



Sri Lanka – Russia Business Council

Ceylon Chamber of Commerce

Review of Activities & Accounts
2016/2017

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Introduction

The Sri Lanka-Russia Business Council was inaugurated on 09th August 2001, on the initiative of the then Russian Ambassador in Sri Lanka, Mr. Mikhail A. Konarovskiy and then Chairman of the Ceylon Chamber of Commerce, Mr. Chandra Jayaratne with a primary objective to function as a promoter and facilitator of bilateral trade, investments and tourism between Sri Lanka and the Russian Federation, particularly to promote exports to Russia.

The membership of the Council was 66 as at 31st March 2016

Objectives

- To promote trade, tourism and other services between Sri Lanka and Russia and in particular to promote exports from Sri Lanka to Russia.
- To encourage Russian investment and joint business ventures in Sri Lanka between Russian and Sri Lankan investors.
- To exchange information on trade and investment with the appropriate bodies in Russia.
- To conduct joint meetings with Russian business organizations in Sri Lanka and in Russia.
- To serve as a recognized representative of business sector interests in Sri Lanka in matters concerning business relationships with Russia.
- To promote Sri Lankan participation in trade fairs in Russia.
- To co-operate with the Government of Sri Lanka in the pursuit of the above objectives.
- To establish links with the Chambers of Commerce in Russia to cooperate with each other in the pursuit of each other's objectives.
- To undertake all matters that is incidental or conducive to attaining the above objectives.

Executive Committee 2016/2017

PATRON

His Excellency Alexander Karchawa
Ambassador
Embassy of the Russian Federation

President

Mr. Isuru Samarasinghe
Unitrades (Pvt) Ltd

Vice Presidents

Mr. W P Hapuarachchi
South Asia Textile Industries Lanka (Pvt) Ltd

&

Mr. Buddhapriya Ramanayake
Mos Lanka Investments (Pvt) Ltd

Immediate Past President

Mr. Hiran Karunaratne
Regency Teas (Pvt) Ltd

Committee

Nature's Beauty Creations Limited
Imperial Tea Exports (Pvt) Ltd
Freight Links International Pte Ltd
Hayleys Energy Services Lanka (Pvt) Ltd
Maharaja Organisation (Projects) Pvt Ltd
HVA Lanka Exports Pvt Ltd
Avian Technologies (Pvt) Ltd
Delta Shipping (Pvt) Ltd
Access International Projects (Pvt) Ltd

Secretariat

The Ceylon Chamber of Commerce
No.50, Navam Mawatha, Colombo 2.

Members

ACCESS INTERNATIONAL PROJECTS (PVT) LTD
AITKEN SPENCE MOSCOW (PVT) LTD
AKBAR BROTHERS (PVT) LTD
ANDREW THE TRAVEL COMPANY (PVT) LTD
ASIA TEAS (PVT) LTD
AVIAN TECHNOLOGIES (PVT) LTD
BASILUR TEA CO. (PVT) LTD.
BUILT ELEMENT LIMITED
CBL NATURAL FOODS (PVT) LTD
CEYLON BISCUITS LTD
CEYLON FRESH TEAS (PVT) LTD
CEYLON PLANTATIONS COLOMBO (PVT) LTD
CHRYSOTILE INFORMATION CENTRE
CIVARO LANKA (PRIVATE) LIMITED
CLASSIC TEAS (PVT) LTD
CONCORD EXOTIC VOYAGES (LANKA) PVT LTD.
CONSULTING ENGINEERS & CONTRACTORS (PVT) LTD
DAC GRAPHICS
DELMEGE FORSYTH & CO (EXPORTS) LTD
DELTA SHIPPING PTE LTD
EMPIRE TEAS (PVT) LTD
ESWARAN BROTHERS EXPORTS (PVT) LTD
EURO ASIA CARGO (PVT) LTD
EURO-SCAN EXPORTS (PVT) LTD
FIBER CEMENT PRODUCTS MANUFACTURERS ASSOCIATION
FINLAYS COLOMBO LIMITED
FLEXIPRINT (PVT) LTD
FREIGHT LINKS INTERNATIONAL (PTE) LTD
GALADARI HOTEL LTD
GALLE FACE HOTEL MANAGEMENT COMPANY
GEORGE STEUART TEAS PVT LTD
GLOBAL LOGISTICS SERVICES (PVT) LTD
GORDON VINTAGE TEAS CEYLON (PRIVATE) LIMITED
HAYCARB PLC
HAYLEYS ENERGY SERVICES LANKA (PVT) LTD
HVA LANKA EXPORTS (PVT) LTD
IMPERIAL TEAS (PVT) LTD
JAFFERJEE BROTHERS
JAY SEA FOODS PROCESSING (PVT) LTD
JETWING TRAVELS (PVT) LTD
JEWELEX TRADING LTD
KAUSHALYA TEA EXPORT COMPANY
KWANG SENG TRANSPORT SERVICES LANKA (PVT) LIMITED
LALAN RUBBERS PVT LTD
LANKA LOGISTICS & TECHNOLOGIES LTD.
LANKA MOUNTCASTLE (PVT) LTD

