



Lanka IOC
Annual Report
2010 - 2011

Enriching Prosperity





Lanka IOC

“

ENABLING Sri Lanka

The Coconut Flower - A universal symbol of abundance and prosperity in Sri Lanka, embodies both the spirit and culture of our island nation. Its cultural connotations reverberate through the centuries, as a harbinger of good fortune and a blessing for new beginnings. As an icon steeped in tradition, the coconut flower has become synonymous with the deliverance of success.

Lanka IOC is passionately dedicated to prospering Sri Lanka and its people, through innovation, strength and stability. Like a flourishing coconut flower, we are poised to deliver success and abundance to Sri Lanka with pride.

”



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Lanka IOC

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LANKA IOC at a Glance

LANKA IOC

MISSION

To achieve international standards of excellence in all aspects of petroleum with focus on customer delight through value of products and services and cost reduction.

To maximize creation of wealth, value and satisfaction for the stakeholders.

To attain leadership in developing, adopting and assimilating state-of-the-art technology for competitive advantage.

To provide technology and service through sustained Research and Development.

To foster a culture of participation and innovation for employee growth and contribution.

To cultivate high standards of business ethics and Total Quality Management for a strong corporate identity and brand equity.

To help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience.

VISION

A major integrated energy company, with a strong environmental conscience, playing a national role in oil security.

LANKA IOC PLC

“SERVING THE EMERALD ISLE”

Lanka IOC PLC, is an overseas venture of Indian Oil Corporation Ltd., India which is a Fortune 500 company ranked at 125, in the Fortune “Global 500” 2010 list.

HIGHLIGHTS

Lanka IOC ranked #1 based on turnover, amongst corporates in Sri Lanka by LMD for the years 2007/08, 2008/09 & 2009/10.

1

LIOC holds one third share in Ceylon Petroleum Storage Terminals Ltd, the Common User Facility in Sri Lanka for storage and distribution of petroleum products. LIOC is making phased investments to provide world-class quality petroleum products and services to delight the Sri Lankan customers. With Indian Oil's vast experience in downstream petroleum operations, LIOC is in the process of creating a healthy and competitive petroleum sector in Sri Lanka for the larger benefit of the island nation.

Lanka IOC PLC is a public liability company listed in the Colombo Stock Exchange with a turnover of SL Rs.51.74 Billion for the year 2010/11.

The China Bay Tank farm, of World War II vintage, is of historic and strategic significance, being the largest tank farm located between the Middle East and Singapore. The tank farm connects to the Trincomalee harbour, with a 56 km shoreline, making this tank farm most effective for fuel receipt, storage and supply through its own oil jetty in Trincomalee port which was recently refurbished at a cost of LKR 40 Mn. The tank farm, has a total of 99 tanks, each with a capacity of 12,000 kilolitres. LIOC has invested significantly in developing the tankage and has drawn ambitious plans to make Trincomalee an important industrial site.

2010/11
TURNOVER SL RS. 51.74 BN



FLASHBACK 2010/11



1

1. Hon. Deputy Minister of Petroleum Industries Sarana Gunawardana flagging off Lubricant Export to Mauritius on 02.08.2010 while Hon. Minister of Petroleum Industries Susil Premajayantha, LIOC Managing Director Mr. K. R. Suresh Kumar along with other officials look on.



2

2. Mrs. Sudarma Karunaratna - Director General of Sri Lanka Customs visited the Trinco Terminal on 11.10.2010 along with 15 other Customs Officials, LIOC Officer Mr. Sudarshan explaining the process of lube blending to Customs Officials.

3

3. General V. K. Singh - Chief of Army Staff - India visited the Trinco Terminal on 07.09.2010 during his visit to Sri Lanka.





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4. Indian Naval Chief - Admiral Nirmal Verma, visited the Trinco Terminal during his visit to Sri Lanka on 01.07.2010 being received by LIOC Managing Director, Mr. K. R. Suresh Kumar.

5. Chairman, Mr. G. C. Daga, Managing Director, Mr. K. R. Suresh Kumar, Directors Mr. H. S. Bedi, Mr. Jaliya Medagama & LIOC Officials at the inauguration of the new Retail Outlet at Marawila.

6. Honourable Minister of Petroleum Industries, Mr. Susil Premajayantha, Deputy Minister of Petroleum Industries, Mr. Sarana Gunawardana, Indian High Commissioner, Shri Ashok K. Kantha, Lanka IOC PLC Managing Director, Mr. K. R. Suresh Kumar together with other Directors of Lanka IOC at the inauguration of the refurbished Oil Jetty at Trincomalee at a cost of LKR 40 Mn on 02.08.2010.



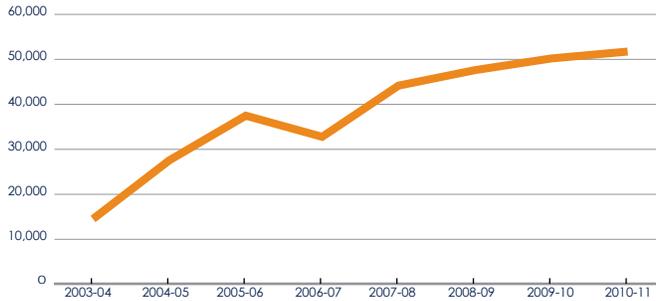
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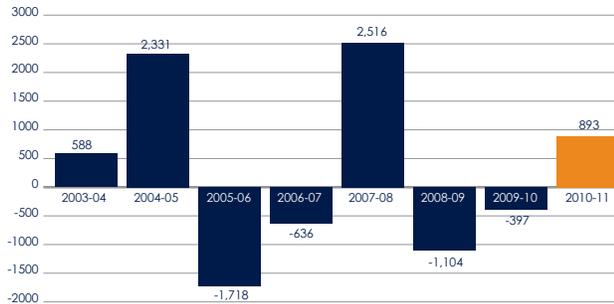
FINANCIAL Highlights

3

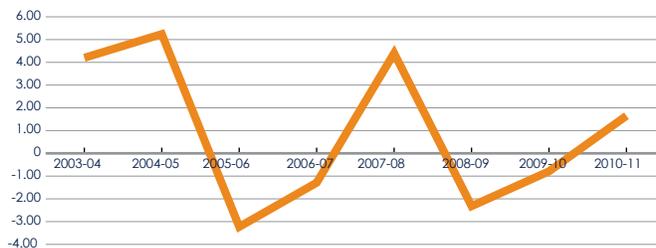
“ Turnover of SL Rs. 51.74 Bn for the year 2010-11 ”



“ ‘Net Profit Before Tax’ Rs. 893 Mn in the year 2010-11 ”



“ Earnings Per Share is on the rise in 2010-11 ”



(All amounts in LKR Million)

2002-03 2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 **2010-11**

Performance Parameters

Sales	1,306	14,533	27,586	37,493	32,796,	44,173	47,617	50,214	51,743
Net Profit/(Loss) Before Tax	78	588	2,331	(1,718)	(636)	2,516	(1,104)	(397)	893
As a % of Sales	6%	4%	8%	(5%)	(2%)	6%	(2%)	(1%)	(2%)
Net Profit/(Loss) After Tax	78	578	2,329	(1,722)	(686)	2,340	(1,238)	(423)	877
Return on Capital Employed	13%	11%	18%	(21%)	(8%)	23%	(14%)	(5%)	10%
Shareholders' Funds	578	4,656	10,563	8,340	7,655	9,995	8,757	8,335	9,211

Key Ratios

Earnings Per Share (EPS) (Rs.)	1.55	4.20	5.24	(3.23)	(1.29)	4.40	(2.32)	(0.79)	1.65
Net Assets Per Share (Rs.)	11.56	15.90	19.20	15.66	14.38	18.77	16.45	15.65	17.30
Current Ratio	1.18	0.49	1.38	1.06	0.63	0.80	1.04	1.00	1.09
Quick Assets Ratio	0.58	0.11	0.84	0.78	0.14	0.19	0.13	0.62	0.40

Price Movement LKR

Market Value Per Share (Highest)	N/A	N/A	54.50	56.00	37.25	31.25	28.00	20.50	21.50
Market Value Per Share (Lowest)	N/A	N/A	38.00	25.00	23.00	19.00	14.00	15.75	17.20
Last Traded Price Record	N/A	N/A	47.75	29.25	30.00	22.00	16.00	18.25	17.60

Performance Parameters

Turnover	1,306	14,533	27,586	37,493	32,796	44,173	47,617	50,214	51,743
Gross Profit	89	1,055	2,503	2,282	909	3,652	(449)	(371)	1,526
Net Profit/(Loss) After Tax	78	578	2,329	(1,722)	(686)	2,340	(1,238)	(423)	877
Earnings Per Share (EPS) (Rs.)	1.55	4.20	5.24	(3.23)	(1.29)	4.40	(2.32)	(0.79)	1.65
Price Earning Ratio (P/E)	N/A	N/A	10.06	(9.05)	(23.29)	5.57	0	(22.99)	10.67

Other Information

No. of Employees	202	214	201	202	170	170	171	172	172
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CHAIRMAN'S Review

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Dear Shareowners,

On behalf of the Board of Directors of the company, it is my privilege to present to you the 9th Annual Report of Lanka IOC PLC together with the audited accounts and highlights of the activities carried out during the financial year ended 31st March, 2011.

Performance

The return of peace in Sri Lanka after many years had a positive impact on the economic activities and has given a boost to growth in various sectors. The country registered 8% growth in GDP in 2010, aided by strong performance in almost all sectors of the economy. The upsurge in tourist arrivals and import of automobiles, and greater mobility

of goods and people resulted in rapid growth in consumption of petroleum products. The Government of Sri Lanka (GOSL) has presented a development-oriented budget for the year 2011 and initiated several infrastructure projects across the island.

Your company posted good growth in the sale of petrol, lubricants and bitumen. The sale of diesel too registered an impressive growth till January 2011 but declined sharply during February and March due to the differential pricing between Ceylon Petroleum Corporation (CPC) and Lanka IOC.

“ Your company registered a sales turnover of LKR 51.74 Billion for the year 2010-11 as against 50.21 Billion in the previous year, a worthy performance considering the severe drop in the sale of diesel in the last quarter. ”

“ Your company has earned a gross profit of Rs. 1,525.8 Million (against a loss of Rs. 371.4 Million in the previous year) and a net profit of Rs. 876.5 Million (against a loss of Rs. 422.7 Million in the previous year) during the year under consideration. ”

During the year, your company reoriented its business strategies by enhancing focus on profitable business lines like lubricants, bitumen and bunkering. The margins realised on petrol remained positive throughout the year while margins on diesel were negative. The positive margins realised from petrol, lubricants and bitumen helped offset the losses incurred on sale of diesel.

Your company re-engineered its bunkering activities by removing bottlenecks in the supply chain and by developing a new system for improved delivery. As a result, the loss suffered in bunker operations during the first nine months was all but wiped out by our strong performance in the last quarter.

The market potential for lubricants was more or less stagnant during the year. However, the various initiatives taken by your company to further penetrate the market and expand the distribution network resulted in a 25% growth in sales volume. Your company entered the bitumen market in the last quarter of 2009-10. In a short period of one year we have been able to establish a significant presence in the market and are able to meet customer expectations on timely supplies.

During the year, we were able to consolidate several initiatives launched in the earlier year, like SERVOXPRESS, export of lubricants under TIEP Scheme (Temporary Importation for Export Processing), thrust on non-fuel income, etc., leading to better returns.

The utilisation of the Lube Blending Plant at Trincomalee improved substantially and more than 70% of the domestic requirement was blended indigenously. Higher production levels led to lowering of cost per unit and improved value addition. Stepping up of production at the Trincomalee Lube Plant will continue to be a focus area this year too.

Areas of Concern

The global oil prices have risen sharply during the last quarter of the year due to several geo-political factors, and this has strongly impacted the petroleum industry in Sri Lanka. Consequently, the profitability of your company's operations is under severe strain, particularly in the absence of a mechanism to link domestic selling prices with those in the international market.



CHAIRMAN'S Review Contd.

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Your company had taken up with the GOSL the issue of evolving a suitable pricing mechanism to align the domestic selling prices in tandem with the international market prices. Various suggestions have also been offered on the methodology that may be adopted, such as changes in the duty structure and increase in domestic selling prices. However, significant progress could not be made even though the Government addressed some of the issues partially in the budget proposals for 2011. The unresolved issue of accumulated VAT credit also remains a matter of great concern.

Unless the issue of pricing is addressed suitably, it would become difficult to meet the rising demand for petroleum products with available resources. Absence of a pricing formula also

affects the profitability and provides little room for developing essential infrastructure in line with demand projections. Your company has attempted to improve the infrastructure at its Trincomalee Storage Terminal but resource limitations may come in the way of making substantial investments for the future also if pricing issues remain unresolved. Accordingly, the Government has been requested to put in place a medium to long-term plan for both the downstream and upstream segments of the petroleum sector.

Business Initiatives

Your company is taking advantage of the restoration of normalcy in the country and is focussing its attention on expansion of its petrol shed network. We plan to set up 10 petrol sheds in the next 12 months at places with adequate business potential and those meeting the needs of the public. The first grass roots petrol shed of your company was commissioned in November 2010 followed by two more in March 2011.

Other initiatives like SERVOPRESS vehicle service centre, non-fuel activities at petrol sheds etc., continue to receive our attention and the progress will be sustained in the years to come. The export initiatives taken in 2009-10 were further pursued with full vigour during the year under review. While export volumes touched 515 KL during the year, higher volumes are expected in the coming year. Other initiatives like de-bottlenecking of operations, expansion of retail network, and optimisation of supply chain have also paid dividends.

Human Resources

Your company has developed a suitable organisational structure based on its strategic business plans of the future. The required manpower has been positioned to achieve the desired performance standards. Your company has consciously selected potential talents so that the employees grow with the company to realise their own ambitions and also reach responsible positions.



Hon. Member of Parliament Namal Rajapaksa helping a student to plant the first sapling at the final event of the Lanka IOC's CSR Project at Nayakawatte Rajapaksa Model School, Getamanne, Hambantota while Managing Director of Lanka IOC and other officials look on.

Training of manpower in both functional and development areas has been the cornerstone for empowering them in their respective areas of work.

Corporate Social Responsibility (CSR)

In a sustainable business model, economic prosperity and protection of environment go hand in hand. Your company has initiated a unique CSR project to make young children conscious of the need to protect the environment and to create awareness among them on ways and means of preserving eco-systems. The "Go Green" project implemented with the support of the Ministries of Environment and Education in the Government of Sri Lanka came to a successful fruition during the year, covering 72 schools and over 1,500

children. We look forward to further expand the scope of the project in the coming years.

Conclusion

In conclusion, on behalf of Lanka IOC, I would like to assure all valued shareowners that your company would continue with its undivided focus on customer service and satisfaction, quality products & services and state-of-the-art technology to expand business on a sustained basis. Towards this, we shall take positive actions in realising the aspirations of the Government of Sri Lanka in the petroleum sector and participate with full vigour in the long-term vision of the nation's emerging economy. Overall, Lanka IOC believes that its organisational values of care, innovation, passion and trust would be the key to long-term success in the petroleum sector.

