Company has the intention and ability to hold to maturity. Subsequent to initial measurement, held to maturity financial investments are measured at amortised cost using the Effective Interest Rate (EIR), less impairment.

- (iii) Loans & Receivables

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the Company intends to sell immediately or in the near term and those that the Company, upon initial recognition, designates as at fair value through profit or loss
- Those that the Company, upon initial recognition, designates as available for sale
- Those for which the Company may not recover substantially all of its initial investment, other than because of credit deterioration

After initial measurement, loans and receivables are subsequently measured at amortised cost using the EIR method less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in 'Interest income' in the income statement. The losses arising from impairment are recognised in the income statement in 'impairment gain/(loss) on loans and receivables'. The Company may enter into certain lending commitments where the loan, on drawdown, is expected to be classified as held-for-trading because the intent is to sell the loans in the short term. These commitments to lend are recorded as derivatives and measured at fair value through profit or loss. Where the loan, on drawdown, is expected to be retained by the Company, and not sold in the short term, the commitment is recorded only when it is an onerous contract that

is likely to give rise to a loss.

- (iv) Available-for-sale financial investments

Available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. The Company has not designated any loans or receivables as available-for-sale.

After initial measurement, available-for-sale financial investments are measured at fair value. Unrealised gains and losses are recognised directly in equity (other comprehensive income) in the "available-for-sale reserve". When the investment is disposed of, the cumulative gain or loss previously recognized in equity is recognised in the statement of comprehensive income in other operating income.

4.10.4 Reclassification of financial assets

The Company may reclassify non-derivative financial assets other than those designated at FVTPL upon initial recognition, in certain circumstances:

- out of the held-for-trading category and into the available for sale, loans and receivables, or held-to-maturity categories.

- out of the 'available-for-sale' category and into the 'loans and receivables', 'held for trading category' or 'held-to-maturity'. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortised cost. For a financial asset reclassified out of the 'available-for-sale' category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is recycled to the statement of comprehensive income.

- out of the 'held-for-trading' category and into the 'loans and receivables' category if it meets the definition of loans and receivables and the Company has the intention and ability to hold the financial asset for the foreseeable future or until maturity. If a financial asset is reclassified, and if the Company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those

cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Reclassification is at the election of the management, and is determined on an instrument by instrument basis.

4.10.5 De-recognition of Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
 - The Company has transferred substantially all the risks and rewards of the asset or
 - The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

4.10.6 Identification, Measurement & Assessment of Impairment

At each reporting date the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the

loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

The Company writes off loans and advances and investment securities when they are determined to be uncollectible.

4.11 Cash & Bank Balances

Cash and bank balances are defined as cash in hand and balances with banks.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks, net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

4.12 Stated Capital

Ordinary shares are classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

4.13 Retirement benefit obligations

4.13.1 Defined benefit plan – gratuity

The Company is liable to pay gratuity in terms of the Payment of Gratuity Act No. 12 of 1983, according to which an obligation to pay gratuity arises only on completion of 5 years of continued service.

In order to meet this liability, a provision is carried forward in the statement of financial position and the valuations being carried out at the end of each reporting period. The provision is calculated considering the actuarial assumptions of future salary increments, interest and the expected staff turnover rates. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The fund is not externally funded.

4.13.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee

benefit expense in the statement of comprehensive income as in the periods during which services are rendered by employees.

(a) Employees' Provident Fund

The company and employees contribute 12% and 8% respectively on the salary of each employee to the approved Provident Fund.

(b) Employees' Trust Fund

The company contributes 3% of the salary of each employee to the Employees' Trust Fund.

4.14 Financial Liabilities

4.14.1 Initial Recognition & Measurement

Classifications of the financial liabilities within the scope of LKAS 39 are determined at initial recognition.

The Company classifies financial liabilities in to financial liabilities at Fair Value through Profit or Loss (FVTPL) or other financial liabilities in accordance with the substance of the contractual arrangement and the definitions of financial liabilities.

The Company recognizes financial liabilities in the statement of financial position when the Company becomes a party to the contractual provisions of the financial liability.

i. Financial liability at FVTPL

Financial liabilities at FVTPL include financial liabilities held-for-trading or designated as such upon initial recognition. Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, and changes there in recognized in profit or loss.

Upon initial recognition, transaction cost are directly attributable to the acquisition are recognized in profit or loss as incurred. The criteria for designation of financial liabilities at FVTPL upon initial recognition are the same as those of financial assets at FVTPL.

ii. Other Financial Liabilities

Other financial liabilities including deposits, debt issued by the Company and the other borrowed funds are initially measured at fair value less transaction cost that are directly attributable to the acquisition and subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking

into account any discount or premium on the issue and costs that are an integral part of the EIR.

4.14.2 De-recognition of Financial Liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

4.15 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement net of any reimbursement.