LANKA TRACTORS LTD
LATEX GREEN PVT LTD
MAC HOLDINGS (PVT) LTD
MACK AIR (PVT) LTD
MALTRAS INTERNATIONAL (PVT) LTD
MARINE TRANSPORT SERVICES (PVT) LTD
MAY COMPANY CEYLON (PVT) LTD
MEGA TREND LANKA (PVT) LTD
MILLENNIUM TEAS (PVT) LTD
MOS LANKA INVESTMENTS (PVT) LTD
NATURE CEYLON TRADING PVT LTD
NATURE'S BEAUTY CREATIONS LIMITED
OROFINI JEWELLERY (PVT) LTD
PREMIER NATURAL TEAS (PVT) LTD
RANFER TEAS (PVT) LTD
REGENCY TEAS (PVT) LTD
REGIONAL DEVELOPMENT BANK
RHINO ROOFING PRODUCTS LIMITED
SIGIRI ROOFING (PVT) LTD
SINDBAD (PRIVATE) LTD
SKYMARK TRAVELS
SOUTH ASIA TEXTILE INDUSTRIES LANKA (PVT) LTD
SPILLBURG HOLDINGS (PRIVATE) LIMITED
SRI RAMCO ROOFINGS LANKA (PVT) LTD
STASSEN EXPORTS (PVT) LTD
SUNSHINE TEA (PVT) LTD
TANGERINE TOURS LTD
TEA TANG (PVT) LTD
THE CAPITAL MAHARAJA ORGANISATION LIMITED THE
THE SWADESHI INDUSTRIAL WORKS PLC
UNILEVER LIPTON CEYLON LIMITED
UNITRADES (PVT) LTD
UNIWORLD TEAS (PVT) LTD
WALKERS TOURS LTD
WORLD TRAVEL CENTER COLOMBO (PVT) LTD
WORLDLINK SHIPPING COLOMBO (PVT) LTD
ZAM GEMS (PVT) LTD

Review of Activities

The 13th Annual General Meeting

Sri Lanka - Russia Business Council of The Ceylon Chamber of Commerce held its 13th Annual General Meeting (AGM) on Friday, 06th October, 2016 at the Russian Centre Colombo. H.E. Alexander Karchava, Ambassador of Russian Federation was the Chief Guest.

Mr. Isuru Samarasinghe, Managing Director of Unitrades Limited, was elected as the President of the Council for the year 2016/2017.

Mr. Priyantha Hapuarachchi, Chief Financial Officer, South Asia Textiles Industries Lanka (Pvt) Ltd and Mr. Buddhapriya Ramanayake, Director, Mos Lanka Investments (Pvt) Ltd were appointed as the Vice Presidents of the Council and Mr. Hiran Karunarathene, Director CIS/Russia, Regency Teas (Pvt) Ltd joined the committee as the immediate Past President.

The Committee elected comprised of Mr Nimal S Cooke, Executive Director Maharaja Organisation (Projects) Limited, Ms. Shamindi Kumarasinghe, Manager - Exports, Mr. Kolitha Weerakoon - Director, Imperial Teas (Pvt) Ltd, Mr. Chas Charles, CEO, Heyleys Energy Services Lanka (Pvt)Limited, Mr. Harsha Fernando, Executive Director, HVA Lanka Exports (Pvt) Ltd, Mr. Buddhika Liyanage, Director, Avian Technologies (Pvt) Ltd., Mr. Niral Kadawatharatchie, COO, Freight Links International Pte Ltd, Mr. Mohammed Shabir, Managing Director, Delta Shipping (Pvt) Ltd.