I wish to extend my whole-hearted gratitude to the Government of Sri Lanka for extending their full support and cooperation to this company. I also wish to record my thanks to all the stakeholders, Directors on the Board, employees of the company and the shareholders who continue to repose faith in us. In conclusion, I thank all our channel partners and valued customers for their unstinted support and patronage.

With Best Wishes,

G. C. Daga
Chairman

01st July 2011



MANAGING DIRECTOR'S Review

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Dear Shareowner,

The financial year ended 31/03/11 witnessed Lanka IOC rebound with vigor and confidence to record substantially improved performance. Your company continued to maintain its preeminent position as a leading Corporate in Sri Lanka providing energy security and being a catalyst to the economic growth of the country. The return of peace after the victory over terrorism has propelled Sri Lanka to march towards the long cherished dream of economic prosperity.

State of the Industry in Sri Lanka

The Government of Sri Lanka has initiated several positive measures to promote strategic investments in the key sectors of the economy and

to facilitate and focus on development of infrastructure. The reform oriented budget proposals of 2011 continuing from the development directions and plans initiated earlier have shown the path for realizing the vision outlined in Mahinda Chinthana.

Petroleum being a vital energy input plays a critical role. However the Government of Sri Lanka could not revise the selling prices to match the volatility in the prices of petroleum products in the international market. The much anticipated pricing formula for altering the duties and prices of petroleum products based on international prices was not initiated. The Government of Sri Lanka took certain ad hoc measures which however were not sufficient. The absence of the pricing formula caused severe financial strain in the last quarter of the financial year and your company could not avert increasing the selling price of diesel though the Government did not initiate any action for the same. The concept of different selling prices for diesel between two petroleum companies for a substantial period took shape in the last quarter of the financial year.

The Government of Sri Lanka effected changes in the duties and levies on petroleum products in the Budget proposals for the year 2011 and post presentation of the Budget announced some provisions affecting the Industry. The abolition of VAT on petrol and bitumen, abolition of Turnover Tax, abolition of Debit Tax etc were welcome reliefs. The vexatious issue of accumulated unabsorbed VAT Credit has not been addressed. Your company has been taking up with the Government of Sri Lanka to find an early solution to the problem.

Your company has been receiving the support and encouragement of the Ministry of Petroleum Industries, Government of Sri Lanka in enhancing the utilization of the Lube Blending Plant at Trincomalee. It is gratifying to note that the Plant utilization has gone up substantially in the year 2010-11 and with the recent amendments announced in the Lubricants License Policy the Plant will be able to step up production to meet the demand of the lubricant marketing companies in Sri Lanka in the future.

Your company evolved strategies in the beginning of the year for implementation over 3 to 5 years. The basic approach was to diversify the segments of business of the company within the core area of business. Your company evaluated the revenue contribution and profitability of the different segments of business. Each segment was critically analyzed to identify the bottlenecks, critical operations and procedures, scope for optimization, skill sets required and sustainability. Training the manpower and upgradation of knowledge and positioning right manpower in each of the verticals was carried out to empower the employees and motivate them.

This approach of treating each business vertical as a profit center has helped to continuously innovate and fine tune the operations.

“ Your company evolved strategies in the beginning of the year for implementation over 3 to 5 years. The basic approach was to diversify the segments of business of the company within the core area of business. ”

Looking to the Future

Your company has ambitious plans for strengthening its position in the downstream petroleum sector. Expansion of petrol shed network across the length and breadth of the country to take petroleum products to the doorstep of the people will be a goal and all efforts will be put in to achieve it.

Infusion of technology in storage and handling of products at Trincomalee and blending of lubricants at Lube Blending Plant and retailing fuel at the petrol sheds is the key to develop customer confidence. Your company would endeavor to absorb the appropriate technology in these activities and strive to add value to the operation.



MANAGING DIRECTOR'S Review Contd.

5



“ Lanka IOC would be a forerunner in Sri Lanka setting the trend in the market and would create new benchmarks in customer service. ”

Your company diversified its portfolio within the petroleum sector by entering into bunker fuels and bitumen marketing business in the last two years. Your company is evaluating on scope for similar and allied areas of activities in which the core competence and expertise can be fully exploited for adding to the present portfolio. The requirement of infrastructure, manpower and the synergies between the present business lines and the new additions will be examined to understand the market dynamics. These forays will take place within the next two years and be converted into profit yielding initiatives in short time. The identification of sources of supply, logistics and marketing network for effective distribution will be carried out before launching the initiatives.



Your company is actively engaged in discussions with alliance partners for introduction of value added services at petrol sheds which would include restaurant and resting facilities at highway petrol sheds, corporate fuel card, rewards and loyalty programs etc so that the discerning customers can avail the benefits of these programs. Lanka IOC would be a forerunner in Sri Lanka setting the trend in the market and would create new benchmarks in customer service. We are confident that the company would continue to enjoy the confidence of our valued customers in the years to come.

I express my sincere gratitude to all the stakeholders, esteemed share owners, the Government of Sri Lanka, our employees, channel partners, vendors and valued customers for their unstinted support. I also express my gratitude to Chairman and Directors of the Company for their guidance and advice in steering the company towards its cherished objectives and be also a responsible Corporate in the service of the country.

With Best Wishes,

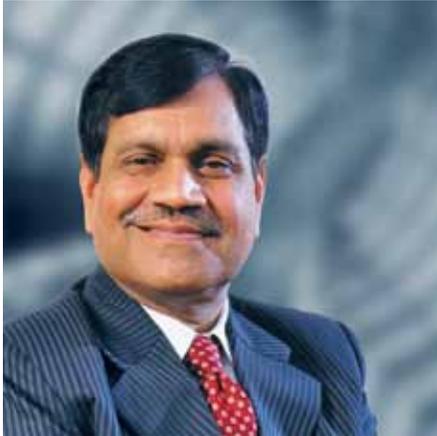
K. R. Suresh Kumar
Managing Director

01st July 2011



BOARD OF Directors

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Mr. G. C. Daga - Chairman

Mr. Gyan Chand Daga is Director (Marketing) of Indian Oil Corporation Ltd., India's largest commercial enterprise and flagship national oil major, since 2006. He is also the non-executive Chairman of Lanka IOC PLC., Indian Oil Petronas Pvt. Ltd., the Corporation's joint venture with Petronas of Malaysia, and Indian Oil Skytanking Ltd., a joint venture with Skytanking Ltd, of Germany. Mr. Daga is also on the Advisory Board of the National Law University, Jodhpur, Rajasthan.

Mr. Daga was recently conferred the prestigious award of 'Marketing Professional of the Year' by CMO Asia, which represents decision-makers and thought-leaders across several industry segments from 25 countries in Asia. Under him, Indian Oil bagged the Reader's Digest 'Trusted Brand Gold Award' in the Petrol Station category for the fourth year in a row, and was chosen as the 'Retailer of the Year - Rural Impact' at the Asia Retail Congress (Mumbai) for its Kisan Seva Kendra rural initiative, for the third consecutive year. Indian Oil also bagged the Customer & Brand Loyalty Award in the Oil & Gas category for the fourth year in a row at the 4th Loyalty Summit held in Mumbai.

A qualified Chartered Accountant, Mr. Daga joined Indian Oil in 1975. During the course of an illustrious career spanning over 35 years, he handled diverse portfolios, including Finance, International Trade and Bulk Consumer Sales, besides heading the Corporation's marketing set-up in two major States, Punjab and Rajasthan, where he not only performed consistently well but also projected a positive corporate image.

Mr. Daga is among the few corporate leaders with multi-sector experience across two major public enterprises. In the year 2004, he was selected to join the Board of Steel Authority of India Ltd, (SAIL), another leading public sector enterprise, as Director (Finance). At SAIL, he was part of a management team that presided over the turnaround of the organisation.

After a two-year stint at SAIL, Mr. Daga rejoined Indian Oil as Director (Marketing) on the Board in September 2006. At Indian Oil, Mr. Daga is responsible for the Marketing function, including developing and implementing a diversified range of business plans, and maintaining the top-line as well as the bottom-line. Currently, he is driving capability improvement programmes for updating the skill-sets of his 16,000-strong team in line with the technological changes and the state of competition. He is also vigorously pursuing technological interventions that would enhance efficiency and enable employees to improve work-life balance.

During the course of handling diverse portfolios, Mr. Daga has made an indelible mark with his deep insight on various issues. Known for his "people-oriented approach", Mr. Daga is a firm believer in the synergistic impact of teams. He is also known for interacting directly with line managers and promoting out-of-the-box thinking. He practices a management style that is open, transparent and cuts across layers, allowing free thinking and abundant application of mind by teams working under him.



Mr. K. R. Suresh Kumar – Managing Director

Mr. K. R. Suresh Kumar is a Chemical Engineer from Madras University and has done a Management Education Programme at Indian Institute of Management at Ahmedabad. He has a wide exposure in various disciplines in petroleum marketing and has been with Indian Oil Corporation Limited in India for more than 30 years. He has presented papers in national and international seminars in India on lubrication and allied technologies and has also visited UK, Germany, Spain, Malaysia etc., for studying the markets. His last assignment in India was the General Manager (Retail Sales) at Indian Oil Corporation Limited, Mumbai. He has taken over as the Managing Director, Lanka IOC PLC with effect from 6th December, 2008.



Prof. Lakshman Ravendra Watawala - Director

Prof. Lakshman R. Watawala is a Fellow of the Institute of Chartered Accountants of Sri Lanka (FCA); Fellow of the Institute of Certified Management Accountants of Sri Lanka (FCMA); Fellow of the Chartered Institute of Management Accountants of UK (FCMA UK).

He served as a Qualified Assistant at Turquand Youngs (Ernst & Young); Chairman & Managing Director of the Ceylon Leather Products Corporation; Chairman & Managing Director of the State Mining and Mineral Development Corporation; Chairman People's Bank; Chairman People's Merchant Bank; Chairman & Director General of the Board of Investment of Sri Lanka; Advisor of the Ministry of Finance;

Chairman of the Pan Asia Bank Ltd., Director South West Asia Informatics Holdings Ltd., Singapore; Deputy Chairman and Executive Director of the Singapore Informatics Computer Institute (Pvt) Ltd., and the Chairman of the National Insurance Trust Fund.

He currently serves on the company Directorates of Richard Peiris PLC, Asian Alliance Insurance PLC, Transnational Lanka Records Solutions (Pvt) Ltd, Gestetner Ceylon Plc, Lake House Printers & Publishers PLC and Abans Electricals Plc. He is also the Chairman of the Audit and Remuneration Committee of some of these companies.

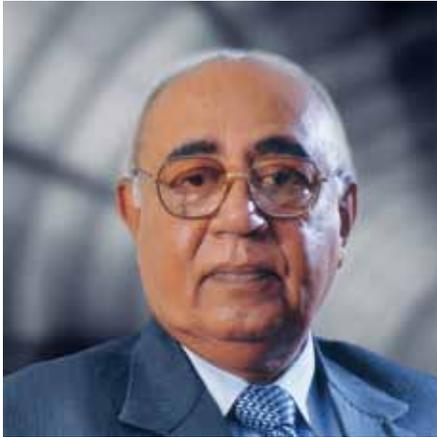
He also serves as a Committee Member of the Ceylon Chamber of Commerce; President of the Institute of Certified Management Accountants of Sri Lanka and its Founder; was the Past President of the Institute of Chartered Accountants of Sri Lanka; Past President of the South Asian Federation of Accountants (SAFA); Founder President of the Association of Accounting Technicians of Sri Lanka (AAT) and Past President of the Organization of



BOARD OF Directors

Professional Associations of Sri Lanka (OPA). He has been appointed by the Supreme Court of Sri Lanka to the "Committee of Chartered Accountants" to assist the Supreme Court in the repayment of depositors of certain specified failed companies.

6



Mr. Jaliya Medagama - Director

Mr. Jaliya Medagama holds a Bachelor's Degree from the University of Ceylon, Peradeniya and obtained his post graduate qualifications at the Institute of Social Studies, Den Haag, Netherlands.

Mr. Medagama has served as the Commissioner of the Department of Agrarian Services and later he was appointed as the Secretary to the Ministry of Irrigation, Power and Energy, Government of Sri Lanka. He also served as the Sri Lanka representative in the Board of Governors of the International Irrigation Management Institute and represented many forums

held in Tokyo, Japan, Netherlands, U.S.A., Turkey, Nepal and many other countries.

He served as the Chairman and Managing Director of the Ceylon Petroleum Corporation from April 2004 to September 2006. In addition to his work in the Petroleum Corporation, Mr. Medagama served as the Chairman of the Ceylon Petroleum Storage Terminals Limited Company.

With his vast experience in the Petroleum Sector, he was appointed as its first Secretary to the newly established Ministry of Petroleum Resources Development. He also served as the Chairman and member of the Petroleum Resources Development Council which handled oil exploration and upstream activities.

After a successful career of more than forty years in the Public Service, Mr. Medagama retired in September 2006 and was invited to serve as an Independent Director of the Board of Directors of Lanka IOC PLC from September 2008.



Mr. P. K. Goyal - Director

Mr. P. K. Goyal, Director (Finance) of Indian Oil Corporation Limited (IOC), joined IOC on 07th June 1977. A Chartered Accountant by profession has wide experience in Indian Oil sector for over three decades. During his stay, he has held various positions attributing to Finance in the refineries and corporate office. Mr. P. K. Goyal is in the Board of Directors of Chennai Petroleum Corporation Limited (CPCL), Indian Strategic Petroleum Reserves Limited (ISPRL), Bogaigaon Refinery & Petrochemicals Limited (BRPL) and Indian Oil Tanking Limited during the preceding ten years.

He is also responsible for overall operations of the Company's treasury with annual inflows/outflows exceeding USD 80 Billion. Significant achievements to name are mobilization, effective utilization of funds, monitoring and control of the Treasury operations, collateralized borrowing & lending operations and trade finance facilities.



Mr. H. S. Bedi - Director

Mr. H. S. Bedi, an MBA holder, is presently posted as an Executive Director (Retail Sales), Indian Oil Corporation Limited, a USD 72 Billion conglomerate which is the largest commercial undertaking in India and is ranked at 125, in the Fortune "Global 500" 2010 list.

As head of Indian Oil's Retail Sales function, Mr. Bedi holds responsibility for a vast network of more than 19,500 Fuel Stations and 66 Offices spread across all parts of the country, contributing to approximately 50% of Company's sales volume.

Mr. Bedi has acquired more than 30 years of rich and varied experience across functions of downstream Petroleum Industry including Corporate Planning, Aviation, Logistics and Human Resources Management too.

He has been associated in conceptualizing and roll out of various strategic initiatives undertaken by the Corporation from time to time including introduction of e-Performance Management System, Restructuring Group Productivity Incentive scheme for employees and Launch of structured Non fuel revenue foray of Indian Oil.



