

Business Today TOP 30 2015-2016: A NEW SRI LANKA



Business Today ranks the 30 best performing corporates for the financial year 2015-2016. As Sri Lanka emerges as a 'New Sri Lanka', the private sector has an immense responsibility to propel the growth of the country to the next level.

The Sri Lankan economy has always had great potential. The direction the country

takes has been dependent on the Governments that have been elected to take Sri Lanka forward. Our history has shown that the economic journey of the country has varied, in the sense that, at times it has been inward looking and at other times outward looking. While there are positives in both directions, Sri Lanka is yet to embark on a balanced approach that will enable the country to reach its full potential.

The previous decade saw the economy stabilising due to the improvement in the enabling environment and massive scale infrastructure development projects taking place. With the election of the incumbent Government, a change in the economic direction was anticipated. While economic activity may not have been apparent initially, the required mechanisms and strategy were being formulated with much deliberation. With the new policy direction, Sri Lanka aims to draw investments that will fulfill the country's growth goals.

The Government under the leadership of President Maithripala Sirisena and Prime Minister Ranil Wickremesinghe has taken a strategic approach of being more market friendly where "multidisciplined economic strength, local competitiveness, international trade and investments", would be the main factors. In this conducive environment where an even playing field is gradually being established, the private sector needs to be proactive in venturing into new areas of growth.

While the apparel industry has penetrated into overseas markets, there is a need for other sectors to do the same. Sri Lankan companies need to look beyond the domestic market. In addition, the private sector should provide employment and ensure continuous job creation to fulfill demand as the economy grows. The Government's main responsibility is to ensure that the enabling environment is conducive for business, not to do business or bring business; that is the responsibility of the private sector.

The global economy has seen further setbacks, with uncertainty in Europe, the slow down in the Chinese economy and instability in the Indian economy as well as the overall challenges in the Middle East and other parts of the world. While these have had an effect on the performance of Sri Lankan companies, due to the instability in major export markets, as a whole, the Sri Lankan economy has remained stable.

This is due to prudent and strict regulations, and policies that have enabled the country to perform despite external pressures.

The Government's Main Responsibility Is To Ensure That The Enabling Environment Is Conducive For Business, Not To Do Business Or Bring Business; That Is The Responsibility Of The Private Sector.

It is time for businesses both small and large to focus on a broader perspective without always looking inward and understand the long-term objectives of policy decisions so that the country benefits as a whole. It is also necessary to seek opportunities in non-traditional sectors. Many companies in the private sector are diversifying, but it is into the same category. Sri Lanka is yet to see massive scale development in the industrial and manufacturing sectors. With the Government focusing more on public-private partnerships and exiting from non-core businesses, the opportunities that are present for the private sector are immense.

With the advent of the open market economy, Free Trade Agreements (FTAs) – both bilateral and multilateral – have always proved to be the most effective way of opening up markets for Sri Lankan businesses as well as driving investment in a mutually beneficial manner. With Sri Lanka currently in the process of implementing such agreements, it will enable the country's businesses to perform in a more competitive environment, which will result in greater innovation, value addition and higher quality services and products. The country should not look at such endeavours in a negative manner, but positively. To remain relevant in this globalised era, such strategic moves are necessary.

While weaknesses within the public sector need to be addressed, it is also the responsibility of the private sector to follow the proper procedures rather than exacerbate a situation that needs to be rectified. This fine balance must be maintained.

Business Today this year made the decision to select the 30 best performing corporates in Sri Lanka to showcase the diversity of the private sector as well as to provide the opportunity for companies that have not yet entered the Business Today rankings, to do so, thus recognising their contribution to the economy. The

private sector is no longer confined to a selected few, but is a diverse spectrum of businesses. With a 'New Sri Lanka' emerging, the business sector will need to venture out on its own and secure investment without looking towards the Government to provide concessions or benefits. There are those who have achieved much and can lead the private sector to maximise its potential and be the engine of growth.

We congratulate the Business Today TOP 30, 2015-2016 for their excellent performance and it is our sincere wish that they continue to perform while seeking new markets thereby taking Sri Lanka to the world.

The Business Today TOP 30 is strictly based on the published information of companies listed in the Colombo Stock Exchange. The Business Today TOP 30 have been selected on the basis of their financial performance during the financial year ending December 31, 2015 and March 31, 2016 with the assistance of KPMG Ford Rhodes, Thornton & Co.

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| <u>JOHN KEELLS HOLDINGS</u> | 28.300 |
| <u>COMMERCIAL BANK OF CEYLON</u> | 26.950 |
| <u>HATTON NATIONAL BANK</u> | 25.100 |
| <u>CEYLON TOBACCO COMPANY</u> | 24.650 |
| <u>DIALOG AXIATA</u> | 22.600 |
| <u>SAMPATH BANK</u> | 21.850 |
| <u>DISTILLERIES COMPANY OF SRI LANKA</u> | 20.950 |
| <u>LANKA ORIX LEASING COMPANY</u> | 20.850 |
| <u>NESTLE LANKA</u> | 19.150 |
| <u>BUKIT DARAH</u> | 17.700 |
| <u>VALLIBEL ONE</u> | 17.450 |
| <u>SRI LANKA TELECOM</u> | 17.400 |
| <u>HAYLEYS</u> | 15.950 |
| <u>PEOPLE'S LEASING & FINANCE</u> | 15.500 |
| <u>CEYLINCO INSURANCE</u> | 14.600 |
| <u>HEMAS HOLDINGS</u> | 14.550 |
| <u>SEYLAN BANK</u> | 14.250 |

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| <u>CHEVRON LUBRICANTS LANKA</u> | 13.000 |
| <u>NATIONAL DEVELOPMENT BANK</u> | 12.950 |
| <u>CENTRAL FINANCE COMPANY</u> | 11.800 |
| <u>DFCC BANK</u> | 11.800 |
| <u>AITKEN SPENCE</u> | 11.150 |
| <u>CT HOLDINGS</u> | 9.850 |
| <u>ACCESS ENGINEERING</u> | 7.450 |
| <u>NATIONS TRUST BANK</u> | 7.200 |
| <u>LANKA IOC</u> | 6.750 |
| <u>TEXTURED JERSEY</u> | 6.400 |
| <u>RICHARD PIERIS & COMPANY</u> | 5.450 |
| <u>SOFTLOGIC</u> | 4.400 |
| <u>SINGER (SRI LANKA)</u> | 3.850 |

* Central Finance Company and DFCC Bank received the same number of points. However, Central Finance Company has been ranked at number 20 as the company recorded a higher PAT.