On the invitation of the council, H.E. Alexandar Karchava, Ambassador of the Russian Federation to Sri Lanka, officially launched the council's website www.slrbc.lk at the AGM. The website was launched to assist the members of the council to develop their trading activities with Russia and to make visibility of the council in the Russian market.





Bilateral discussion with Vice President Mr. Vladimir Padalko

The President of Sri Lanka Russia Business Council of the Ceylon Chamber of Commerce Mr. Isuru Samarasinghe who was a member of the Ministerial delegation of Honorable Navin Dissanayake, Minister of Plantation Industries to Moscow on 6 February 2017, had bilateral discussions with Vice President Mr. Vladimir Padalko & high officials of The Russian Chamber of Commerce and Industry of the Russian Federation in Moscow.



Business Delegation to Moscow March 2017

A trade and investment promotion mission to Moscow was organized by the Sri Lanka - Russia Business Council of the Ceylon Chamber of Commerce together with the Sri Lankan Embassy in the Russian Federation, and a 25 member delegation visited Moscow from 22nd to 24th March 2017.

The mission was led by President of the Sri Lanka- Russia Business Council, Mr. Isuru Samarasinghe, Managing Director of Unitrades (Pvt) Ltd, a member of the Bartleet group of companies. This mission was organized in conjunction with the official visit of His Excellency Maithripala Sirisena, President of the Democratic Socialist Republic of Sri Lanka, to the Russian Federation on the invitation of His Excellency Vladimir Putin, the President of the Russian Federation which coincided with 60 years of diplomatic ties between Sri Lanka and Russia.

During the visit of the delegation, the Chamber of Commerce & Industry of the Russian Federation organized a business forum and one-to-one business meetings, thus giving an opportunity to the members of the delegation to meet representatives of Russian companies.

The information about Sri Lanka and its current economic situation was presented by Mr. Upul Jayasuriya, Chairman of Board of Investment in Sri Lanka. Bilateral relations were enriched by strengthening the trade ties, sourcing suitable business partners for trade, investments, joint ventures, technology transfer and services and also assisting in expanding existing business contacts of the participants.

The delegation comprised with the following companies which had high potential for exports from Sri Lanka, imports from Russia and joint venture collaborations: Akbar Brothers (Pvt) Ltd, Basilur Tea Exports (Pvt) Ltd, Empire Teas (Pvt) Ltd, Eswaran Brothers Exports (Pvt) Ltd, Imperial Teas (Pvt) Ltd, Maltras International (Pvt) Ltd, Regency teas (Pvt) Ltd, Stassen Exports (Pvt) Ltd, Unitrades (Pvt) Ltd, Andrew the travel Company (Pvt) Ltd, Concord Exotic Voyages (Lanka) Pvt Ltd, Mos-Lanka Holdings (Pvt) Ltd, Galle Face Hotel, Mac Holdings (Pvt) Ltd, Mega Trend Lanka (Pvt) Ltd, Orofini Gems and Jewellery, Avian Technologies (Pvt) Ltd, Lanka Tractors Limited, The Capital Maharajah Organization Ltd, Built Element Limited, Rhino Roofing Products Ltd, Jay Sea Foods Processing (Pvt) Ltd, Consulting Engineers & Contractors (Pvt) Ltd and The Ceylon Chamber of Commerce.



Seated - (Left to Right) - Mr. Daya Weththasinghe, Mr. Sanjeev Gardiner, Mr. Upul Jayasuriya, Mr. Isuru Samarasinghe, Mr. Hiran Karunaratne, Mr. Mahen Kariyawasan, Mr. Nimal Cooke

Standing - (Left to Right) - Mr. Jude Fernando, Mr. W.J.N.U. Priyantha, Mr. Lushantha De Silva, Mr. Gamini De Silva, Mr. Viraj Balapitiya, Mr. Rizwan Nayeem, Mrs. Erandi Ponnampereuma, Mr. Buddhika Liyanage, Mr. Bilal Mohammed, Mr. Eassuwaren Deivanayagam, Mr. Kolitha Weerakoon, Mr. Ajith Malwatte, Mr. Hatim Akbarally, Mr. Dinesh Samaratinga, Mr. Asoka Randeni, Mr. Andre Fernando.