SENIOR MANAGEMENT Team

7





From left (seated),

Mr. S.S. Pandita
Senior Vice President (Eng)

Mr. K.R. Suresh Kumar
Managing Director

Mr. T.C.A. Satagopan
Senior Vice President (Finance)

Mr. C. M. Chandrakandan
Senior Vice President (Ops & LBP)

Mr. S. Marimuthu
Vice President (Ops)
not in the picture

From left (standing),

Mr. Ajay Garg
Vice President (Sales)

Mr. N.K. Modi
Vice President (Finance)

Ms. Rajanie Balakrishnan
Company Secretary

Mr. H. Manshani
Senior Vice President (Ops & HR)

Mr. V. Sakthivel
Senior Vice President (LM & P)



CORPORATE SOCIAL Responsibility

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A student from Sri Sumangala Model School, Horombuwa, Wariyapola is eagerly waiting for her turn to plant her sapling.

Lanka IOC PLC, as a responsible corporate citizen believes, that Corporate Responsibility is not merely about philanthropic activities, making generous donations to various charitable causes but about being accountable for your actions, to your stakeholders and operating in a way that ensures long term sustainability, which in turn ensures sustainable development of the nation.

Lanka IOC PLC commenced its business in Sri Lanka in the year 2002 and was concentrating on stabilizing its business in Sri Lanka, energizing the people of Sri Lanka in the best possible manner with its 155 Retail Outlets spread in all parts of the country.

In the year 2010, with the increase of the catastrophic effects of the natural disaster all over the world, due to climate change and its consequences, the Company decided to engage and educate the young minds of Sri Lanka to minimize this effect and formulated a project to address the issue by "Go Green" concept, involving the

school children with the collaboration of the Ministry of Environment and Natural Resources. The company targeted to plant 1500 saplings within one year of its commencement, engaging 1500 school children from the under privileged families selected by the school authorities, which was on 12th February 2010. Each child engaged in this project is encouraged by giving the ownership of the sapling planted and the company contributing a sum of Rs.100/- per student every month for a period of 3 years to care for the trees, until the trees can withstand any damage.

The Company proudly announces its completion as targeted within one year engaging 1,500 students from 72 schools as given in the next page:

No.	Names of the Schools	No. of Students	Date of the Event
1	Hemamali Balika Vidyalaya, Colombo 10	7	12.02.2010
2	Ananda Samarakoon Vidyalaya - Wewala, Piliyandala	59	01.03.2010
3	Phillip Attigala Vidyalaya - Madapatha, Piliyandala	53	01.03.2010
4	Dharmasena Attigala Balika Vidyalaya - Kesbewa	50	01.03.2010
5	C.W.W. Kannangara Vidyalaya, Borella	30	14.05.2010
6	Veluwana Vidyalaya, Dematagoda	50	19.05.2010
7	Bandaranayake College, Gampaha	51	05.06.2010
8	Ratnawali Vidyalaya, Gampaha	25	11.06.2010
9	Yashodaradevi Balika Vidyalaya, Gampaha	26	11.06.2010
10	Wathurugama Maha Vidyalaya, Gampaha	25	11.06.2010
11	Mellawagedera Maha Vidyalaya, Minuwangoda	51	11.06.2010
12	Veerapuram Model School, Moratuwa	25	06.08.2010
13	Hindu College, Jaffna	25	07.10.2010
14	Kamalasani Vidyalayam, Madduvil, Chavakachcheri	25	07.10.2010
15	Varani Maha Vidyalayama, Varani	25	07.10.2010
16	Hartley College, Point Pedro	25	07.10.2010
17	Nellyady MMV, Karaveddy	25	07.10.2010
18	Sri Somaskanda College, Puttur	25	07.10.2010
19	Attair College, Neervely	25	07.10.2010
20	Ramanathan College, Chunnakam	26	07.10.2010
21	Manipay Hindu College, Manipay	25	07.10.2010
22	Velanai Central College, Velanai	25	07.10.2010
23	Yarlton College, Karainagar	25	07.10.2010
24	Chadrapura Skandavarodaya Madduvil Maha Vidyalayam, Chavakachcheri	25	07.10.2010
25	Randeniwela Junior School, Wellawaya	25	04.11.2010
26	Siyambagunaya Junior School, Wellawaya	25	04.11.2010
27	Sri Sumangala Model School, Wariyapola	25	15.10.2010
28	Hisbulla Madya Maha Vidyalaya, Kurunegala	25	15.10.2010
29	Nalanda Vidyalaya, Trincomalee	50	06.12.2010
30	St. Mary's College, Trincomalee	10	06.12.2010
31	Rajaela Vidyalaya, Kanthale	30	06.12.2010
32	Chinabay Tamil Vidyalayam, Trincomalee	20	09.11.2010
33	Medawachchiya Maha Vidyalaya, Bakmeegama	25	09.11.2010
34	Kiwulekada Vidyalaya, Bakmeegama	23	06.12.2010
35	Mullaitivu Maha Vidyalayam, Mullaitivu	10	09.12.2010
36	Vidyananda College, Mullaitivu	10	09.12.2010
37	Vattapalai Maha Vidyalayam, Mullaitivu	10	09.12.2010



CORPORATE SOCIAL Responsibility Contd.

38	Chemmalai Maha Vidyalayam, Mullaitivu	10	09.12.2010
39	Kumulamunai Maha Vidyalayam, Mullaitivu	10	09.12.2010
40	Kalaimahal Vidyalayam, Mullaitivu	10	09.12.2010
41	Uduppukulam Tamil Vidyalayam, Mullaitivu	10	09.12.2010
42	Silawaththai Tamil Vidyalayam, Mullaitivu	10	09.12.2010
43	Mulliyawalai Tamil Vidyalayam, Mullaitivu	10	09.12.2010
44	Thanneerootu Tamil School, Mullaitivu	10	09.12.2010
45	Vedduvaikal G T M School, Mullaitivu	10	09.12.2010
46	Kallapadu G T M School, Mullaitivu	10	09.12.2010
47	Roman Catholic Tamil Mixed School, Mullaitivu	10	09.12.2010
48	Alampil Roman Catholic Vidyalayam	10	09.12.2010
49	Pandiyankulam Maha Vidyalayam, Thunukai	10	09.12.2010
50	Nattankandal G T M School, Thunukai	10	09.12.2010
51	Kollaivilankulam G T M School, Thunukai	10	09.12.2010
52	Yogapuram Maha Vidyalayam, Thunukai	10	09.12.2010
53	Palinagar G T M School, Thunukai	10	09.12.2010
54	Anichchiyankulam G T M School, Thunukai	10	09.12.2010
55	Muthaiyankaddu Idathukarai Vidyalayam, Thunukai	10	09.12.2010
56	Thanduvan G T M School, Thunukai	10	09.12.2010
57	Thirumurukandy Hindu Vidyalayam, Thunukai	10	09.12.2010
58	Muthayankaddu Valathukarai Vidyalayam, Thunukai	10	09.12.2010
59	Oddusuddan Maha Vidyalayam, Thunukai	10	09.12.2010
60	Vavunikulam G T M School, Thunukai	10	09.12.2010
61	Vannivilankulam G T M School, Thunukai	10	09.12.2010
62	Koddaikaddiyakulam G T M School, Thunukai	10	09.12.2010
63	Kalvilankulam G T M School, Thunukai	10	09.12.2010
64	Kadienlena Tamil Vidyalayam, Nawalapitiya	25	07.01.2011
65	Westhall Tamil Vidyalayam, Nawalapitiya	25	07.01.2011
66	St. Andrews Balika College, Nawalapitiya	25	07.01.2011
67	Kathireson Central College, Nawalapitiya	25	07.01.2011
68	Gannoruwa Junior School, Peradeniya, Kandy	12	07.01.2011
69	Nayakawatte Rajapaksa Model School, Gatemanne, Hambantota	26	25.01.2011
70	Thelubuyaya Junior School, Hakuruwela, Hambantota	26	25.01.2011
71	Abhayapura Junior School, Hambantota	25	25.01.2011
72	Obadagahadeniya Junior School, Hambantota	10	25.01.2011
	Total	1,500	

Pictures below show the events at few schools that were engaged in the "Go Green" Project of Lanka IOC PLC.



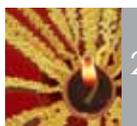
Students of Kathireson Maha Vidyalayam, Nawalapitiya who were selected to care for the plants with the saplings in their hands.



Students from Hartley College, Point Pedro selected to care for the plants fixing the guard to a sapling planted in their school premises.



The then Chairman of Lanka IOC PLC, Mr. S.V. Narasimhan handing over a sapling to a student at C.W.W. Kannangara Vidyalaya, Borella, while Managing Director - LIOC, Mr. K.R. Suresh Kumar and the Principal of the school look on.



CORPORATE SOCIAL Responsibility Contd.

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Indian High Commissioner His Excellency Ashok K. Kantha handing over a sapling to a student at Hindu College, Jaffna while Managing Director of Lanka IOC Mr. K. R. Suresh Kumar and Northern Province Governor Hon. Major General G. A. Chandrasiri along with other officials look on.



Selected students from the Mullaitivu schools to care for the saplings planted in their schools, waiting to collect their saplings.

CORPORATE Governance

Corporate governance is the set of processes, customs, policies and laws affecting the way a company is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed.

Board of Directors is committed to ensure the accountability through proper mechanism that enhances the shareholder value whilst ensuring that proper internal control systems are in place to govern the day to day affairs of the company. The company endeavours to practice the principles of corporate governance to ensure transparency, integrity and accountability in its functions which are vital for achieving the business objectives of becoming a major, integrated energy Company with a strong environment conscience and playing a national role in oil security.

The Company adheres to the requirements of the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka (ICASL) and The Securities and Exchange Commission of Sri Lanka (SEC).

Composition of the Board of Directors

The Board comprises one Executive and five Non-Executive Directors. The Managing Director is a full time Director and functions as the CEO of the Company. The other Directors are professionals and experienced leaders of high repute in their respective functional areas.

The Non-Executive Directors include two Independent Directors, Prof. Lakshman R. Watawala and Mr. Jaliya Medagama who are acclaimed for their knowledge and experience in their respective fields. Their active participation in the Board deliberations has brought in an independent and pragmatic view to the Board deliberations and in taking decisions.

Board Meetings held during the Financial Year 2010-2011

S.No.	Date	Strength of the Board	No. of Directors Present
1	13th May 2010	6	5
2	09th September 2010	6	5
3	09th November 2010	6	5
4	10th February 2011	6	6

Corporate Management

The Managing Director manages the Company's day-to-day affairs based on strategic direction, policy formation and procedures approved by the Board from time to time. Each function is headed by a Senior Vice President or a Vice President who assists the Managing Director in the day-to-day functioning of the Company. The team members are well qualified with professional degrees, have long service experience and deal professionally in their respective functional areas.



CORPORATE **Governance** Contd.

Investor Relations

The Company maintains excellent relationships with its investors. Through its Registrars, the Company strives to address the grievance of its shareholders on priority.

Accountability & Audit

The Board has reviewed in detail the contents of the Annual Financial Statements and has verified its adherence to principles of accounting, corporate laws and norms laid down for transparent disclosure and accepted accounting policies.

Internal Control

A professional firm of Chartered Accountants conducts the internal audit of the Company's transactions regularly. The audit reports and actions taken are placed before the Audit Committee on periodic basis for a review and to ensure the adequacy and effectiveness of the internal controls.

ANNUAL REPORT of the Board of Directors

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

To the Shareholders

The Board of Directors has pleasure in presenting the 09th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2011. The Directors confirm that the financial statements have been prepared in accordance with the Sri Lanka Accounting Standards, which have been consistently applied and supported by reasonable and prudent judgments and estimates.

Review of the year

The Chairman's statement describes in brief the Company's affairs and the performance during the year.

Financial Statements

The Financial Statements of the Company for the year ended 31st March 2011, which include the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the Notes to the Financial Statements, are given from page 52 onwards.

Principal Activities of the Company

The main activities of the Company are importing, blending, distributing, selling of petroleum products including Bitumen and bunkering in Sri Lanka.

Auditors' Report

The Auditors' Report on the financial statements is set out on page No 51.

Accounting Policies

Accounting policies have been consistently applied by the company in preparing the Financial Statements of the company and there have been no changes made in the accounting policies during the financial year ended 31st March 2011.

Purchasing Policy

All imports of products are made against global tender floated to various petroleum product suppliers all over the world. All transactions with the Parent Company – Indian Oil Corporation Limited are on purely commercial terms and conditions of contract that are applicable/applied to similar such other suppliers of the respective products. The parent company is treated on par with any other such supplying company without any preferences whatsoever.

Government of Sri Lanka has not stipulated any restrictions on the retail pricing of petroleum products by LIOC. LIOC is free to follow an independent policy for pricing its products in the market.

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ANNUAL REPORT of the Board of Directors Contd.

Entries in the Interests Register

The Company in accordance with the Companies Act No.07 of 2007 maintains an interest register. Particulars of entries in the interests register are given below;

Directors' Interests in Transactions

The Directors of the Company have made the general disclosures provided for in section 192(2) of the Companies Act No.07 of 2007. Note 24 to the financial statements deals with Director's interests in contracts with the Company.

Directors' Interests in Shares

Prof. Lakshman R. Watawala, Independent Non Executive Director of the Company has purchased 500 ordinary voting shares on 23rd November 2009. There were no share dealings by any other directors of the Company (Sec.200) during the accounting year.

Remuneration and Other Benefits of Directors

The aggregate remuneration and other benefits of directors of the Company for the financial year 2010-11 amounts to LKR. 14,105,326/- (2009-10 - LKR. 23,709,936/-).

Dividends

The Directors do not recommend the payment of a dividend for the year ended 31st March 2011.

Directors

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

Mr. G. C. Daga	Chairman
Mr. K. R. Suresh Kumar	Managing Director
Prof. Lakshman R. Watawala	Independent Non-Executive Director
Mr. Jaliya Medagama	Independent Non-Executive Director
Mr. P. K. Goyal	Non-Executive Director
Mr. H. S. Bedi	Non-Executive Director

Mr. S. V. Narasimhan who was the Chairman of the Company as at 31st March 2010, resigned with effect from 09th September 2010.

Mr. G. C. Daga was appointed as the Chairman of the Company with effect from 10th September 2010 in place of Mr. S. V. Narasimhan.

Appointment of Auditors

A resolution to re-appoint the present auditors PricewaterhouseCoopers who have expressed their willingness to continue, will be proposed at the Annual General Meeting.

The Auditors' remuneration for the year 2010-11 was fixed at LKR 1,200,000/- (2009-10 LKR.1,041,555/-) as disclosed in Note 7(a) to the financial statements on page 65 thereof.

Auditors relationship or any interest with the Company

The Directors are satisfied that, based on written representations made by the independent auditors to the Board, the Auditors did not have any relationship or any interest with the Company that would impair their independence. PricewaterhouseCoopers were also engaged as Tax Consultants and for other certifications / consultations at a remuneration of LKR. 328,500/- (2009-10 LKR. 169,100/-) payable by the Company to the Auditors for the additional services rendered to the Company. Ernst & Young were engaged as Internal Auditors and a remuneration of LKR. 570,500 was paid for the services rendered by them for audit and allied services.