4.16 Statement of Cash Flows

The cash flow statement has been prepared using the indirect method, as stipulated in LKAS 7- statement of cash flows. Cash and cash equivalents comprise of cash in hand, cash at bank and bank overdrafts.

4.17 Segmental Information

Segmental information is provided for the different business segments of the Group. Business segmentation has been determined based on the nature of goods provided by the Company after considering the risk and rewards of each type of product.

Since the individual segments are located close to each other and operate in the same industry

environment the need for geographical segmentation does not arise.

The activities of the segments are described on note number 1.2 in the accounting policies to the financial statements.

The Group transfers products from one industry segment for use in another. Inter-segment transfers are based on fair market prices.

Revenue and expenses directly attributable to each segment are allocated intact to the respective segments. Assets and liabilities directly attributable to each segment are allocated intact to the respective segments.

4.18 Events after the reporting period

All material events occurring after the reporting date are considered, and where necessary, adjustments are made to the financial statements.

ADAM CAPITAL PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 1: REVENUE				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Revenue	137,222,246	-	-	-

NOTE 1.1: SEGMENT INFORMATION				
The group segments into following areas of operations:-				
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Activated Carbon	134,777,997	-	-	-
Micro Credit Profit Income	2,444,249	-	-	-
NET REVENUE	137,222,246	-	-	-

NOTE 2: INVESTMENT INCOME				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Share Trading Income	6,730,705	17,058,467	6,730,705	17,058,467
TOTAL	6,730,705	17,058,467	6,730,705	17,058,467

NOTE 3: OTHER INCOME				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Write Back of Payables	-	49,618,453	-	49,618,453
Claim from MBSL for Investment made in MBSL	2,893,659	34,723,907	2,893,659	34,723,907
Micro Credit Service Charge	223,134	-	-	-
Interest Income	197,499	-	76,510	-
Sale of Phone	111,088	-	111,088	-
Sale of Scrap Item	4,222,346	-	-	-
TOTAL	7,647,726	84,342,360	3,081,257	84,342,360

NOTE 4 : PROFIT/(LOSS) FROM OPERATIONS				
Profit from operations is generated after charging all expenses including the following:-				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Directors Remuneration	-	-	-	-
Salaries, Wages & Allowances	5,726,424	828,000	-	828,000
Staff Welfare	865,885	-	-	-
Defined Contribution Plan Cost - EPF & ETF	858,963	124,320	-	124,320
Defined Benefit Plan Cost - Gratuity	-	-	-	-
Depreciation of PP&E	1,705,240	-	-	-
Audit Fee & Expenses - A I Macan Markar & Co.	303,400	-	110,650	-
Other Auditors	-	171,237	-	96,237

NOTE 5: FINANCE EXPENSES				
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Bank Charges	412,589	257,111	7,350	22,036
Interest on Bank Overdrafts	1,561,815	34,845	-	3,501
Interest on Loans	8,794,015	12,881,334	1,225,957	-
Interest on Leases	454,191	218,295	454,191	218,295
Exchange Gain/(Loss)	123,239	-	-	-
Interest on Margin Facility	-	2,015,955	-	2,015,955
TOTAL	11,345,848	15,407,540	1,687,498	2,259,787

NOTE 6 : CURRENT TAXATION				
In terms of the Inland Revenue Act No. 10 of 2006 and subsequents amendments thereto, the Holding Company and the subsidiaries in the Group, are liable to income tax at the rate of 28%.				
Reconciliation between accounting profit and income tax expense is as follows:-				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Profit before Tax	4,831,025	(25,693,450)	1,671,661	95,797,674
Aggregate disallowable items	22,185,610	34,293,718	909,689	3,613,820
Capital Allowance	(8,698,439)	(16,734,616)	-	-
Profit not liable to tax	(10,047,162)	(101,977,028)	(6,730,705)	(101,400,827)
Assessable Income	8,271,033	(110,111,376)	(4,149,355)	(1,989,333)
Exempt Income	-	-	-	-
Taxable Income	8,271,033	(110,111,376)	(4,149,355)	(1,989,333)
Income Tax	2,345,188	-	-	-
Deemed Dividend Tax	572,766	-	572,766	-
Deferred Tax	-	-	-	-
TOTAL	2,917,954	-	572,766	-

	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
DEFERRED TAX ASSET				
Deferred Tax Provision B/F	(7,068,271)	(7,068,271)	-	-
Provision/(reversal) for the year	-	-	-	-
Deferred Tax Provision C/F	(7,068,271)	(7,068,271)	-	-

A provision for the deferred taxation has not been made in the financial statements of Adam Capital PLC (company) during the year since it is not probable that future taxable profits in the short term would be available (due to the tax losses in the current year) against which the deductible temporary difference and the carry forward of unused tax losses can be utilised.