Russia National Day Supplement ~15th June 2016

Sri Lanka- Russia Business Council published a six page supplement in Daily Mirror on the occasion of National Day of Russian Federation on 15th June 2016. Euro Scan Exports (Pvt) Ltd, Stassen Exports (Pvt) Ltd, Avian Technologies (Pvt) Ltd, Maltras International (Pvt) Ltd, HVA Lanka Exports (Pvt) Ltd, Empire Teas (Pvt) Ltd, Regency Teas (Pvt) Ltd, Imperial Tea Exports (Pvt) Ltd, Mos Lanka Investments (Pvt) Ltd, Basilur Tea Exports (Pvt) Ltd, South Asia Textile Industries (Pvt) Ltd, Megatrend Lanka (Pvt) Ltd and Unitrades (Pvt) Ltd contributed to the supplement.

Dinner with the Two Ambassadors

Sri Lanka - Russia Business Council of The Ceylon Chamber of Commerce organized a get - Together on 20th April 2017 to discuss the progress made during the recent visit, the Council members made to Russia, as a part of the Presidential Delegation to Russia.

The Sri Lankan Ambassador in Russia His Excellency Dr. Saman Weerasinghe took part as the Chief Guest of the event, while the Russian Ambassador in Sri Lanka, H.E. Alexander Karchava was the Guest of Honor at the event. During the event, discussions revolved around the progress made during the recent Russian visit, and how they can further strengthen the business relationship with the Russian business community.

Among the guests were Mr. Harry Jayawardena Chairman of Stassen Exports, Mr. Daya Weththasinghe Chairman of Lanka Tractors, Mr. Mahen Kariyawasan Managing Director of Andrew the Travel Company, Ms. Evgeniya Altukhova Chief of Protocol Russian Embassy in Sri Lanka, Mr. Andre Fernando Chairman of MAC Holdings, Mr. Hatim Abbasally Director of Akbar Brothers, Mr. Shashi Ganeshan, Joint Managing Director of Built Element, Mr. Gamini Nanayakkarawasam, Joint Managing Director of Built Element, Mr. Jey Gnanam Managing Director of Rhino Roofing Products, Mr. Jude Fernando, Director of Rhino Roofing Products, Mr. Gamini Abeywickrama Chairman of Basilur Tea Exports, Mr. Dinesh Samaratunga Managing Director of Megatrend Lanka, Mr. Ganesh Deivanayagam Deputy Chairman of Eswaran Brothers and Mr. Bilal Mohammed Managing Director of Concord Exotic Voyages.



Farewell for leaving Director Russian Cultural Center

A farewell dinner was organized for Mr. Andrey Nazarkin, Director of the Russian Cultural Center who was leaving and also welcomed the incoming Directress who took over the duties at the Cultural Center. The dinner was held on the 27th January 2017 at the Colombo Club, Taj Samudra. A token was presented to the outgoing Director as an appreciation for the tremendous collaboration provided to SLRBC during his tenure. There were about 8 committee members of SLRBC, few guests from Russian Cultural center and Russian Embassy guest Ms. Evgeniya Altukhova attended.

SLRBC bids farewell to His Excellency, Alexander Karchava

A farewell Dinner was organized by the Sri Lanka - Russia Business Council on 15th August 2017 at the Colombo Swimming Club. The event was organized to bid farewell to His Excellency Alexander Karchava and in recognition of the tremendous services rendered during his tenure as the Patron of the Council.

His Excellency Alexander Karchava completed his tenure of service in end of August 2017. From the first day in his capacity as the Ambassador of Russia in Sri Lanka, H.E. Ambassador Karchava has been actively involved in promoting economic ties between the two countries. He has been meeting members of the council, members of the Sri Lankan business community at large and visiting Russian business people.

The Sri Lanka Russia Business Council presented a token to His Excellency Alexander Karchava in appreciation and recognition of his unstinted support to the council.

Key officials from Russian Embassy, Russian Cultural Center and as special guest Dr. Rohan Pethiyagoda, Chairman Sri Lanka Tea Board were present at the event. The members of the Executive Committee of Sri Lanka Russia Business Council and the member of the council also participated the farewell.



Trade Enquiries

The trade enquiries received from various sources requesting for contacts of buyers, sellers, agents were circulated among members.

Establishment of Links with Prominent Chambers in Russia

During the year under review, the Council continued its efforts in maintaining close relations with prominent Chambers in Russia for promotion of bilateral trade.