Donations

The Company has made donations amounting to LKR. 49,400/- during the year ended 31st March 2011.

Changes in Property, Plant and Equipment

The movements in property, plant and equipment during the year ended 31st March 2011 and 31st March 2010 are set out in Note 11 to the financial statements.

Stated Capital and Reserves

There was no change in the stated capital of the Company during the year under review. Majority of the shares i.e. 75.12% are held by the Indian Oil Corporation Limited, India. The total retained earnings of the Company as at 31st March 2011 amounted to LKR. 1,634,648,011/- (2009-10 – LKR.758,118,766/-).

Statutory Payments

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

Secretarial Audit Certification

The company obtained the services of a Secretarial Services Company to conduct a Compliance Audit to ensure that all statutory requirements for the year ended 31.03.2011 had been complied with by the company. On completion of the Audit, the Secretarial Services Company issued a certificate confirming the compliance of all statutory requirements for the year ended 31.03.2011 and submitted to the Board.

As a good practice, this exercise shall be conducted every quarter and a report submitted to the Board.

Stated Capital and Control

There are no restrictions on the voting rights attaching to the Company's ordinary shares of 532,465,705 which are fully paid up and listed on the Colombo Stock Exchange.



ANNUAL REPORT of the Board of Directors Contd.

Turnover

The Turnover increased from Rs. 50,214 Billion in 2009-10 to Rs. 51,743 Billion showing a growth of 3.05%. The increase in the Turnover came from increased sale of Bitumen (913%) and Lubricants (32%) compared to the previous year.

The total quantity of sales of all products dealt by your company decreased from 646,520 KL to 623,918 KL during this period showing a marginal decline of 3.5%. The main reason for this decrease came from reduction in the Bunker sales during the mid year period and the reduction in sale of Diesel towards the end of the year (Feb and March 2011) due to the differential price set by your company for its diesel sale from Feb 2011.

The sale of Petrol, Bitumen and Lubricants registered a substantial growth more due to growth in the economy, more imports of cars, growth in tourism industry and major infrastructure road projects linking vital centres of economic activity launched by the Government of Sri Lanka.

Operations

A) Trincomalee Terminal

A conscious decision was taken during the year by the Management to serve the nation more from its own upgraded facilities at Trincomalee for better resources management and economies where its own infrastructure was already in place rather than to depend on the other available but costlier resources, in doing so the company's throughput of supplies from its Trincomalee Terminal went up from 184,000 KL in 2009-10 to 275,000 KL in 2010-11 representing approximately 49.5% increase in the throughput.

B) Bitumen Operation

The high growth of the Road Infrastructure development projects and the supporting budgetary tax proposals enabled your company to grow its Bitumen business from sales of 2,276 MTs during the 2009-10 to 22,487 MTs during 2010-11. In the first full year of operations the company has a 25% market share of the Bitumen business in the island for road construction and emulsion manufacturers and hopes to grow further in this segment in the coming years. Further scope to streamline the operations are being examined to yield better results in the coming year.

C) Bunker Operations

Your company consolidated and streamlined its business operations in the Bunker fuels segment. Tie up for product sourcing on long term basis and for logistics for better operations were effected during the last quarter of the year. Due to the prevailing high prices of the Bunker fuels in international markets, the company adopted curtailed operations in this segment resulting in reduction of business volume by about 28%. The Company also did its Bunkering operations at Trincomalee harbor.

Consequent to these changes, your company hopes to perform better in the current year and be the market leader in this segment.

D) Retail Business

The company retails petrol and diesel in the island by importing and marketing the same. The petrol sales volume increased by 7% year to year, on the back of a growth in the tourism sector and upward growth in the economy. The company introduced a new superior fuel called XtraPremium 95 for high end cars and for the niche market in November 2010. This product has been well received in the market with a monthly sale of about 700 KL, which is quite encouraging.

The company has plans to increase this penetration of this high class fuel by giving more impetus to its sale for a better environmental impact and greener fuels concept.

Due to the differential price set by your company for Diesel with effect from 5th February 2011, the sale of Diesel decreased to about 25% of the normal sales. However considering the continued losses being incurred in the retailing of Diesel due to the still prevailing high international prices, your Directors have decided to continue with the differential pricing concept in the short term till such time there is correction in the international prices of this product to suitable levels. The Management is continuously reviewing the pricing and strategies for retail marketing of diesel.

E) Lubricants

The sale of Lubricants grew up by 28% in 2010-11 over the volume of the same in 2009-10. With an estimated market share of approximately 18%, your company is now the second largest Lubricant company in Sri Lanka and the one with state of the art technology.

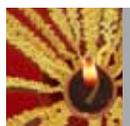
Govt of Sri Lanka implemented the upgradation of the 2T Lubricants being marketed in Sri Lanka, to the JASO FC standards, with effect from 01.04.2011. Your company was geared up well in advance for meeting the timeline for this implementation and also commenced marketing of the upgraded products from March 2011 itself.

The company blends its Lube oils that are marketed in Sri Lanka at its Lube Blending Plant at Trincomalee. During the year the Plant load factor at the Lube Blending Plant increased by 44% over the production of the previous year.

During the year the Lube marketing network was expanded by the induction of five new Distributors in the East and Northwest provinces of the island.

Price Revision of Diesel

The retail fuels business of your company is totally import dependant. During the year the import price of Diesel went up from USD 75 per Barrel in April 2010 to a high USD 110 in early February 2011 forcing your company to strategise its diesel retailing by pricing Diesel at a different and higher price than CPC. Thus price of Diesel was set by your Company at Rs. 78/- per litre with effect from 05.02.2011, with the aim of keeping impact on to the economy at a minimum while trying to reduce the losses for the company also. In comparison Diesel was being sold at Rs. 73/- at CPC petrol sheds during this period.



ANNUAL REPORT of the Board of Directors Contd.

However, consequent to the price increase, the sales of Diesel at the company Retail Outlets have dropped subsequently. The management is constantly reviewing the situation and is hopeful of aligning the prices at a future date when the economies of diesel retailing are favourable to the company.

Capital Projects

During the year of operation, your company expanded its retail network by commissioning three more Retail Outlets at Nanattan (Mannar), Omanthai and Marawila. Further five of the Retail Outlets, being at Ja Ela, Balangoda, Horana, Ratmalana and Negombo, were also refurbished on raze & rebuild basis. All these new Retail Outlets additions and refurbishments were effected at a total cost of approximately Rs. 169 Million.

ServoXpress, the premium vehicle care service of the company was inaugurated at 6 locations in the island. With these inaugurations, this premium service is now available at 21 locations in the island. Your company now plans to progressively roll this premium service at more locations during the coming year.

Exports of Lubricants from Sri Lanka

In recognition of the quality and value of the Lubricants manufactured and marketed by your Company, the company secured important orders and exported Servo Lubricants to Nepal, Mauritius and Ghana. The Major order for Lubricants supply to Ghana was received from M/s Anglo Gold Ashanthi, a Gold mining MNC in Ghana. The Company earned valuable foreign currency on these exports.

Taxation

The Company is a Board of Investment [BOI] registered entity, registered under section 17 (2) of the BOI Act No 4, 1978. Under this registration, the Company's profits from the main business operations are exempt from Income Tax for a period of 10 years from 2002-03, and taxable thereafter at a concessional rate of 15%.

Duty Concessions on Petro Products

To ensure a viable and stable import and marketing of the petro products in the island and ensure continued availability your company has been closely interacting with the Ministry of Petroleum Industries, Ministry of Finance & Planning and the Sri Lanka Customs. Towards the same the Govt of Sri Lanka waived the Customs Duty of Rs. 15/- and Rs. 4/- on petrol and diesel respectively, that were levied in the Budget proposals for 2011 to ensure relief to the company and the citizens of the nation. Similarly the Customs and VAT duties on Bitumen were also withdrawn by the Govt in the Budget proposals w.e.f. 26.11.2010.

Your company wishes to place on record its sincere thanks to the Ministry of Petroleum Industries and the Ministry of Finance & Planning for their kind understanding and support in granting these concessions to the industry.

In the Service of the Nation

On a very urgent request by the Ministry of Petroleum Industries to ensure continued availability of the petro products in the country, your company is humbly proud to state that it was able to arrange for the import of a large parcel of petrol in June 2010 at highly competitive rates which was also well appreciated in the

Government circles. Your company wishes to place on record its appreciation and thanks for the support and guidance extended by the Ministry of Petroleum Industries and the Hon. Minister for Petroleum Industries and keenly looks forward to their continued support for future operations also.

Issue of Applicability of Tax on Profits from the Income from Franchisee Retail Outlets

On the profit made by the company in the financial year 2007-08 an issue arose between the Company and the Board of Investments of Sri Lanka with regard to the tax on the profit from the 50 Franchisee retail outlets of the company. On advise from BOI, the Inland Revenue Dept [IRD] charged your company a tax of Rs. 312,344 Million which had to be paid by your company under duress. The Company contested this issue of taxability through arbitration proceedings in the International Chamber of Commerce-International Court of Arbitration (ICC-ICA) and through Writ Petition in the High Court of Sri Lanka at Colombo.

However your Company was able to resolve the issue successfully through discussions. The company and BOI signed a supplementary agreement on 19.08.2010 extending the benefit of non taxability of Income accrued to the company through Franchisee sheds also for the same period of 10 years extended to the 100 purchased sheds. Consequently the Arbitration proceedings with ICC-ICA and the Writ Petition at the High Court of Colombo were withdrawn by your company.

IRD by its letter dated 20.10.2010 had accorded approval to your company to set off the Income Tax refund of Rs. 312,344 Million against the quarterly Economic Service Charge (ESC) dues of Rs. 30 Million and the monthly VAT payments of Rs. 8 -10 Million per month which are due to IRD. Post the adjustments for the dues to IRD as above the balance refund due to your company now stands reduced to Rs. 111,770 Millions as on 31.03.2011 from the original Rs. 312 Million. Full efforts are being made with IRD to receive the balance amount from them.

Your Company wishes to place on record its sincere thanks to the Director General, the Dy. Director General, Executive Director (Law) and other Officers of BOI with whose kind guidance and appreciation only the issue could be resolved fast for mutual benefit.

Other Income

In continuous efforts to optimize its income from various sources, your company earned Rs. 25 Million during the year, through rentals from lease of hoardings, space and amenities at the various Retail Outlets and from other resources. This represents an increase of about 20% over the last year's such earnings of about Rs. 21 Million.

Internal Control

The company has adequate internal controls in place commensurate with the size, growth and span of business operations. Policies and procedures covering HR, Finance, Engineering, Secretarial and Plant and Terminal Operations are in place and being evolved. The Internal Auditors of the Company are M/s Ernst and Young, Chartered Accountants, Colombo and the scope of their audit covers internal procedures, controls and systems, risk analysis, financial operations. Auditors directly report their observations to the Audit Committee of the Board with recommendations. Monthly reports are presented to the Company Management, discussed and appropriate



ANNUAL REPORT of the Board of Directors Contd.

actions taken where necessary as recommended by the Internal Auditors. Management committee reviews the systems and practices, risks faced by the company due to changes in the business environment, developments in the market, Government policies etc, regularly and initiates appropriate actions to mitigate the risks and reorient business strategies.

SAP ERP Solution Implementation

The SAP-ERP system was implemented for the Petroleum Industry in the island from 1st of April 2010. With completions of the configurations, the placement of the related equipment and the training of the personnel all well in time, your company was able to reap the benefits of the new ERP system greatly. The current year's Books of Accounts, the preparation of the Balance Sheet and P & L Accounts the Audit thereof were all effected under the new systems and completed seamlessly and well in time which has been appreciated by the Management and Auditors as well.

Your company and the Management wishes to place on record its appreciation of the service and the support given by Ceylon Petroleum Storage Terminal Limited [CPSTL] and the Manthan Group of IOCL, India in training its personnel and for the help, guidance and support given to it in this regard.

Hambantota Port Operations

As a recognition of its efficiencies and achievements in the Bunkering operations in the Colombo Port, your company was invited to take part in the inauguration of the Hambantota Port which was inaugurated by His Excellency the President of Sri Lanka, Mr Mahinda Rajapaksa. Your company is proud to state that it was invited to supply a major portion of the Bunker fuels to the inaugural vessel M.V. Seruvilla, by supplies of 44 MT of Marine Gas Oil and 22 MT of Intermediate Fuel Oil 180 to it.

The Company and the Management profusely and most sincerely thank His Excellency the President and the Management of the Hambantota Port for the honour bestowed on it in being allowed to be a part of this historic occasion. The Company assures the nation and its shareholders that it will always remain a loyal and a Honourable Corporate Citizen in the service of the nation of Sri Lanka and its Citizens.

Funding Operations

In keeping with its aim for basing its funding and other credit facilities with banks in Colombo, during the year the Company signed Facility Agreements with the following Colombo based banks at very attractive rates of Interest for US Dollar funds :

- ICICI Bank, Colombo for USD 60 Million
- Standard Chartered Bank, Colombo for USD 30 Million

The existing credit facilities with State Bank of India, Colombo/Singapore were also renewed during the year.

Other Milestones

- The painting and streamlining of the Product & Hydrant Pipelines at Trincomalee Terminal was completed at a cost of Rs. 6.20 Million.
- Long life, environment friendly CFL lights were provided in the Canopy in many Retail Outlets for electricity savings, less maintenance.
- Creation of physically challenged, friendly facilities at the first grass roots shed of Lanka IOC.
- The Oil Jetty for receipt of Petro-Products at Trincomalee Terminal was refurbished at a cost of Rs.40 Millions and commissioned in August 2010.
- Under constant follow up by LIOC, packed Bitumen was classified as non dangerous cargo by Sri Lanka Ports Authorities leading to reduced port charges.
- First time in the history of LIOC, approval was received from Government of Sri Lanka to import raw materials for Lubricants blended for Exports purposes, under duty free TIEP scheme.

Initiatives for Cost Control and Cost Reductions

The Company has constantly endeavoured to streamline its various activities in its quest to cut down costs in all areas. Some of these measures were:

- Direct purchase contracts with suppliers for Retail Outlet items like paver blocks, false ceilings, yard light poles and other light fittings etc.,
- Constant review and realignment of product supply logistics to reduce and control the transportation costs while ensuring constant product availability all across the island.
- Implementation of Purchase policy and procedures to procure all major materials and product inputs only against Public Tenders and competitive biddings and negotiations with the lowest party therein.

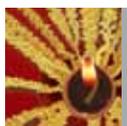
CSR Project

The Company recognizes the pivotal roles it has to play in the community in which it transacts business and the requirement to support the community in improving the environment suitable for a standard living of all lives in the planet. In furtherance of the same and adhering to the "Go Green" concept, the Company implemented major drive for Tree Planting projects with school children across the island.

