

Statement of Directors' Responsibilities

The responsibility of the Directors in relation to the financial statements of the Company is set out in the following statement. The responsibility of the Auditors, in relation to the financial statements, prepared in accordance with the provision of the Companies Act No. 7 of 2007, is set out in the Independent Auditors' report appearing on page 31.

The Companies Act No. 7 of 2007 stipulates that Directors are responsible for the preparation of financial statements for each financial year and place before a general meeting. Financial statements, comprising a Profit and Loss Account and a Balance Sheet which presents a true and fair view of the state of affairs of the Company as at the end of the financial year and which comply with the requirements of the above Act.

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

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

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

The Directors continue to adopt the going concern basis in preparing accounts and after making inquiries and following a review of the Company's budget for the financial year 2009/2010 including cash flows and borrowing facilities, consider that the company has adequate resources to continue in operation.

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

By order of the Board of
Royal Ceramics Lanka PLC
(sgd)
Secretaries & Registrars (Pvt) Ltd
Secretaries

Colombo
22 May 2009