Liaison with the Russian Embassy in Sri Lanka

The Russian Embassy in Sri Lanka has extended its fullest co-operation to all activities of the Council from its inception. The Embassy also supported the Council members by providing trade related information and facilitating the issue of visas.

The Council wishes to place on record its appreciation for the assistance provided by His Excellency Alexander Karchava, Ambassador, Russian Federation in Sri Lanka and Embassy Officials for coordinating the activities pertaining to the Council and for attending the Council events regularly.

Summary Of External Trade With Russia 2012 - 2016

			Rs.M
Year	Exports	Imports	Balance of Trade
2012	33,465	11,582	21,883
2013	36,139	18,830	17,309
2014	35,746	33,989	1,758
2015	26,312	32,947	(6,636)
2016	26,497	29,082	(2,585)

			US\$M.
Exports	Imports	Balance of Trade	
229.84	79.55	150.30	
248.20	129.33	118.88	
245.51	233.43	12.07	
180.71	226.29	(45.57)	
181.98	199.73	(17.75)	

Rate of Exchange as at 31-December-2016 - US \$ 1 =
Rs. 145.6016

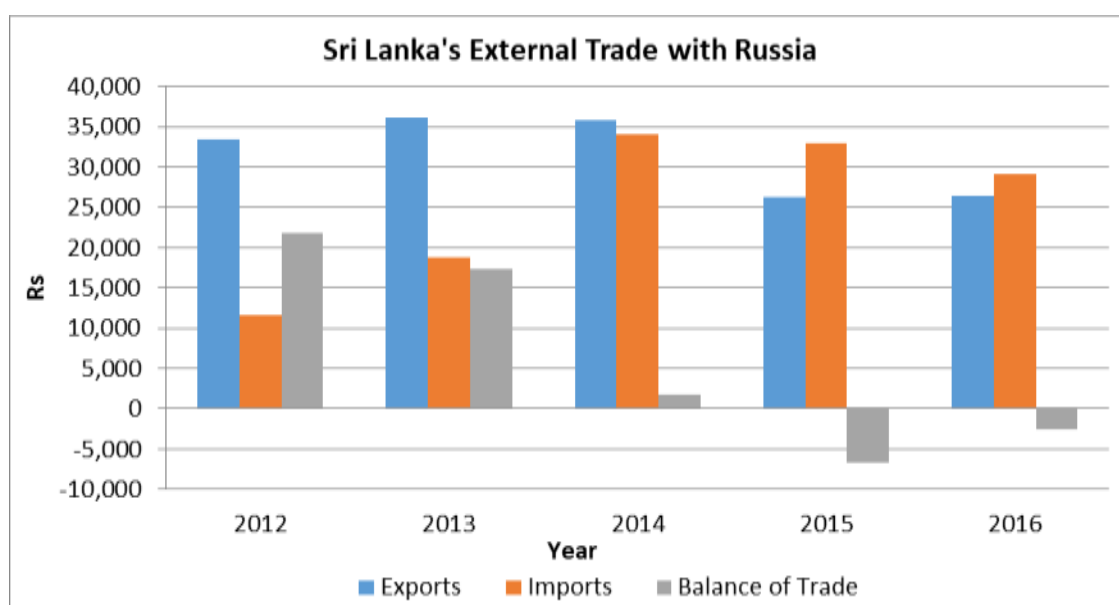
Percentage share of Russia in total trade of Sri Lanka 2012 - 2016

	Exports	Imports
	%	%
2012	2.80	0.51
2013	2.74	0.81
2014	2.42	1.35
2015	1.85	1.28
2016	1.72	1.02

Total Sri Lanka Trade with All Countries 2012 - 2016

			Rs.M
Year	Exports	Imports	Balance of Trade
2012	1,195,678	2,282,652	(1,086,974)
2013	1,320,196	2,317,405	(997,209)
2014	1,475,067	2,512,833	(1,037,766)
2015	1,420,565	2,581,365	(1,160,801)
2016	1,536,167	2,841,383	(1,305,216)

			US\$M.
Exports	Imports	Balance of Trade	
8,211.99	15,677.38	(7,465.40)	
9,067.18	15,916.07	(6,848.89)	
10,130.84	17,258.28	(7,127.44)	
9,756.52	17,728.96	(7,972.44)	
10,550.48	19,514.78	(8,964.30)	