During the year, in collaboration with the Ministry of Environment & Natural Resources the "Haritha Lanka" project was implemented in 72 schools across the nation. Under this project 1500 children from less fortunate families, selected by the respective School Principals, were encouraged to plant trees and nurture them for which an incentive of Rs 100/- is being deposited monthly into their bank account and would continue for a period of 3 years till the trees can withstand any damage.

Going Concern

The Directors have adopted the going concern basis in preparing the financial statements. The directors after making inquiry and following a review of the Company's budget, future cash flows and borrowing facilities, consider the Company has adequate resources to continue in operation.



ANNUAL REPORT of the Board of Directors Contd.

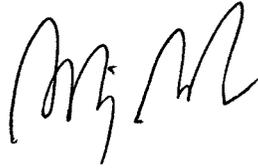
Post Balance Sheet Events

No events have occurred since the balance sheet date which would require adjustments to, or disclosure in, the financial statements.

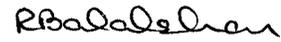
Signed on behalf of the Board



K. R. Suresh Kumar
Managing Director



T. C. A. Satagopan
Senior Vice President (Finance)



Rajanie Balakrishnan
Company Secretary

01st July 2011

STATEMENT of Directors' Responsibility

The following statement, which should be read in conjunction with the Auditor's Statement of their responsibilities set out in their report, is made with a view to distinguish the respective responsibilities of the Directors and of the Auditors, in relation to the financial statements.

The Directors are required by Sections 150 (1) and 151 (1) of the Companies Act No.07 of 2007, to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss for the financial year. The Directors are required to prepare these financial statements on going concern basis, unless it is not appropriate.

Since the Directors are satisfied that the Company has resources to continue in business for the foreseeable future, the financial statements continue to be prepared on the said basis.

The Directors confirm that in preparing the financial statements exhibited on pages 52 to 72 inclusive, appropriate accounting policies have been selected and applied on a consistent basis, while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

The Directors are responsible for ensuring that the Company keeps accounting records, which will disclose with reasonable accuracy the financial position of the Company and enable them to ensure that financial statements comply with the Companies Act No.07 of 2007.

The Directors are generally responsible for taking such steps that are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are confident that they discharged their responsibility as set out in this statement. They also confirm that to the best of their knowledge all statutory payment payable by the Company as at the Balance Sheet Date, are paid or where relevant, provided for.

By Order of the Board



K. R. Suresh Kumar
Managing Director

01st July 2011

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CEO's & CFO's Responsibility Statement

Chief Executive Officer's and Chief Financial Officer's Responsibility Statement

The financial statements are prepared in compliance with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No.07 of 2007 and other applicable statutes. The accounting policies applied in the preparation of the financial statements are appropriate and are consistently applied, except as stated in the notes accompanying the financial statements.

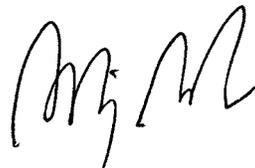
The Board of Directors and the management of our company accept responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements were made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions and reasonably present the company's state of affairs. To ensure this, the company has taken proper and sufficient care in putting in place an effective system of internal checks and controls, for ensuring the correctness of the financial transactions recorded in the books of accounts, safeguarding assets and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounting.

The financial statements were audited by M/s PricewaterhouseCoopers, Chartered Accountants, the independent auditors.

The audit committee of our company meets periodically with the internal auditors and the independent auditors to review the manner in which these auditors are performing their responsibilities, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the independent auditors and the internal auditors have full and free access to the members of the audit committee to discuss any matter of substance.



K. R. Suresh Kumar
Managing Director



T. C. A. Satagopan
Senior Vice President (Finance)

01st July 2011

COMPLIANCE OF CSE RULES on Corporate Governance

Rule No.	Subject	Applicable Requirement	Compliance Status	Details
7.10.1a	Non Executive Directors on the Board	Two Non-Executive Directors or one third of the total number of Directors should be Non Executive Directors	Complied	Five out of six Directors are Non Executive Directors
7.10.2 a	Independent Directors	Two or one third of Non Executive Directors (whichever is higher) should be independent	Complied	Two of the five Non Executive Directors are Independent
7.10.2 b	Independent Directors	Each Non Executive Director should submit a declaration of independence / non independence in the prescribed format	Complied	Non Executive Directors have submitted the declaration in compliance with the CSE rules
7.10.3 a	Disclosure relating to Directors	Names of Independent Directors should be disclosed in the Annual Report	Complied	Please Refer page 30
7.10.3 c	Disclosure relating to Directors	A brief résumé of each Director should be included in the Annual Report including their expertise	Complied	Please Refer page 16
7.10.5	Remuneration Committee	A Listed Company shall have a Remuneration Committee	Complied	Names of members of Remuneration Committee are available on page 44
7.10.5 a	Composition of Remuneration Committee	Shall comprise Non Executive Directors, a majority of whom shall be independent	Complied	Remuneration Committee consists of three Non Executive Directors of which two are independent. Chairman of the Remuneration Committee is an Independent Non Executive Director
7.10.5 b	Functions of Remuneration Committee	The Remuneration Committee shall recommend the remuneration payable to Chief Executive Officer and Executive Officers	Complied	Please refer Remuneration Committee Report on page 44



COMPLIANCE OF CSE RULES on Corporate Governance Contd.

Rule No.	Subject	Applicable Requirement	Compliance Status	Details
7.10.5 c	Disclosure in the Annual Report relating to Remuneration Committee	The Annual Report should set out; i) Names of Directors comprising the Remuneration Committee	Complied	Please refer page 44
		ii) Statements of Remuneration policy & Committee Report	Complied	Please refer Remuneration Committee report for a brief statement of policy
		iii) Aggregate remuneration paid to Executive and Non Executive Directors	Complied	Please refer page 65
7.10.6	Audit Committee	The Company shall have an Audit Committee	Complied	Names of members of Audit Committee are available on page 45
7.10.6 a	Composition of the Audit Committee	Shall comprise of Non Executive Directors, a majority of whom shall be independent	Complied	Audit Committee consists of three Non Executive Directors, two of whom are independent. Chairman of the Audit Committee is an Independent Non Executive Director
		Chief Executive Officer and the Chief Financial Officer should attend Audit Committee Meetings	Complied	Chief Executive Officer and Chief Financial Officer attend meetings by invitation
		The Chairman of the Audit Committee or one member should be a Member of a recognized professional accounting body	Complied	Chairman of Audit Committee is a member of a professional accounting body
7.10.6 b	Functions of the Audit Committee	Should be as outlined in Section 7.10.6 b of the listing rules	Complied	The terms of reference of the Audit Committee adopted by the Board cover the areas described in the listing rules

Rule No.	Subject	Applicable Requirement	Compliance Status	Details
7.10.6 c	Disclosure in the Annual Report relating to the Audit Committee	Names of Directors comprising the Audit Committee	Complied	Please refer page 45
		The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination	Complied	Please refer Audit Committee report
		The Annual Report shall contain a report by the Audit Committee setting out the manner of compliance of the functions	Complied	Please refer Audit Committee report



REMUNERATION COMMITTEE Report

The Remuneration Committee consists of three Non-Executive Directors, namely Prof. Lakshman R. Watawala, Mr. Jaliya Medagama and Mr. P. K. Goyal of whom the first two are Independent Directors. The Committee is chaired by Prof. Lakshman R. Watawala, the Independent Non Executive Director. The Managing Director also participates in the Committee meetings as and when requested for by the Committee, and assists by providing relevant information during the deliberations. The Chairman and the other Members of the Committee are appointed by the Board.

The Committee lays down guidelines and parameters for the compensation structures of directly recruited Executive & Staff of the company. The primary objective of the compensation packages is to attract and retain a highly qualified and experienced work force and reward performance. The remuneration package attempts to provide appropriate compensation commensurate with the employees' qualification and experience, bearing in mind the business performance and long term shareholder returns.

The Committee meets periodically to review the Company's compensation structure and reviews the appropriateness of the compensation package keeping in view the pay structure amongst comparative companies etc., to ensure its alignment with the compensation offered in the industry, and the Company's short term & long term strategies.

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Prof. Lakshman R. Watawala
Chairman
Remuneration Committee

01st July 2011

AUDIT COMMITTEE Report

Composition of the Audit Committee

The Audit Committee, appointed by and responsible to the Board of Directors, comprises three Non-Executive Directors of whom two are Independent Directors. The Committee is chaired by Prof. Lakshman R. Watawala, an Independent Director. The other two committee members comprise Mr. Jaliya Medagama, an Independent Director and Mr. P. K. Goyal, Mr. K. R. Suresh Kumar - Managing Director and Mr. T. C. A. Satagopan – Senior Vice President [Finance] attend the Audit Committee Meetings by invitation.

The Chairman of the Audit Committee is a Senior Chartered Accountant, acclaimed for his professional knowledge and expertise in financial / Company matters. The brief profile of the Audit Committee members is given on pages 17&18. Their individual as well as collective knowledge on financial & legal matters and their business acumen are brought to bear in the deliberations and judgments on matters that come up in the Committee deliberations.

Functions of the Audit Committee

The terms of reference specified by the Board of Directors for the Audit Committee include the functions of the Audit Committee prescribed in the Continuing Listing Rule No. 7.10.6b of the Colombo Stock Exchange.

Meetings

The Committee held 4 meetings during the financial year 2010-11 to discuss the matters within its purview. The committee members present at the meetings were as follows;

S/ No.	Date	Venue	Strength of the Committee	No. of Members Present	Names of the Members Present	Names of Members Excused
1	12.05.2010	Colombo	3	3	Mr. Jaliya Medagama Mr. P. K. Goyal Prof. L. R. Watawala	---
2	11.08.2010	Colombo	3	3	Prof. L. R. Watawala Mr. Jaliya Medagama Mr. P. K. Goyal	---
3	09.11.2010	Colombo	3	2	Mr. Jaliya Medagama Mr. P. K. Goyal	Prof. L. R. Watawala
4	10.02.2011	New Delhi	3	3	Prof. L. R. Watawala Mr. Jaliya Medagama Mr. P. K. Goyal	---



AUDIT COMMITTEE Report contd.

Tasks of the Audit Committee

The Committee reviews the financial reporting system adopted by the Company in preparation, presentation and adequacy of disclosures in the annual financial statements to ensure reliability of the processes, consistency of the accounting policies & methods adopted and their compliance with the Sri Lanka Accounting Standards. The Committee also reviews the Company's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements. The Committee also reviews the adequacy of the internal controls and assesses the independence and performance of the external auditors. The Committee recommends the financial statements to the Board for its approval and issuance. The committee also reviews the risks the company is exposed to and has approved the actions to be taken by the company so as to manage and mitigate the impact arising from such risks.

Internal Audits

The Committee reviews the accounting system and the scope and coverage of the internal audit process to assess the effectiveness of financial controls that have been designed to provide reasonable assurance to the Directors that assets are safeguarded and that the financial reporting system can be relied upon in preparation and presentation of Financial Statements. The Internal Audit function has been outsourced to a leading audit firm Ernst & Young, Colombo. Follow-up reviews are scheduled periodically to ascertain that audit recommendations are being acted upon.

External Audits

The Committee also deliberates with the external auditors to review the nature, approach and scope of audit. Actions taken by the Management in response to the issues raised as well as the effectiveness of internal controls in place were also discussed.

Appointment of External Auditors

The Audit Committee upon reviewing the independence and performance of the auditors has recommended to the Board of Directors that Messrs. PricewaterhouseCoopers be appointed as Auditors for the financial year ending 31st March 2012, subject to the approval of the shareholders at the Annual General Meeting.

Conclusion

The Audit Committee is satisfied that the Company's accounting policies and operational controls provide reasonable assurance that the affairs of the Company are managed in accordance with its policies and that the Company's assets are properly accounted for and adequately safeguarded.



Prof. Lakshman R. Watawala
Chairman
Audit Committee

01st July 2011

ENERGIZING **Stability**



1. The Country Head & CEO of Standard Chartered Bank - Mr. Anirban Ghosh Dastidar & Managing Director Lanka IOC PLC - Mr. K. R. Suresh Kumar exchange the signed agreement on banking facilities in the presence of officials from Standard Chartered Bank & Lanka IOC PLC.



2. During his recent visit to Sri Lanka, Chairman Lanka IOC PLC - Mr. G. C. Daga along with Managing Director - Mr. K. R. Suresh Kumar made a courtesy call on the High Commissioner of India - Mr. Ashok K. Kantha.



3. During his recent visit to Sri Lanka, Chairman Lanka IOC PLC - Mr. G. C. Daga along with Managing Director - Mr. K. R. Suresh Kumar met the Honorable Minister of Petroleum Industries - Mr. Susil Premajyantha.



Ratmalana Retail Outlet of Lanka IOC PLC stands proudly with the new look after refurbishment & reopening in November 2010.





The best your vehicle

XTRAPREMIUM
PATROL WITH FRICTION BUSTER

Greater Mileage • Safer to Drive

100 Lanka

- Engine Oil
- Gear Oil
- Brake Fluid
- Coolant
- Grease

can get

GET XTRA PERFORMANCE

XTRAMILE DIESEL



Cleaner Engine



AUDITORS' CONFIRMATION w.r.t. Appointment



Confirmation from an Auditor Performing Work for a Listed Company of compliance with Guidelines issued by the Securities and Exchange Commission of Sri Lanka (SEC) for Appointment of Auditors of Listed Companies

I, Nishan Ravidu Gunasekera hereby confirm that PricewaterhouseCoopers, 100, Braybrooke Place, Colombo 2, is compliant with the Guidelines issued by SEC for Appointment of Auditors of Listed Companies with respect to Lanka IOC PLC.

27 June 2011

.....
Date

A handwritten signature in black ink, appearing to be 'N. Gunasekera', written over a horizontal dotted line.

.....
Signature of Engagement Partner

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*PricewaterhouseCoopers, P. O. Box 918, 100 Braybrooke Place, Colombo 2, Sri Lanka
T: +94 (11) 771 9838, 471 9838, F: +94 (11) 230 3197, www.pwc.com/lk*

Partners **Y. Kanagasabai FCA, D.T.S.H. Mudalige FCA, C.S. Manoharan ACA, N.R. Gunasekera FCA,
S. Gajendran FCA, Ms. S. Hadgie FCA, Ms. S. Perera ACA**

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INDEPENDENT AUDITORS' Report



To the members of Lanka IOC PLC

Report on the Financial Statements

1. We have audited the accompanying financial statements of Lanka IOC PLC, which comprise the balance sheet as at 31st March 2011, and the income statement, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 3 to 23.

Management's Responsibility for the Financial Statements

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

Scope of Audit and Basis of Opinion

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

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

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

Opinion

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

Report on other Legal and Regulatory Requirements

5. These financial statements also comply with the requirements of Section 151 (2) of the Companies Act, No. 07 of 2007.

COLOMBO
19.05.2011

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Partners

Y. Kanagasabai FCA, D.T.S.H. Mudalige FCA, C.S. Manoharan ACA, N.R. Gunasekera FCA,
S. Gajendran FCA, Ms. S. Hadgie FCA, Ms. S. Perera ACA

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A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', is written over the printed name of the firm.