NOTE 7: EARNINGS/(LOSS) PER ORDINARY SHARE

Basic Earnings/(Loss) Per Ordinary Share is calculated by dividing the Net Profit/(Loss) for the year attributable to Ordinary Shareholders of the Company, by the total number of Ordinary Shares in issue during the year.

	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Profit/(Loss) after Tax	1,913,071	(25,693,450)	1,098,896	95,797,674
Weighted Average Number of Ordinary Shares during the year	252,000,242	252,000,242	252,000,242	252,000,242
Basic Earnings/(Loss) Per Ordinary Share (Rs)	0.01	(0.10)	0.01	0.38

NOTE 8: PROPERTY, PLANT & EQUIPMENT GROUP - FREEHOLD PROPERTY						
	Land & Building Rs	Plant & Machinery Rs	Motor Vehicles Rs	Furniture & Fittings Rs	Electrical, Office, Computer Equipment & Software Rs	Total Rs
<u>COST/VALUATION</u>						
Balance as at 1st April 2015	279,737,812	518,511,851	7,733,960	6,169,046	9,074,187	821,226,856
Change in Value	68,589,688	147,364,000	(7,716,312)	(1,523,509)	1,974,283	208,688,150
Additions/Transfers during the year	700,000	24,271,213	204,990	194,392	5,778,255	31,148,850
Balance as at 31st March 2016	349,027,500	690,147,064	222,638	4,839,929	16,826,725	1,061,063,856
<u>DEPRECIATION</u>						
Balance as at 1st April 2015	26,372,184	238,739,869	6,104,585	6,169,046	8,953,296	286,338,980
Depreciation Reversal during the year	(540,398)	(1,006,180)	(6,104,585)	(1,523,509)	(8,953,396)	(18,128,067)
Charge for the year	8,090,773	9,407,806	32,595	12,959	1,638,301	19,182,433
Balance as at 31st March 2016	33,922,559	247,141,495	32,595	4,658,496	1,638,201	287,393,346
Net Book Value as at 31st March 2016	315,104,941	443,005,569	190,043	181,433	15,188,524	773,670,509
Net Book Value as at 31st March 2015	253,365,628	279,771,982	1,629,375	-	120,891	534,887,876

GROUP - LEASEHOLD PROPERTY						
	COST			DEPRECIATION		W D V
	As at 1 Apr 2015	Additions	As at 31 Mar 2016	As at 1 Apr 2015	Charge for the year	
	Rs	Rs	Rs	Rs	Rs	Rs
Motor Vehicles	10,491,812	-	10,491,812	10,491,812	-	-
Weigh Bridge	1,025,000	-	1,025,000	892,014	-	132,986
TOTAL	11,516,812	-	11,516,812	11,383,826	-	132,986
GRAND TOTAL					773,803,495	535,020,862

NOTE 8: PROPERTY, PLANT & EQUIPMENT (CONTD..)							
COMPANY - FREEHOLD PROPERTY							
	Land & Building	Plant & Machinery	Motor Vehicles	Furniture & Fittings	Electrical & Office Equipment	Total	
	Rs	Rs	Rs	Rs	Rs	Rs	
<u>COST/VALUATION</u>							
Balance as at 1st April 2015	-	-	-	4,645,538	3,518,899	8,164,437	
Additions during the year	-	-	-	-	-	-	
Balance as at 31st March 2016	-	-	-	4,645,538	3,518,899	8,164,437	
<u>DEPRECIATION</u>							
Balance as at 1st April 2015	-	-	-	4,645,538	3,518,899	8,164,437	
Charge for the year	-	-	-	-	-	-	
Balance as at 31st March 2016	-	-	-	4,645,538	3,518,899	8,164,437	
Net Book Value as at 31st March 2016							
Net Book Value as at 31st March 2015							

COMPANY - LEASEHOLD PROPERTY							
	COST		DEPRECIATION			W D V	
	As at 1 Apr 2015	Additions	As at 31 Mar 2016	As at 1 Apr 2015	Charge for the year	As at 31 Mar 2016	31 Mar 2015
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Motor Vehicles	6,655,000	-	6,655,000	6,655,000	-	6,655,000	-
TOTAL	6,655,000	-	6,655,000	6,655,000	-	6,655,000	-

NOTE 8.1

The above assets were revalued on 30th September 2015 by Mr. M. C. A. Malick, Incorporated Valuer, and the resultant net excess on revaluation was transferred to Revaluation Reserve Account.

NOTE 8.2

The interest cost incurred in refurbishing the Plant & Machinery and Activation Finance - A & B, amounting to Rs. 22,163,243/- was capitalized during the year and will be amortized over the period together with depreciation.