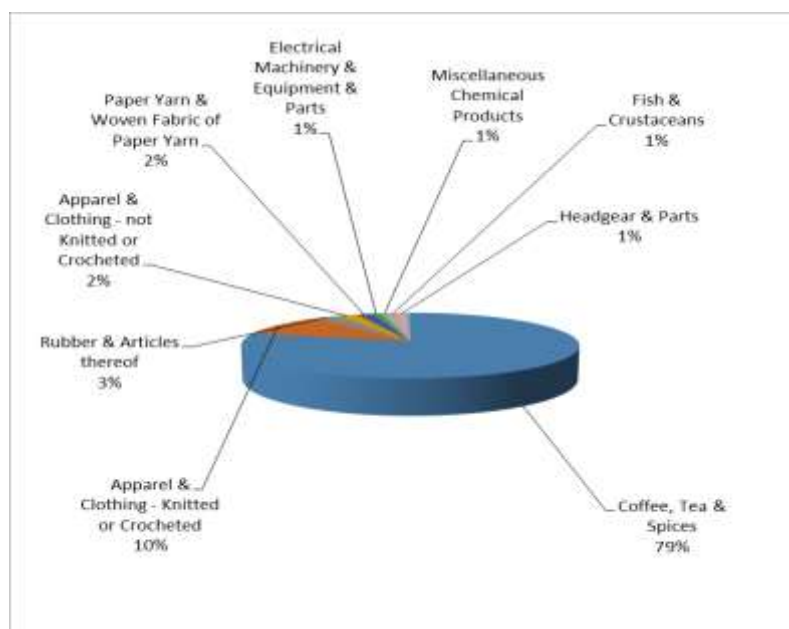
Source - Sri Lanka Customs

Compiled by the Foreign Trade/Information Division

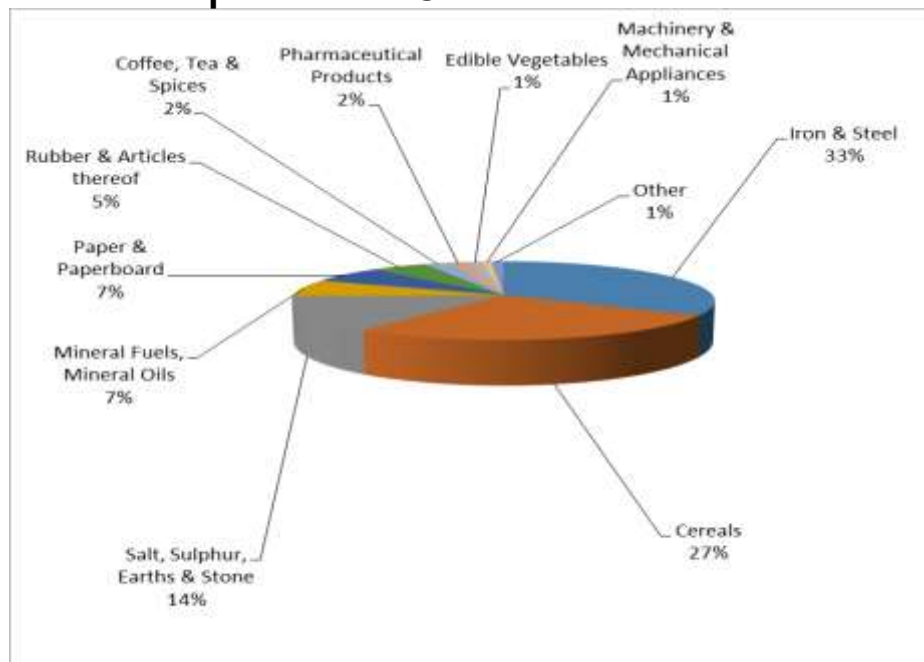
The Ceylon Chamber of Commerce

Date -03/Mar/2017

Main Items Exported From Sri Lanka To Russia - 2016



Main Items Imported To Sri Lanka From Russia - 2016



Tourism

The total number of tourist arrivals in 2016 was 2,050,832 compared to 1,798,380 in 2015. The total arrivals from Russian Federation decreased from 61,846 in 2015 to 58,176 in 2016.

Source: Sri Lanka Tourism

Secretariat

The Ceylon Chamber of Commerce provided secretarial service to the Council during the period under review.