CHARTERED ACCOUNTANTS

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INCOME Statement

(All amounts in Sri Lanka Rupees)

	Notes	Year ended 31st March	
		2011	2010
Revenue	3	51,742,662,607	50,214,051,199
Cost of sales	4	(50,216,822,367)	(50,585,460,102)
Gross profit / (loss)		1,525,840,240	(371,408,903)
Other operating income	5	108,598,895	435,208,894
Selling and distribution costs		(24,323,381)	(34,584,219)
Administrative expenses		(840,294,581)	(828,017,518)
Write-back of disallowed input VAT	6	-	581,830,805
Operating profit / (loss)	7	769,821,173	(216,970,941)
Net finance income / (costs)	8	123,624,089	(179,911,342)
Profit / (loss) before tax		893,445,262	(396,882,283)
Tax	9	(16,916,017)	(25,821,070)
Net profit / (loss) after tax		876,529,245	(422,703,353)
Earnings / (loss) per share	10	1.65	(0.79)

The notes on pages 56 to 72 form an integral part of these financial statements.

BALANCE Sheet

(All amounts in Sri Lanka Rupees)

	Notes	2011	31st March 2010
Assets			
Non current assets			
Property, plant and equipment	11	3,313,439,664	3,346,889,003
Long term investment	12	4,394,000,000	4,394,000,000
Intangible assets	13	680,542,105	682,393,794
		8,387,981,769	8,423,282,797
Current assets			
Inventories	14	6,709,703,084	3,434,895,016
Current tax receivable		185,819,324	94,345,464
Receivables and prepayments	15	3,012,479,509	4,743,527,957
Cash and cash equivalent	16	692,971,489	726,988,363
		10,600,973,406	8,999,756,800
Total assets		18,988,955,175	17,423,039,597
Equity and Liabilities			
Capital and reserves			
Stated capital	17	7,576,573,900	7,576,573,900
Retained earnings		1,634,648,011	758,118,766
		9,211,221,911	8,334,692,666
Non current liabilities			
Retirement benefit obligations	18	40,766,246	46,297,806
Current liabilities			
Trade and other payables	19	5,114,644,568	3,505,510,469
Borrowings	20	4,622,322,450	5,536,538,656
		9,736,967,018	9,042,049,125
Total liabilities		9,777,733,264	9,088,346,931
Total equity and liabilities		18,988,955,175	17,423,039,597

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were authorised for issue and signed on behalf by Board of Directors on 19/05/2011.

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.



Managing Director

19th May 2011



Director

19th May 2011

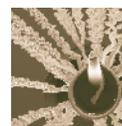


Senior Vice President (Finance)

19th May 2011

The notes on pages 56 to 72 form an integral part of these financial statements.

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STATEMENT OF Changes in Equity

(All amounts in Sri Lanka Rupees)

	Stated capital	Retained earnings	Total
Balance at 1st April 2009	7,576,573,900	1,180,822,119	8,757,396,019
Net loss for the year	-	(422,703,353)	(422,703,353)
Balance at 31st March 2010	7,576,573,900	758,118,766	8,334,692,666
Balance at 1st April 2010	7,576,573,900	758,118,766	8,334,692,666
Net profit for the year	-	876,529,245	876,529,245
Balance at 31st March 2011	7,576,573,900	1,634,648,011	9,211,221,911

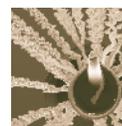
The notes on pages 56 to 72 form an integral part of these financial statements.

CASH FLOW Statement

(All amounts in Sri Lanka Rupees)

	Notes	Year ended 31st March	
		2011	2010
Operating activities			
Cash generated from operations	23	1,250,727,279	1,096,019,233
Economic service charge and income tax paid		(27,549,484)	(146,513,370)
Interest received	8	53,171,449	75,861,936
Interest paid	8	(252,898,198)	(336,294,414)
Defined benefit obligations paid	18	(1,900,590)	(6,165,705)
Net cash generated from operating activities		1,021,550,456	682,907,680
Investing activities			
Purchase of property, plant and equipment	11	(141,377,824)	(299,166,815)
Purchase of license on computer software	13	-	(7,135,568)
Proceeds from sale of property, plant and equipment		26,700	653,123
Net cash used in investing activities		(141,351,124)	(305,649,260)
Financing activities			
Repayment of borrowings		(58,200,043,124)	(31,312,345,480)
Proceeds from borrowings		57,285,826,918	32,078,890,574
Net cash (used) / generated from financing activities		(914,216,206)	766,545,094
(Decrease) / increase in cash and cash equivalents		(34,016,874)	1,143,803,514
Movement in cash and cash equivalents			
At beginning of the year		726,988,363	(416,815,151)
(Decrease) / increase during the year		(34,016,874)	1,143,803,514
At end of the year	16	692,971,489	726,988,363

The notes on pages 56 to 72 form an integral part of these financial statements.



NOTES TO THE Financial Statements

(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)

1. General information

The Company commenced commercial operations of importing, selling and distribution of petroleum products on 14th February 2003.

The Company has been granted a Petroleum Products License by the Ministry of Power and Energy which gives authority to import, export, store, distribute, sell and supply petrol, auto diesel, heavy diesel (industrial diesel), furnace oil and kerosene, naphtha and other mineral petroleum including premium petrol and premium diesel but excluding aviation fuel and liquid petroleum gas. The license is valid for a period of 20 years from 22nd January 2004 and renewable thereafter.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.01 Basis of preparation

The financial statements are prepared in accordance with Sri Lanka Accounting Standards on the historical cost basis of accounting.

The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.20.

2.02 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the measurements currency using the exchange rates prevailing at the dates of transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Such balances are translated at the year-end exchange rates.

2.03 Property, plant and equipment

Land and buildings comprise mainly retail outlets and terminals. All property, plant and equipment are stated at historical cost, less depreciation, where applicable. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

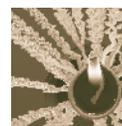
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Land is not depreciated as it is deemed to have an indefinite life. Depreciation is calculated on the straight-line method to write-off the cost of each asset to their residual values over their estimated useful lives commencing from the month, after the month of purchase, as follows:

Buildings	15 years
Plant and equipment	8 years
Motor vehicles	5 years
Furniture and fittings and interior furnishing	5 years
Office equipment	4 years

Gains and losses on disposal are determined by the comparing proceeds with carrying amount and are included in the operating profit.



NOTES TO THE Financial Statements Contd.

2.04 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

2.05 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale is capitalised as part of that asset. The amount of borrowing costs eligible for capitalisation is determined in accordance with SLAS 20 - Borrowing Costs - Allowed Alternative Treatment.

2.06 Intangible assets

(a) Goodwill

Goodwill represents the excess of purchase consideration paid in 2003 to the Government of Sri Lanka over the net assets value representing applicable shares allotted in the acquisition of the retail outlets, which were vested with Independent Petroleum Marketers Limited (IPML). The IPML was subsequently amalgamated in 2004 with Lanka IOC PLC and dissolved. Due to the amalgamation and subsequent dissolution of this acquired company no consolidated financial statements are prepared.

Goodwill is attributed to the future economic benefits arising from other assets which were acquired from the above business combination that were not able to be individually identified and separately recognised. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to the operating segment.

(b) License fees on computer software

License fees represent costs pertaining to the licensing of software applications purchased. License fees are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licenses over their estimated useful lives of 5 years.

2.07 Investments in associates

Investment in the Associate Company is accounted for at cost and is classified as a long term investment in the balance sheet. The Company has no significant influence in the financial and operating policy decisions of the investee and hence the adoption of the equity method is inappropriate.

2.08 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method for lubricant finished goods and first-in-first-out (FIFO) method for other products. This includes direct costs on transport, handling costs and insurance.

Net realisable value is the estimate of selling price in the ordinary course of business, less the cost of completion and selling expenses. Provision is made where necessary for slow moving, defective and obsolete stocks.

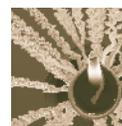
2.09 Trade receivables

Trade receivables are amounts due from customers for petroleum products sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non current assets.

Trade receivables are recognised initially at fair value (which is the invoice value of the Company) and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.10 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturity of three months or less and bank overdrafts.



NOTES TO THE Financial Statements Contd.

2.11 Stated capital

Ordinary shares are classified as equity.

2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non current liabilities.

Trade payables are recognised initially at fair value (which is the purchase cost of the Company) and subsequently measured at amortised cost using the effective interest method.

2.13 Tax

The tax expense for the year comprise current taxes

(a) Current taxes

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act and amendments thereto. Calculated on the basis of the tax laws enacted at the balance sheet date.

(b) Deferred income taxes

Deferred taxation is computed using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on property, plant and equipment, provisions for retirement benefit obligations and tax losses carried forward.

Tax rates enacted by the balance sheet date are used to determine deferred income tax. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.14 Defined contribution plans

All local employees of the Company are members of the Employees' Provident Fund and Employees' Trust Fund. The employer contributes to the above two funds at the rate of 15% and 3% respectively of such employees' basic or consolidated wage or salary and meal allowance,

as applicable, for Trincomalee based (erstwhile CPC) employees. The contribution of the employer to these funds for other employees is 12% and 3% respectively.

2.15 Retirement benefit obligations

The Company has adopted the benefit plan as required under the Payment of Gratuity Act No. 12 of 1983 for all eligible employees. The benefit plan is unfunded. Provision for gratuity is made by the Company taking account of the recommendation of an independent qualified actuaries firm, Messrs. Actuarial & Management Consultants (Private) Limited [Formerly Messrs. Watson Wyatt Lanka (Private) Limited] who carried out actuarial valuation as at 31st March 2011.

Defined benefit plans define an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognized past service cost. The defined benefit obligation is calculated annually by the Company using the projected unit credit method prescribed in Sri Lanka Accounting Standard 16; Employee Benefits. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

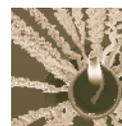
Gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the statement of recognized income and expense in the period in which they arise.

Past service costs are recognized immediately in income, unless the changes to the plan are conditional on the employees remaining in service for a specific period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

2.16 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events. It is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

The Company recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.



NOTES TO THE Financial Statements Contd.

2.17 Revenue recognition

Revenue comprises the fair value (which is the invoice value of the Company) of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of value added tax, turnover tax and discounts. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

Dividend income is recognised when the right to receive payment is established.

2.18 Contingencies

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non occurrence of uncertain future events, which are beyond the Company's control.

2.19 Comparatives

Where necessary, comparative figures have been adjusted to confirm with changes in presentation in the current year.

2.20 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

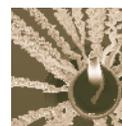
Retirement benefit obligations

The present value of the pension obligations depends on a number of factors that are determined

on an actuarial basis using a number of assumptions. The assumptions used in determining the net income (cost) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 18.



NOTES TO THE Financial Statements Contd.

3. Revenue

	2011	2010
Domestic sales		
Lanka petrol 95 octane	970,289,687	911,069,908
Lanka petrol 90 octane	18,911,690,061	18,059,016,406
Lanka auto diesel	21,137,838,019	22,177,289,769
Lanka super diesel	92,355,403	74,681,640
Bunkering operations	690,835,555	-
Lubricants	1,307,623,842	1,087,569,147
Bitumen	1,891,296,400	186,686,823
	45,001,928,967	42,496,313,693
Export sales		
Lubricants	126,279,400	-
Bunkering operations	6,614,454,240	7,717,737,506
Total sales	51,742,662,607	50,214,051,199

Sales can be further analysed as follows:

Sales	53,262,618,222	51,427,704,227
Dealer commission / discounts on lubricants	(965,313,548)	(831,086,908)
Turnover tax	(554,642,067)	(382,566,120)
Net sales	51,742,662,607	50,214,051,199

4. Cost of sales

The cost of sales includes the FOB/C&F/CIF cost (as applicable), customs / excise duties and taxes, port charges, terminal charges, blending expenses, transportation charges etc., incurred on import of raw materials and petroleum products.

5. Other operating income

	2011	2010
Dividend income from Ceylon Petroleum Storage Terminal Limited (CPSTL)	-	225,000,000
Income from Ceylon Petroleum Corporation	71,691,496	189,309,895
Profit / (loss) on disposal of property, plant and equipment	26,700	(3,389,137)
Rental income	18,293,984	20,584,398
Sundry income	18,586,715	3,703,738
	108,598,895	435,208,894

6. Disallowed input VAT

This represents a reversal of disallowed input VAT in 2009/10 which was provided in 2007/2008, as the Company has successfully obtained an acknowledgment from the Inland Revenue Department that the amount will be adjusted against future liabilities.

7. (a) Operating profit / (loss)

The following items have been charged in arriving at operating profit / (loss):

	2011	2010
Directors' emoluments	14,105,326	23,709,936
Auditors' remuneration		
- audit	1,200,000	1,041,555
- non audit	899,000	169,100
Depreciation (Note 11)	174,827,163	180,763,361
Amortisation charge (Note 13)	1,851,689	652,859
Staff costs [Note 7 (b)]	252,696,200	300,121,961
Lease rent - Trincomalee	11,354,500	11,256,625
Donations	49,400	500,000
Payments under voluntary retirement scheme	2,506,000	9,643,605
(b) Staff costs		
Salaries and wages	242,491,701	259,542,682
Defined contribution plans	13,835,469	14,612,637
Defined benefit plan (Note 18)	(3,630,970)	25,966,642
	252,696,200	300,121,961

The average number of employees employed by the Company during the year was 173 (2010 - 175).

8. Net finance income / (costs)

	2011	2010
Interest expense	(252,898,198)	(336,294,414)
Interest income	53,171,449	75,861,936
Exchange gains	366,228,394	129,628,597
Bank charges	(42,877,556)	(35,204,199)
Interest on deferred payments to suppliers	-	(13,903,262)
	123,624,089	(179,911,342)

9. Tax

	2011	2010
Current tax	16,916,017	25,821,070

In terms of the agreement entered into with the Board of Investment (BOI) of Sri Lanka under Section 17 of the Board of Investment Law, No. 4 of 1978, the Company is exempt from income tax for a period of ten years commencing from 14 February 2003.

The current year tax charge wholly consists of tax on non exempt interest income at 35% (2010 - 35%).

Deferred tax has not been considered in the financial statements, since the temporary differences reversing after the tax exemptions period of 10 years which will expire in the year of assessment 2012/13 will not be significant to the financial statements.

10. Earnings / (loss) per share

Earnings / (loss) Per Share is calculated by dividing the net profit / (loss) attributable to shareholders by the weighted average number of ordinary shares in issue as at 31st March.

	2011	2010
Net profit / (loss) attributable to shareholders	876,529,245	(422,703,353)
Weighted average number of ordinary shares in issue	532,465,705	532,465,705
Earnings / (loss) Per Share (Rs)	1.65	(0.79)



NOTES TO THE Financial Statements Contd.