NOTE 9: CAPITAL WORK-IN-PROGRESS				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Balance as at 1st April 2015	4,678,210	84,088,561	-	-
Additions/(Transfers) during the year	58,589,320	(79,410,351)	-	-
TOTAL	63,267,530	4,678,210	-	-

NOTE 10: INVESTMENTS IN SUBSIDIARIES				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Adam Carbons (Pvt) Ltd	-	-	75,000,000	75,000,000
Adam Capital Micro Credit (Pvt) Ltd	-	-	1,000	-
TOTAL	-	-	75,001,000	75,000,000

NOTE 11: ADVANCES, TRADE & OTHER RECEIVABLE				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Advances	54,737	2,866,613	-	-
Trade Debtors	30,640,338	-	-	-
Receivable from LOLC	2,247,884	2,247,884	2,247,884	2,247,884
Claim from MBSL for Investment made in MBSL	37,617,566	34,723,907	37,617,566	34,723,907
Accounts Receivable	15,194,084	-	-	-
Murabaha Profit Income Receivable	287,503	-	-	-
Others	1,142,198	1,651,375	1,142,198	1,142,198
Allowance for Impairment	(1,142,198)	(1,142,198)	(1,142,198)	(1,142,198)
TOTAL	86,042,112	40,347,581	39,865,449	36,971,791

NOTE 12: DUE FROM RELATED PARTIES				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Adam Carbons (Pvt) Ltd	-	-	188,259,799	195,805,994
Orient Garments PLC	15,366,600	15,366,600	15,366,600	15,366,600
Dynaris Holdings Ltd	343,276,723	343,276,723	343,276,723	343,276,723
PC House PLC	52,051,225	52,051,225	52,051,225	52,051,225
Procifnity Ltd	100,000	100,000	100,000	100,000
Due from Former Directors	9,510,665	9,510,665	9,510,665	9,510,665
Allowance for Impairment	(404,938,613)	(404,938,605)	(404,938,613)	(404,938,613)
TOTAL	15,366,599	15,366,608	203,626,399	211,172,593

The above balances due from related companies are receivable on demand. An impairment allowance was made for all related parties except for Adam Carbons (Pvt) Ltd [formerly known as Bieco Link Carbons (Pvt) Ltd] and Orient Garment PLC.

NOTE 13: CASH & CASH EQUIVALENTS				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Cash at Bank	10,653,148	331,575	2,386,210	32,834
Less: Bank Overdrafts	(11,453,862)	(591,569)	-	(14,764)
CASH & CASH EQUIVALENTS IN THE CASH FLOW STATEMENT	(800,714)	(259,994)	2,386,210	18,070

NOTE 14: STATED CAPITAL				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
<u>STATED CAPITAL</u>				
252,000,242 Ordinary Shares	252,000,260	252,000,260	252,000,260	252,000,260

NOTE 15: PROVISION FOR RETIRING GRATUITIES				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Balance as at 1 st April 2015	8,159,830	8,736,031	349,520	349,520
Provision/(Reversal) during the year	(1,176,934)	-	(349,520)	-
	6,982,896	8,736,031	-	349,520
Less: Payments during the year	(3,316,457)	(576,201)	-	-
BALANCE AS AT 31ST MARCH 2016	3,666,439	8,159,830	-	349,520

NOTE 16: LONG TERM BORROWINGS				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
<u>PAYABLE AFTER ONE YEAR</u>				
Finance Lease Liabilities - DFCC Bank	-	2,884,941	-	2,884,941
Long Term Loans - Seylan Bank	51,489,705	48,300,001	51,489,705	48,300,001
Mr. Gulamhusein Ali Asger Shabbir - Director	23,553,445	-	-	-
Mr. Dinesh P. Renganathan	1,000,000	-	-	-
Mr. Kapila Karunaratne	1,000,000	-	-	-
Commercial Bank	30,000,000	-	-	-
DFCC Bank PLC	90,000,000	-	-	-
Inter Company Borrowings	-	-	-	-
Adam Investments PLC (AINV)	10,627,113	-	-	-
Network Communications (Pvt) Ltd	157,772,132	122,351,019	-	-
<u>TOTAL</u>	365,442,396	173,535,961	51,489,705	51,184,942
<u>PAYABLE WITHIN ONE YEAR</u>				
Finance Lease Liabilities - DFCC Bank	1,204,191	1,065,666	1,204,191	1,065,666
DFCC Loan	18,357,264	536,174	-	-
TOTAL	19,561,455	1,601,840	1,204,191	1,065,666

NOTE 17: DUE TO RELATED PARTIES				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Adam Investment PLC	-	13,428,884	-	778,001
Adam Apparel (Pvt) Ltd	-	27,501,996	-	-
Adam Capital Micro Credit (Pvt) Ltd	-	-	1,000	-
TOTAL	-	40,930,880	1,000	778,001