Accounts

M/s. K P M G Ford Rhodes, Thornton & Co. were elected auditors of the Council. The Audited statement of the Accounts of the Council for the period April 1, 2016 to March 31, 2017 is annexed.

By order of the Committee


Erandi Ponnampuruma
For Secretary

Financial Review 2016-2017

SRI LANKA – RUSSIA BUSINESS COUNCIL

**STATEMENT OF RECEIPTS AND PAYMENTS
WITH THE
CEYLON CHAMBER OF COMMERCE**

**YEAR ENDED
31 MARCH 2017**



KPMG
(Chartered Accountants)
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**Report of the Auditors' on the Statement of Receipts and Payments of Sri Lanka - Russia Business Council
To the Executive Committee of Sri Lanka - Russia Business Council**

We have audited the accompanying Statement of Receipts and Payments ("the Statement") of Sri Lanka - Russia Business Council ("the Council") for the year ended 31 March 2017. This Statement is the responsibility of the Executive Committee of Sri Lanka - Russia Business Council. Our responsibility is to express an opinion on the accompanying statement 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 about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting policies used and significant estimates made by management as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The Council's policy is to prepare the accompanying statement on the receipts and payments basis. On this basis revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred.

In our opinion, the accompanying statement presents fairly, in all material respects the receipts and payments of the Council during the year ended 31 March 2017 in accordance with the receipts and payments basis as described in Note 2.


CHARTERED ACCOUNTANTS

30 May 2017
Colombo

SRI LANKA - RUSSIA BUSINESS COUNCIL
STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 31 March ,

	2017	2016
	<u>Rs.</u>	<u>Rs.</u>
Receipts		
Membership subscription	540,000	290,000
Entrance fees	17,000	20,000
Investment income	71,203	22,275
Income received in connection with:		
- Annual general meeting	15,000	10,000
- Felicitation to Dr.Suman Weerasinghe	-	307,500
- National day supplement	775,000	825,000
- Moscow delegation 2017	600,000	-
- Welcome dinner to Director of Russian Centre	12,000	-
Total receipts	<u>2,030,203</u>	<u>1,474,775</u>
Payments		
Expenses incurred in connection with:		
- Annual general meeting	160,053	133,960
- Felicitation to Dr. Suman Weerasinghe	-	204,587
- National day supplement	431,000	452,000
- Moscow delegation 2017	530,213	-
- Welcome dinner to Director of Russian Centre	54,231	-
Use of MMP at meetings	-	2,407
Entertainment & refreshment expenses	1,330	9,750
Printing and stationery	1,260	18,755
Postage, fax and courier services	2,990	3,128
Sundry expenses	28,160	9,916
Audit fee	29,690	27,801
Secretarial fees	135,189	127,536
Income tax	18,500	26,700
Communication cost	12,000	12,000
Tax advisory services	22,862	10,901
Web hosting charges	92,500	92,500
Total payments	<u>1,519,978</u>	<u>1,131,940</u>
Net receipts for the year	<u>510,225</u>	<u>342,835</u>

Note 1 - All the receipts and payments of the Council are done through the current accounts of the Ceylon Chamber of Commerce. Therefore the balance reflects the Council's cash and cash equivalents.

Current account with the Ceylon Chamber of Commerce	414,014	203,789
Fixed deposits held on behalf of the Council by The Ceylon Chamber of Commerce:		
- Hatton National Bank PLC	1,300,000	1,000,000
	<u>1,714,014</u>	<u>1,203,789</u>



KPMG
(Chartered Accountants)
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**Report of the Auditors' on the Statement of Receipts and Payments of Sri Lanka - Russia Business Council
To the Executive Committee of Sri Lanka - Russia Business Council**

We have audited the accompanying Statement of Receipts and Payments ("the Statement") of Sri Lanka - Russia Business Council ("the Council") for the year ended 31 March 2017. This Statement is the responsibility of the Executive Committee of Sri Lanka - Russia Business Council. Our responsibility is to express an opinion on the accompanying statement 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 about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting policies used and significant estimates made by management as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The Council's policy is to prepare the accompanying statement on the receipts and payments basis. On this basis revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred.

In our opinion, the accompanying statement presents fairly, in all material respects the receipts and payments of the Council during the year ended 31 March 2017 in accordance with the receipts and payments basis as described in Note 2.


CHARTERED ACCOUNTANTS

30 May 2017
Colombo