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11. Property, plant and equipment

(a)	Freehold land	Building and fixtures	Plant and equipment	Office equipment	Lube plant	Capital work-in progress	Furniture and fittings	Motor vehicles	Total
At 31st March 2009									
Cost / valuation	1,969,631,680	1,044,172,507	891,044,467	14,075,619	384,550,530	71,352,614	11,166,733	21,967,567	4,407,961,717
Accumulated depreciation	-	(282,628,034)	(768,182,121)	(9,517,549)	(93,548,153)	-	(9,590,506)	(11,967,543)	(1,175,433,906)
Net book amount	1,969,631,680	761,544,473	122,862,346	4,558,070	291,002,377	71,352,614	1,576,227	10,000,024	3,232,527,811
Year ended 31st March 2010									
Opening net book amount	1,969,631,680	761,544,473	122,862,346	4,558,070	291,002,377	71,352,614	1,576,227	10,000,024	3,232,527,811
Additions	6,531,250	20,250,309	2,050,896	8,246,103	-	260,936,244	1,152,013	-	299,166,815
Disposals	(4,042,262)	-	-	-	-	-	-	-	(4,042,262)
Transfers	-	169,165,308	71,085,668	-	32,398,212	(272,649,188)	-	-	-
Depreciation charge	-	(76,507,286)	(48,372,479)	(3,236,250)	(49,081,260)	-	(610,822)	(2,955,264)	(180,763,361)
Closing net book amount	1,972,120,668	874,452,804	147,626,431	9,567,923	274,319,329	59,639,670	2,117,418	7,044,760	3,346,889,003
At 31st March 2010									
Cost / valuation	1,972,120,668	1,233,588,123	963,901,031	22,321,722	416,948,742	59,639,670	12,318,745	21,967,566	4,702,806,267
Accumulated depreciation	-	(359,135,319)	(816,274,600)	(12,753,799)	(142,629,413)	-	(10,201,327)	(14,922,806)	(1,355,917,264)
Net book amount	1,972,120,668	874,452,804	147,626,431	9,567,923	274,319,329	59,639,670	2,117,418	7,044,760	3,346,889,003
Year ended 31st March 2011									
Opening net book amount	1,972,120,668	874,452,804	147,626,431	9,567,923	274,319,329	59,639,670	2,117,418	7,044,760	3,346,889,003
Additions	-	75,711,747	53,499,796	1,595,945	-	7,415,488	1,300,681	1,854,167	141,377,824
Cost of disposals	-	-	(80,000)	-	-	-	-	-	(80,000)
Cost of depreciation on disposals	-	-	80,000	-	-	-	-	-	80,000
Transfers	-	52,475,263	7,822,688	-	-	(60,297,951)	-	-	-
Depreciation charge	-	(87,108,890)	(28,366,905)	(3,671,967)	(52,118,592)	-	(787,401)	(2,773,408)	(174,827,163)
Closing net book amount	1,972,120,668	915,530,924	180,582,010	7,491,901	222,200,737	6,757,207	2,630,698	6,125,519	3,313,439,664
At 31st March 2011									
Cost / valuation	1,972,120,668	1,361,775,133	1,025,143,515	23,917,667	416,948,742	6,757,207	13,619,426	23,821,733	4,844,104,091
Accumulated depreciation	-	(446,244,209)	(844,561,505)	(16,425,766)	(194,748,005)	-	(10,988,728)	(17,696,214)	(1,530,664,427)
Net book amount	1,972,120,668	915,530,924	180,582,010	7,491,901	222,200,737	6,757,207	2,630,698	6,125,519	3,313,439,664

There are fully depreciated assets as at the balance sheet date amounting to Rs. 794,327,689 (2010 - Rs. 788,494,491).

(b) Capital work-in progress at 31st March 2011 represents the following:

	2011	2010
Refurbishment work		
- Trincomalee	114,429	14,089,030
- Retail outlets	6,642,778	45,550,640
	6,757,207	59,639,670

(c) Land

In line with the UITF ruling (Case No. 68) of Institute of Chartered Accountants of Sri Lanka, the revaluation done by independent chartered valuer on 01st May 2004 has been considered as cost of the assets at the time of acquisition on 30th December 2003.

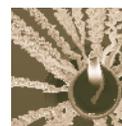
The Company's lands were valued on 31st March 2011 by P. B. Kalugalagedara & Associates, an independent Chartered Valuation Surveyor (UK) based on the current open market value of lands for their existing use as lands approved for the establishment of petrol retail outlets amounting to Rs. 3,985,105,000. However, this has not been adjusted in the financial statements to conform with the existing cost model.

12. Long term investments

Lanka IOC PLC owns 33 1/3% of the 750,000,000 shares of Ceylon Petroleum Storage Terminal Limited (CPSTL), also known as the "Common User Facility" (CUF). The Company paid US\$ 45 Million to the Ceylon Petroleum Corporation on 22nd January 2004 for the acquisition of 250,000,000 shares.

The Ceylon Petroleum Corporation owns 66 2/3% of 750,000,000 shares of CPSTL and controls through the nomination of six of the nine board members. Lanka IOC PLC nominates the balance three board members. Due to the government influence and the sensitivity of the industry towards the national economy, the directors nominated by Lanka IOC PLC do not have significant influence over decisions of CPSTL. As such, the investment is recorded at cost.

	2011	2010
At the beginning of the year	4,394,000,000	4,394,000,000
Closing net book amount	4,394,000,000	4,394,000,000



NOTES TO THE Financial Statements Contd.

13. Intangible assets

	Goodwill	License fees on Computer software	Total
At 31st March 2009			
Cost / valuation	759,297,552	2,480,187	761,777,739
Accumulated amortisation and impairment	(85,420,976)	(445,678)	(85,866,654)
Net book amount	673,876,576	2,034,509	675,911,085
Year ended 31st March 2010			
Opening net book amount	673,876,576	2,034,509	675,911,085
Additions	-	7,135,568	7,135,568
Disposals	-	-	-
Amortisation charge	-	(652,859)	(652,859)
Closing net book amount	673,876,576	8,517,218	682,393,794
At 31st March 2010			
Cost / valuation	759,297,552	9,615,755	768,913,307
Accumulated amortisation and impairment	(85,420,976)	(1,098,537)	(86,519,513)
Net book amount	673,876,576	8,517,218	682,393,794
Year ended 31st March 2011			
Opening net book amount	673,876,576	8,517,218	682,393,794
Additions	-	-	-
Disposals	-	-	-
Amortisation charge	-	(1,851,689)	(1,851,689)
Closing net book amount	673,876,576	6,665,529	680,542,105
At 31st March 2011			
Cost / valuation	759,297,552	9,615,755	768,913,307
Accumulated amortisation and impairment	(85,420,976)	(2,950,226)	(88,371,202)
Net book amount	673,876,576	6,665,529	680,542,105

Goodwill

Goodwill represents the excess of purchase consideration paid in 2003 to the Government of Sri Lanka over the net assets value representing applicable shares allotted in the acquisition of the retail outlets, which were vested with Independent Petroleum Marketers Limited (IPML). The IPML was subsequently amalgamated in 2004 with Lanka IOC PLC and dissolved.

Goodwill represents future economic benefits arising from other assets which were acquired from the above business combination that were not able to be individually identified and separately recognised. Accumulated amortisation as at the balance sheet date amounting to Rs. 85,420,976 which were amortised up to 2007 based on 20 years useful life. However, as per the revised accounting standards goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

14. Inventories

	2011	2010
Petroleum products	5,716,438,985	3,016,859,352
Lubricants	268,905,594	205,657,833
Base oil and other raw material	724,358,505	212,377,831
	6,709,703,084	3,434,895,016

At the balance sheet date inventory was valued at lower of cost or net realizable value. Therefore, the difference between selling price and the cost of diesel was written down as an expense and included in cost of sales. The write down for the financial year 2011 amounted to Rs. 78,235,852.

The cost of inventories recognised as expenses and included under cost of sales amounted to Rs. 48,659,069,025 (2010 - Rs. 50,455,770,697).

15. Receivables and prepayments

	2011	2010
Trade receivables	1,168,173,196	906,828,061
VAT receivables	1,061,781,160	895,706,827
Other receivables	649,061,595	2,635,294,950
Advances and deposits	103,652,497	81,677,981
Prepayments	27,166,603	25,706,490
Amount due from related companies (Note 24)	2,644,458	198,313,648
	3,012,479,509	4,743,527,957

The other receivables include income tax receivable of Rs. 111 Million (2010 - Rs. 312 Million) paid as income tax in the year of assessment 2007/08 on an assessment issued by the Department of Inland Revenue. Subsequently in 2010/11 the Department has given a direction to set-off this balance against the future Economic Service Charge (ESC) and Value Added Tax (VAT).

16. Cash and cash equivalents

	2011	2010
Cash and bank balances	692,971,489	726,988,363
At end of year	692,971,489	726,988,363

For the purposes of the cash flow statement, the above year-end cash and cash equivalents were taken.

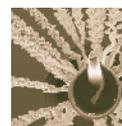
17. Stated capital

	Number of shares	Stated capital	Total
At 31st March 2010	532,465,705	7,576,573,900	7,576,573,900
At 31st March 2011	532,465,705	7,576,573,900	7,576,573,900

18. Retirement benefit obligations

The amounts recognised in the balance sheet are determined as follows:

	2011	2010
Present value of unfunded obligation	40,766,246	46,297,806
Balance recognised in the financial statements	40,766,246	46,297,806



NOTES TO THE Financial Statements Contd.

The movement in the retirement benefit obligation over the year is as follows:

	2011	2010
At 1st April	46,297,806	26,496,869
Current service cost	2,660,453	3,058,296
Interest cost	5,092,759	3,179,624
Net actuarial (gain) / loss	(11,384,182)	19,728,722
Benefits paid	(1,900,590)	(6,165,705)
At 31st March	40,766,246	46,297,806

The amounts recognised in the income statement are as follows:

	2011	2010
Current service cost	2,660,453	3,058,296
Interest cost	5,092,759	3,179,624
Net actuarial (gain) / loss recognised immediately	(11,384,182)	19,728,722
Total included in the staff cost	(3,630,970)	25,966,642

The principal actuarial assumptions used were as follows:

	2011	2010
Discount rate	8.5%	11.0%
Staff turnover	5.0%	10.0%
Retiring age	60 years	60 years
Future salary increases	2 - 4% per annum	4-7% per annum

19. Trade and other payables

	2011	2010
Trade payables	3,897,154,620	3,072,980,472
Amount due to related companies (Note 24)	1,055,294,719	251,908,062
Accrued expenses	156,796,052	173,389,647
Other payables	5,399,177	7,232,288
	5,114,644,568	3,505,510,469

20. Borrowings

	2011	2010
Current		
Short term loans	4,622,322,450	5,536,538,656
Total borrowings	4,622,322,450	5,536,538,656

The short term loans and bank overdrafts are unsecured except for the loans from the State Bank of India - Sri Lanka Branch and State Bank of India - Singapore Branch amounting to USD 65 Million and USD 30 Million respectively.

These two loans are secured against mortgage over trading stock held at Kollonnawa, Trincomalee and Muthurajawela terminals.

Corporate guarantee of USD 30 Million was given by the Indian Oil Corporation for Standard Chartered Bank short term loans.

The interest rates are as follows:

	Interest Rates
Short term loans	LIBOR + Margin
Bank overdrafts	LIBOR + Margin

21. Contingent liabilities

There were no material contingent liabilities at the balance sheet date.

22. Commitments

(a) Operating lease commitments

The Company has a commitment to pay USD 100,000 per annum to the Government of Sri Lanka as leased rental for storage tanks at Trincomalee used by the Company. There were no other material financial commitments as at the balance sheet date.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2011	2010
No later than 1 year	11,040,000	11,400,000
Later than 1 year and no later than 5 years	55,200,000	57,000,000
More than 5 years	231,840,000	250,800,000

(b) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred amounts to Rs. 25.69 Million (2010 Rs. 99.9 Million).

23. Cash generated from operations

Reconciliation of profit / (loss) before tax to cash generated from operations:

	2011	2010
Profit / (loss) before tax	893,445,262	(396,882,283)
Adjustments :		
Depreciation (Note 11)	174,827,163	180,763,361
Amortisation of intangible assets	1,851,689	652,859
Interest income (Note 8)	(53,171,449)	(75,861,936)
(Profit) / loss on disposal of property, plant and equipment	(26,700)	3,389,137
Write back of disallowed input VAT provision	-	(581,830,805)
Interest expense (Note 8)	252,898,198	336,294,414
Changes in working capital		
- Decrease / (increase) in receivables and prepayments	1,650,208,055	(2,894,690,966)
- (Increase) / decrease in inventories	(3,274,808,068)	7,179,444,036
- Increase / (decrease) in trade and other payables	1,609,134,099	(2,681,225,226)
- (Decrease) / increase in retirement benefit obligations (Note 18)	(3,630,970)	25,966,642
Cash generated from operations	1,250,727,279	1,096,019,233

24. Directors' interests in contracts with the Company

Indian Oil Corporation Limited (incorporated in India) holds 75.12% of the Company's issued share capital.

Mr. K. R. Suresh Kumar, Managing Director, Mr. T. C. A. Satagopan, Senior Vice President (Finance) and Mr. H. J. Manshani, Senior Vice President (Operations & HR) were directors of Ceylon Petroleum Storage Terminal Limited (CPSTL) as at 31st March 2011.



NOTES TO THE Financial Statements Contd.

The following transactions were carried out with related parties :

	2011	2010
Sales / purchases of goods and services		
Indian Oil Corporation Limited		
- Petroleum products	730,252,148	194,348,361
- Others	29,397,314	33,591,780
Ceylon Petroleum Storage Terminal Ltd.	354,920,513	936,351,280
Chennai Petroleum Corporation Ltd.	2,762,880,287	-
Indian Oil (Mauritius) Ltd.	4,912,152	-
Indian Oil Corporation Limited (Middle East)	37,343,522	-
Outstanding balances arising from purchases of goods and services		
Amounts due to related companies		
Indian Oil Corporation Ltd. - petroleum products	33,497,689	48,288,849
Indian Oil Corporation Ltd. - others	32,502,567	203,619,213
Ceylon Petroleum Storage Terminal Ltd. (CPSTL)	904,886	-
Chennai Petroleum Corporation Ltd.	988,389,577	-
	1,055,294,719	251,908,062
Amounts due from related companies		
Ceylon Petroleum Storage Terminal Ltd. (CPSTL)	-	198,313,648
Indian Oil (Mauritius) Ltd.	2,644,458	-
	2,644,458	198,313,648

Key management compensation

Key management includes directors (executive and non-executive), members of the executive committee, the company secretary and the heads of departments. The compensation paid or payable to key management for employee services is shown below:

	2011	2010
Salaries and other short term employee benefits	12,327,069	11,533,208

25. Related party transactions

There were no related parties or related party transactions other than those disclosed in Note 24 to the financial statements.

26. Post balance sheet events

No events have occurred since the balance sheet date which should require adjustments to or disclosures in the financial statements.