NOTE 18: TRADE & OTHER PAYABLES				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Trade Creditors	14,346,945	12,306,442	-	893,884
Payable on Investment	30,625,282	30,625,282	30,625,282	30,625,282
Advance Received from Customer	3,448,629	-	-	-
Accrued Expenses	15,840,295	24,826,221	129,900	2,007,840
TOTAL	64,261,152	67,757,945	30,755,182	33,527,006

NOTE 19: PROVISION FOR TAXATION/(TAX OVERPAID)				
	GROUP		COMPANY	
	31 MAR 2016	31 MAR 2015	31 MAR 2016	31 MAR 2015
	Rs	Rs	Rs	Rs
Balance B/F	8,052,783	8,052,783	3,809,170	3,809,170
Gross Income Tax (Note 6)	2,345,188	-	-	-
Deemed Dividend Tax (Note 6)	572,766	-	572,766	-
	10,970,737	8,052,783	4,381,936	3,809,170
Tax Credits				
WHT Receivable	(12,099)	-	-	-
INCOME TAX PAYABLE	10,958,638	8,052,783	4,381,936	3,809,170

NOTE 20: CONTINGENCIES AND CAPITAL COMMITMENTS

There were no material contingent liabilities or capital commitments as at the Statement of Financial Position date except for the following:-

1. Adam Capital PLC has instituted action in the Commercial High Court against Merchant Bank of Sri Lanka and Finance PLC (MBSLF) claiming a sum of Rs. 37,617,567/- for non payment of capital and interest.

Subsequent to the case filed by Adam Capital PLC against MBSLF, MBSLF in turn have filed a case against Adam Capital PLC regarding the Margin Trading Operations amounting to Rs. 46,155,465/-.

2. Link Holdings (Pvt) Ltd has filed a case against Adam Capital PLC claiming Rs. 42,000,000/- with the legal interest in respect of contract dispute.
3. Consequent to the change of management of Adam Carbons (Pvt) Ltd [former Bieco Link Carbons (Pvt) Ltd], the services of 36 employees were discontinued with appropriate settlements. However, a case was filed against the Board of Directors by Joint Companies Employees Board representing the 36 Employees, at the Kuliypitiya Labour Courts, and continues to be taken up. Five employees out of 36, have been reinstated in employment by the Company. The case pertaining to the balance 31 employees is in progress at present. These 31 employees seek back wages from 20th August 2014 and an additional payment in settlement in order to resign from work as they do not wish to continue. However, the Company is not in agreement for their request.

NOTE 21: EVENTS OCCURING AFTER THE FINANCIAL POSITION DATE

Subsequent to the statement of financial position date, no events have arisen which would require adjustments to or disclosure in the Financial Statements.

NOTE 22: RELATED PARTY TRANSACTIONS The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard - LKAS 24 Related Party Disclosures". The details of such transactions are reported below: -						
Company	Nature of Transactions	Relationship	GROUP		COMPANY	
			Transaction Value	Balance as at 31 Mar 2016	Transaction Value	Balance as at 31 Mar 2016
			Rs	Rs	Rs	Rs
Adam Carbons (Pvt) Ltd [formerly known	Working capital requirements and to meet capital expenditure	Subsidiary	-	-	7,546,194	188,259,800
Adam Capital Micro Credit (Pvt) Ltd	Current Account Balance	Subsidiary	-	-	1,000	1,000
Orient Garment PLC	Advance given to meet the operational expenses	Common Director (former management)	-	15,366,600	-	15,366,600
Dynaris Holdings Ltd	Project Advance	Common Director (former management)	-	343,276,723	-	343,276,723
PC House PLC	Disbursement for working capital requirement	Common Director (former management)	-	52,051,225	-	52,051,225
Proclivity Limited	Disbursement for working capital requirement	Common Director (former management)	-	100,000	-	100,000

NOTE 23: SEGMENTAL ANALYSIS										
For the year ended 31st March	Investments		Activated Carbon		Micro Credit		Intra Group		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
NET REVENUE	-	-	134,777,997	-	2,444,249	-	-	-	137,222,246	-
RESULT										
Operating Profit	3,359,159	98,057,461	14,272,001	(46,251,171)	(1,454,287)	-	-	(62,092,200)	16,176,873	(10,285,911)
Finance Cost	(1,687,498)	(2,259,787)	(9,649,226)	(13,147,753)	(9,125)	-	-	-	(11,345,848)	(15,407,540)
Income Tax/Deemed Dividend Tax	(572,766)	-	(2,345,188)	-	-	-	-	-	(2,917,954)	-
Profit/(Loss) for the year	1,098,896	95,797,674	2,277,587	(59,398,924)	(1,463,412)	-	-	(62,092,200)	1,913,071	(25,693,451)
STATEMENT OF FINANCIAL POSITION										
Assets										
Non Current Assets	75,001,000	75,000,000	841,279,887	546,767,343	2,859,409	-	(75,001,000)	(75,000,000)	844,139,297	546,767,343
Current Assets	303,178,058	304,977,218	90,622,972	4,918,803	21,451,865	-	(194,862,491)	(194,546,285)	220,390,405	115,349,735
Total Assets	378,179,058	379,977,218	931,902,860	551,686,146	24,311,274	-	(269,863,491)	(269,546,285)	1,064,529,702	662,117,079
Equity & Reserves										
Shareholders' Fund	290,347,045	289,248,149	375,302,128	146,208,324	(1,462,412)	-	(75,001,000)	(73,970,201)	589,185,760	361,486,272
Minority Interest	-	-	-	-	-	-	-	-	-	-
Total Equity & Reserves	290,347,045	289,248,149	375,302,128	146,208,324	(1,462,412)	-	(75,001,000)	(73,970,201)	589,185,760	361,486,272
Non Current Liabilities										
Long Term Borrowings	51,489,705	51,184,942	288,399,245	284,854,917	25,553,445	-	-	(162,503,898)	365,442,396	173,535,961
Other Liabilities	-	349,520	3,666,439	7,810,310	-	-	-	-	3,666,439	8,159,830
Total Non Current Liabilities	51,489,705	51,534,462	292,065,684	292,665,227	25,553,445	-	-	(162,503,898)	369,108,834	181,695,791
Current Liabilities										
Short Term Borrowings	1,204,191	1,065,666	18,357,264	536,174	-	-	-	-	19,561,455	1,601,840
Other Liabilities	35,138,118	38,128,941	246,177,784	112,276,422	220,241	-	(194,862,491)	(33,072,186)	86,673,652	117,333,176
Total Current Liabilities	36,342,309	39,194,607	264,535,048	112,812,596	220,241	-	(194,862,491)	(33,072,186)	106,235,107	118,935,016
Total Equity & Liabilities	378,179,058	379,977,218	931,902,860	551,686,146	24,311,274	-	(269,863,491)	(269,546,285)	1,064,529,702	662,117,079

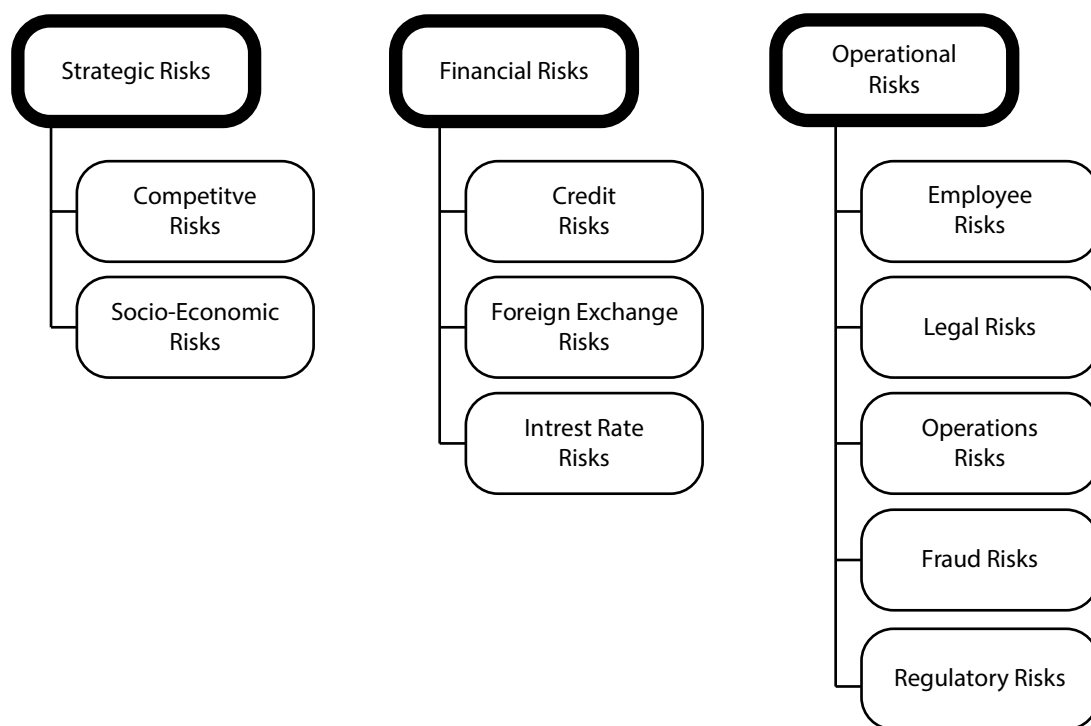
NOTE 24: RISK MANAGEMENT

Risks implies uncertainty in profits or danger of loss and the events that could pose a risk due to some unforeseen events in future, on business objectives.