SHAREHOLDERS' Information

Ordinary Shareholdings as at 31st March 2011

Stated Capital representing 532,465,705 ordinary shares

No. of Shareholders as at 31st March 2011 : 11,452

Shareholdings	Resident			Non Resident			Total		
	No. of Shareholders	No. of Shares	% Shareholders	No. of Shares	% Shareholders	No. of Shares	% Shareholders	No. of Shares	%
1 to 1,000 Shares	5,894	3,129,007	0.59	23	14,500	0.00	5,917	3,143,507	0.59
1,001 to 10,000 Shares	4,931	13,204,618	2.48	62	246,100	0.05	4,993	13,450,718	2.53
10,001 to 100,000 Shares	414	11,808,075	2.22	28	1,111,900	0.21	442	12,919,975	2.43
100,001 to 1,000,000 Shares	73	20,036,500	3.76	12	3,767,600	0.71	85	23,804,100	4.47
Over 1,000,000 Shares	12	71,155,300	13.36	3	407,992,105	76.62	15	479,147,405	89.98
Total	11,324	119,333,500	22.41	128	413,132,205	77.59	11,452	532,465,705	100.00

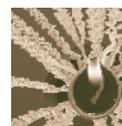
Categories of Shareholders

	No. of Shareholders	Percentage %	No. of Shares	Percentage %
Individual	11,032	96.33	49,388,800	9.28
Institutional	420	3.67	483,076,905	90.72
Total	11,452	100.00	532,465,705	100.00

20 Major Shareholders as at 31st March 2011

Name	No. of Shares	Percentage
1. Indian Oil Corporation Limited, India	400,000,005	75.12
2. Bank of Ceylon A/c Ceybank Unit Trust	17,759,200	3.34
3. National Savings Bank	15,365,100	2.89
4. Sri Lanka Insurance Corporation Ltd. - Life Fund	8,964,400	1.68
5. Mr. Shanker Varadananda Somasunderam	7,039,600	1.32
6. Mr. Tarik Al Nakib	6,500,000	1.22
7. Employees, Provident Fund	5,761,400	1.08
8. Sri Lanka Insurance Corporation Ltd. - General Fund	5,730,300	1.08
9. Anverally and Sons (Pvt) Ltd. A/c No. 01	2,538,000	0.48
10. Sampath Bank Ltd. A/c No. 03	1,786,400	0.34
11. Bank of Ceylon A/c Ceybank Century Growth Fund	1,767,700	0.33
12. Waldock Mackenzie Ltd. / Hi-Line Trading (Pvt) Ltd	1,711,100	0.32
13. Mr. Muhammad Jaffer Ismail	1,492,100	0.28
14. Sampath Bank Limited A/c No.1	1,459,700	0.27
15. E. W. Balasuriya & Co. (Pvt) Ltd.	1,272,400	0.24
16. Freudenberg Shipping Agencies Ltd.	1,000,000	0.19
17. J. B. Cocoshell (Pvt) Ltd.	974,100	0.18
18. Mr. Zainul Abdeen Naseer Ahamed	950,000	0.18
19. Mr. Morarji Meghji Udeshi	880,600	0.17
20. Employees Trust Fund Board	774,200	0.15

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SHAREHOLDERS' Information Contd.

Directors' Shareholdings - 31st March 2011	No. of Shares
Mr. S. V. Narasimhan	Nil
Mr. G. C. Daga	Nil
Mr. K. R. Suresh Kumar	Nil
Prof. Lakshman R. Watawala	500
Mr. Jaliya Medagama	Nil
Mr. H. S. Bedi	Nil
Mr. P. K. Goyal	Nil
Number of Shares representing the Stated Capital of Lanka IOC PLC is -	532,465,705
Public Holding as a % of issued Share Capital	24.88%

LIOC Share Performance at Colombo Stock Exchange (CSE)	01.04.2010 - 31.03.2011
No. of Share Transactions for the Year	12,444
No. of Shares Traded	35,079,300
Value of Shares Traded (LKR)	698,010,430.00
Price Movements (LKR)	
Highest (Rs.)	24.00
Lowest (Rs.)	17.00
Closing Price	17.60
Market Capitalization (LKR Mln) (Closing Price * No. of Shares)	9,371

Ordinary Shareholdings as at 31st March 2010

Stated Capital representing 532,465,705 ordinary shares

No. of Shareholders as at 31st March 2010 : 12,279

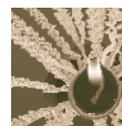
Shareholdings	Resident			Non Resident			Total		
	No. of Shareholders	No. of Shares	% Shareholders	No. of Shares	% Shareholders	No. of Shares	% Shareholders	No. of Shares	%
1 to 1,000 Shares	6,242	3,384,971	0.64	26	17,000	0.00	6,268	3,401,971	0.64
1,001 to 10,000 Shares	5,380	14,134,729	2.65	61	222,300	0.04	5,441	14,357,029	2.69
10,001 to 100,000 Shares	433	12,568,600	2.36	37	1,532,700	0.29	470	14,101,300	2.65
100,001 to 1,000,000 Shares	77	19,930,700	3.74	5	1,084,400	0.20	82	21,015,100	3.94
Over 1,000,000 Shares	14	70,474,300	13.24	4	409,116,005	76.83	18	479,590,305	90.07
Total	12,146	120,493,300	22.64	133	411,972,405	77.36	12,279	532,465,705	100.00

Categories of Shareholders

	No. of Shareholders	Percentage %	No. of Shares	Percentage %
Individual	11,869	96.66	50,355,000	9.46
Institutional	410	3.34	482,110,705	90.54
Total	12,279	100.00	532,465,705	100.00

20 Major Shareholders as at 31st March 2010

Name	No. of Shares	Percentage
1. Indian Oil Corporation Limited	400,000,005	75.12
2. National Savings Bank	15,365,100	2.89
3. Bank of Ceylon A/c Ceybank Unit Trust	13,317,500	2.50
4. Sri Lanka Insurance Corporation Ltd. - Life Fund	11,978,700	2.25
5. Mr. Tarik Al Nakib	6,500,000	1.22
6. Mr. Shanker Varadananda Somasunderam	6,239,600	1.17
7. Sri Lanka Insurance Corporation Ltd. - General Fund	5,730,300	1.08
8. Employees Provident Fund	5,198,100	0.98
9. Sampath Bank PLC A/c No.1	2,124,600	0.40
10. Waldock Mackenzie Ltd/Hi-Line Trading (Pvt) Ltd.	2,018,700	0.38
11. Sampath Bank PLC A/c No. 03	1,786,400	0.34
12. Mr. Louis Rajkumar Page	1,656,600	0.31
13. Nuwara Eliya Property Developers (Pvt) Ltd.	1,647,300	0.31
14. Mr. Muhammad Jaffer Ismail	1,517,900	0.29
15. Bank of Ceylon A/c Ceybank Century Growth Fund	1,284,600	0.24
16. Mr. Zainul Abdeen Naseer Ahamed	1,105,400	0.21
17. HSBC International Nominees Ltd. - UBS AG Hong Kong	1,098,100	0.21
18. Waldock Mackenzie Ltd. / Mr. A. F. Munas & Mrs. N. Munas	1,021,400	0.19
19. Aegis Fund Management (Pvt) Ltd.	881,700	0.17
20. Pan Asia Banking Corporation PLC. / Mr. Morarji Meghji Udeshi	880,600	0.17



SHAREHOLDERS' Information Contd.

Directors' Shareholdings - 31st March 2010	No. of Shares
Mr. S. V. Narasimhan	Nil
Mr. K. R. Suresh Kumar	Nil
Prof. Lakshman R. Watawala	500
Mr. Jaliya Medagama	Nil
Mr. H. S. Bedi	Nil
Mr. P. K. Goyal	Nil

Number of Shares representing the Stated Capital of Lanka IOC PLC is - **532,465,705**

Public Holding as a % of issued Share Capital **24.88%**

LIOC Share Performance at Colombo Stock Exchange (CSE)	01.04.2009 - 31.03.2010
No. of Share Transactions for the Year	11,429
No. of Shares Traded	29,383,300
Value of Shares Traded (LKR)	517,963,900.00
Price Movements (LKR)	
Highest (Rs.)	20.50
Lowest (Rs.)	15.00
Closing Price	18.25
Market Capitalization (LKR Mln) (Closing Price * No. of Shares)	9,717

NOTICE OF Meeting

NOTICE IS HEREBY GIVEN THAT the **9th Annual General Meeting** of the Shareholders of Lanka IOC PLC will be held at the “**Grand Ball Room**” of the **Galle Face Hotel, Colombo 3 on Tuesday, 9th August 2011 at 10.30 a.m.** for the following purposes:-

1. To receive, consider and adopt the Annual Report of the Board of Directors on the affairs of the Company, Statement of Compliance and the Financial Statements of the Company for the financial year ended 31st March 2011 together with the Report of the Auditors thereon.
2.
 - a) To re-elect Mr. Jaliya Medagama who retires in terms of Article 29 (2) of the Articles of Association of the Company and being eligible has offered himself for re-election.
 - b) To re-elect Mr. P. K. Goyal who retires in terms of Article 29 (2) of the Articles of Association of the Company and being eligible has offered himself for re-election.
 - c) To re-elect Mr. G. C. Daga who retires in terms of Article 27 (6) of the Articles of Association of the Company and being eligible has offered himself for re-election.
3.
 - a) To re-appoint Messrs. PricewaterhouseCoopers, Chartered Accountants, as recommended by the Board of Directors, as the Auditors of the Company for the ensuing year.
 - b) To authorise the Board of Directors to determine the remuneration of the Auditors for the ensuing year.

By Order of the Board
Lanka IOC PLC



[Ms] Rajanie Balakrishnan
Company Secretary

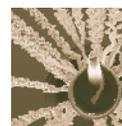
01st July 2011
Colombo

Note:- Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her place. Such proxy need not be a member of the Company. A form of proxy is enclosed for this purpose.

Instruments appointing proxies must be lodged with the Company not less than 48 hours before the time appointed for the holding of the Annual General Meeting.

Shareholders/proxy holders are requested to bring with them their National Identity Cards or any other form of valid identification.

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FORM OF Proxy

I/We.....(NIC No.....) of
being a member/s of the Lanka
 IOC PLC, hereby appoint (NIC No.....) of
whom failing:

Mr. G. C. Daga	whom failing
Mr. K. R. Suresh Kumar	whom failing
Prof. Lakshman R. Watawala	whom failing
Mr. Jaliya Medagama	whom failing
Mr. P. K. Goyal	whom failing
Mr. H. S. Bedi	whom failing

as my/our Proxyholder to represent me/us to speak at the meeting and to vote on a show of hands or on a poll for me/us on my/our behalf, as indicated below at the Ninth Annual General Meeting of the Company to be held on Tuesday, 9th August 2011 at 10.30 a.m. at the "Grand Ball Room" Galle Face Hotel, Colombo 3, and at any adjournment thereof and at every poll which may be taken in consequence thereof.

- | | For | Against |
|---|--------------------------|--------------------------|
| 1. To receive, consider and adopt the Annual Report of the Board of Directors on the affairs of the Company and Statement of Compliance and the Financial Statements of the Company for the financial year ended 31st March 2011 with the Report of the Auditors thereon. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. a) To re-elect Mr. Jaliya Medagama, who retires in terms of Article 29 (2) of the Articles of Association of the Company and being eligible, has offered himself for re-election. | <input type="checkbox"/> | <input type="checkbox"/> |
| b) To re-elect Mr. P. K. Goyal who retires in terms of Article 29 (2) of the Articles of Association of the Company and being eligible, has offered himself for re-election. | <input type="checkbox"/> | <input type="checkbox"/> |
| c) To re-elect Mr. G. C. Daga who retires in terms of Article 27 (6) of the Articles of Association of the Company and being eligible has offered himself for re-election. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. a) To re-appoint Messrs. PricewaterhouseCoopers, Chartered Accountants, as recommended by the Board of Directors as the Auditors of the Company for the ensuing year. | <input type="checkbox"/> | <input type="checkbox"/> |
| b) To authorise the Board of Directors to determine the remuneration of the Auditors for the ensuing year. | <input type="checkbox"/> | <input type="checkbox"/> |

In witness I/we set my/our hand/seal hereto on this day of 2011.

.....
 Folio Number

.....
 Signature/s



Instructions as to Completion

Please perfect the Form of Proxy by filling in legibly your full name and address, by signing in the space provided and filling in the Folio Number and the date of signature.

The completed Form of Proxy should be deposited at the Business Office of Lanka IOC PLC at Level 20, West Tower, World Trade Center, Colombo 1, not less than 48 hours before the time appointed for the holding of the Meeting.

If the appointer is a Company or Corporation, this Form must be executed under its Common Seal or the hand of a duly Authorised Officer of the Company, in accordance with its Articles of Association.

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.

If this Form of Proxy is returned without any indication of how the person appointed as Proxy shall vote, then the Proxy shall exercise his/her discretion as to how he/she votes or, whether or not he/she abstains from voting.

Please fill in the following details:

- NIC No:
- Share Folio No:
- Name:
- Address:
-
-
- Jointly with:
- Tel No:
- Email ID:

CORPORATE Information

Company Name	:	Lanka IOC PLC
Company Registration Number	:	PQ 179
BOI Registration No.	:	2613/05/12/2002
Legal Form	:	A Public Quoted Company with Limited Liability, incorporated in Sri Lanka on 29th August 2002 under the provisions of the Companies Act No.17 of 1982 and re-registered under the Companies Act No.07 of 2007
Stock Exchange Listing	:	The Ordinary Shares of the Company listed on the Colombo Stock Exchange
Registered Office	:	Level 20, West Tower, World Trade Center, Echelon Square, Colombo 01, Sri Lanka. Telephone: + 94 11 2475720 Facsimile: + 94 11 2391490
Website	:	www.lankaiooc.net
Associates	:	Ceylon Petroleum Storage Terminals Limited
Board of Directors	:	Mr. G. C. Daga (Chairman) Mr. K. R. Suresh Kumar (Managing Director) Prof. Lakshman R. Watawala Mr. Jaliya Medagama Mr. P. K. Goyal Mr. H. S. Bedi
Company Secretary	:	(Ms.) Rajanie Balakrishnan, ACIS
Registrars	:	SSP Corporate Services (Private) Limited No. 101, Inner Flower Road, Colombo 03.
Auditors - External	:	PricewaterhouseCoopers P.O. Box-918, 100 Braybrooke Place, Colombo 02.
Auditors - Internal	:	Ernst & Young No. 201, De Saram Place, Colombo 10.
Lawyers	:	F J & G de Saram, Attorneys-at-Law No. 216, De Saram Place, Colombo 10.
Bankers	:	Citibank N.A. Deutsche Bank State Bank of India ICICI Bank Standard Chartered Bank Commercial Bank of Ceylon People's Bank



Lanka IOC

Lanka IOC PLC

Level 20, West Tower, World Trade Centre, Echelon Square, Colombo 1, Sri Lanka.

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www.lankaiooc.net