Adam Capital Group is involved with booming industries, market segments and geographical locations. This diversification exposes the company to a wider range of risks and opportunities. These risks have been classified as follows:-

FINANCIAL RISKS

OPERATIONAL RISKS



STRATEGIC RISKS

Being a diversified Group, Adam Capital PLC operates in industries subject to many regulations, whether governmental or non-governmental. Constant and active awareness of changing market conditions is key, in mitigating such risks.

Business performance of Adam Carbons (Pvt) Ltd may be affected due to intense competition both locally and globally as it is a manufacturing and exporting oriented business, change of customers and unfavourable economic conditions.

FINANCIAL RISKS

The Group treasury plays a vital role in managing multiple aspects of financial risks being faced by the Group whilst operating in the dynamic financial markets.

Most of Adam Carbons (Pvt) Ltd revenue is generated in foreign currency. Exposure to fluctuations in the relative values of these currencies is substantial. Further, an unfavourable exchange rate fluctuation can increase the cost of imported items and affect the selling price. However, Adam Carbons (Pvt) Ltd has experienced staff that continuously monitors the exchange rate fluctuations and assists the group when fixing prices for exports.

OPERATIONAL RISKS

This category of risk arises as a result of business process errors, systems and procedural failures, natural disasters, human error, non-compliance with internal policies and external laws and regulations, and fraud. Although such risks cannot be completely avoided, Adam Capital PLC endeavours to minimise them by actively evaluating and refining its internal controls and reviewing its operational processes.

With the post war era growth, Sri Lanka has been developing fast in its' regulatory and legislative environment to keep pace with the world economy. Nevertheless, the pace of change has been accelerating, thereby, creating uncertainties and emphasizing the need for rapid adaptation by Adam Carbons (Pvt) Ltd.

SHAREHOLDER INFORMATION



20 MAJOR SHAREHOLDERS AS OF 31ST MARCH 2016

Name of Shareholders		No of Shares	%
1	Adam Investments Limited Account No 02	108,248,291	42.956
2	Adam Investments PLC	26,596,982	10.554
3	Dr G H A A Shabbir	8,928,571	3.543
4	ADL Equities Limited/M A M Arafath Akram	8,474,400	3.363
5	Sampath Bank PLC/Dr T Senthilverl	7,325,000	2.907
6	Mr S C Hiththatiyage	5,900,592	2.342
7	Mrs K V W S Maddumage	4,441,271	1.762
8	Bansei Securitit Capital (Pvt) Ltd / Adam Trust (Private) Limited	4,116,900	1.634
9	Bansei Securities Capital (pvt) Ltd / Sonakshi Trust (Private) Limited	3,800,000	1.508
10	Mr D S Dharmasekara	3,036,873	1.205
11	Bimpuh Finance PLC	2,982,315	1.183
12	Mr S A Ratnam	2,781,558	1.104
13	Mr M I Samsudeen	2,778,582	1.103
14	Mr M H A Salim	2,615,700	1.038
15	Mrs L N Baldsing	2,019,450	0.830
16	LOLC Finance PLC / M P P D Fernando	2,000,712	0.794
17	Seylan Bank PLC / A R Investments (Pvt) Ltd	2,000,000	0.794
18	Mrs N C Wijesinha	1,910,008	0.758
19	Mr P F E Abeyesundere	1,700,000	0.675
20	Mr W P S S Perera	1,640,420	0.651
Sub Total		203,297,625	80.704
Others		48,702,617	19.296
Total		252,000,242	100.00

SHARE DISTRIBUTION AS AT 31ST MARCH 2016

From	To	No of Holders	No of Shares	%
1	1,000	533	142,334	0.06
1,001	10,000	300	1,489,338	0.59
10,001	100,000	281	12,055,534	4.78
100,001	1,000,000	98	30,006,389	11.91
Over 1,000,000		24	208,306,647	82.66
		1,236	252,000,242	100.00

CATEGORIES OF SHAREHOLDERS

Category	No of Holders	No of Shares	%
Local Individuals	1,147	77,068,186	30.58
Local Institutions	83	173,501,356	68.85
Foreign Individuals	6	1,430,700	0.57
Foreign Institutions	0	0.00	0.00
	1,236	252,000,242	100.00

DIRECTORS' AND CEO'S SHAREHOLDING AS AT 31ST MARCH 2016

DIRECTORS' SHAREHOLDING AS AT 31ST MARCH 2016			
		No of Shares	%
1	Mr Ajita Mahes Pasqual	447,000	0.177
2	Mr Ali Asger Shabbir Gulamhusein	8,928,571	3.543
3	Mrs Danushya Chintha Mediwake Gulamhusein	-	-
4	Dr Lawrence Mervyn Fritsgerald Adams	15,000	0.006
5	Mr Enayath Hussain Tayabally	70,000	0.028
6	Mr Mohamed Imran Rasheed Zahir	-	-
7	Mr Darshana Padmal Galabodage	-	-
8	Mr Idris Shabbir	-	-
9	Mr Dinesh Prabakaran Renganathan	-	-
10	Mr. W A Adrian Perera	-	-

SHARE PRICE FOR THE YEAR

Description	As at 31st March 2016	As at 31st March 2015
Market price per share		
Highest during the year	Rs. 2.80 (18-06-15)	Rs.4.50 (08-07-14)
Lowest during the year	Rs. 1.00 (31-03-16)	Rs.0.60 (10-04-14)
As at end of the year	Rs.1.00	Rs.2.10

PUBLIC HOLDING

The Public Holding percentage – 42.728 %

Total No. of Shareholders who holds the Public Holding as at 31st March 2016 – 1,228

FORM OF PROXY





ADAM CAPITAL PLC

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Adam Capital PLC will be held at "Olympic House", 100/9F, Independence Avenue, Colombo 7 on the 30th September 2016 at 2.30 p.m. for the following purposes.

AGENDA

1. To receive and consider the Annual Report and the Financial Statements for the year ended 31st March 2016 and the Report of the Auditors thereon.
2. To declare first and final dividend of Rs. 0.10 per share for the year ended 31st March 2016.
3. To re-appoint M/s A I Macan Markar & Co, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration.
4. To authorize the Directors to determine and make donations to charities

By order of the Board of
ADAM CAPITAL PLC

Adam Corporate Secretarial (Pvt) Ltd
Secretaries
30th August 2016

Note:

- i) A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a Proxy who need not be a shareholder, to attend instead of him/her. A Proxy may vote on a poll (and join in demanding a poll) but not on a show of hands.
- ii) A Form of Proxy is enclosed in this Report
- iii) The completed form of proxy should be deposited at the Registered office of the Secretaries: 264, Grandpass Road, Colombo 14 by 4.30 p.m. on 29th September 2016

FORM OF PROXY

ANNUAL GENERAL MEETING

*I/We.....of
 being a Shareholder / Shareholders* of ADAM CAPITAL PLC do hereby
 appoint (holder of NIC no.)of.....
or

failing him /her

Mr. Ajita Pasqual or failing him

Dr. Ali Asger Shabbir Gulamhusein or failing him

Dr. Larry Adams or failing him

Mrs. Danushya Gulamhusein or failing her

Mr. Idris Shabir or failing him

Mr. Enayath Tayabally or failing him

Mr. D P Galabodage or failing him

Mr. Dinesh Renganathan or failing him

Mr. Imran Zahir or failing him

Mr. W.A. Adrian Perera

as *my/our proxy to represent *me/us and to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at "Olympic House", 100/9F, Independence Avenue, Colombo 7 on the 30th September 2016 at 2.30 p.m. and any adjournment thereof and at every poll which may be taken in consequence thereof.

FOR AGAINST

i) To receive and consider the Annual Report, the Statement of Accounts for the year ended 31st March 2016, with the Report of the Auditors thereon. ☐ ☐

ii) To declare first and final dividend of Rs. 0.10 per share for the year ended 31st March 2016 ☐ ☐

iii) To re appoint M/s A I Macan Makar & Co, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration. ☐ ☐

iv) To authorize the Directors, to determine and make donations to Charities. ☐ ☐

.....(Signature) Signed this day of 2016

NOTICE *

1. *Please delete the inappropriate words.
2. Instructions as to completion are noted on the reverse hereof.
3. If you wish your proxy to speak at the meeting you should interpolate the words "and to speak" immediately after the words "to vote"

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the Form of Proxy by filling in legibly your full name address and signing in the space provided and filling in the date of signature.
2. A shareholder entitled to attend and vote at the meeting is entitled to appoint a Proxy who need not be a shareholder, to attend and vote instead of him. Please indicate with an "X" in the boxes provided how your Proxy is to vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.
3. If you wish to appoint a person other than the Chairman or a Director of the Company as your Proxy, please insert the relevant details in the space provided (above the names of the Board of Directors) on the Proxy Form.
4. If the Form of Proxy is signed by an Attorney, the relative Power of Attorney should accompany the Form of Proxy for registration if such Power of Attorney has not already been registered with the Company.
5. If the appointer is a Company / incorporated body this Form must be executed in accordance with the Articles of Association / Statute.
6. The completed Form of Proxy should be deposited at the office of the Secretaries; 264, Grandpass Road, Colombo 14 by 4.30 p.m. on 29th September 2016.

Notes





ADAM CAPITAL PLC

ADAM CAPITAL PLC
264, Grandpass Road,
Colombo 14.